Forschungs- und Literaturbericht

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The Economy of the Sino-Soviet Alliance.
Die Ökonomie der sino-sowjetischen Allianz.

Trade and Transfers Between Eastern Europe and China During the Early Cold War
Handel und Transfers zwischen Osteuropa und China während des frühen Kalten Kriegs

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Abstract: This article examines the research literature on the economic aspects of the “Sino-Soviet Alliance”, which lasted from the end of the Chinese Civil war until the Sino-Soviet split (1949-1960/63). The Soviet and Eastern European contribution to China’s industrialization, called the “largest technology transfer in human history” by some, still awaits detailed examination. This article aims to structure the field as well as inspire future research. The included studies range from on-the-ground microstudies of engineers at specific industrial construction projects to macro-perspectives on economic exchange, trade and governmental negotiations. In contrast to classical Cold War perspectives, which assume a primacy of (geo-)politics, the paper builds on more recent studies, arguing that economic rationales mattered in both the split and the forging of the alliance. The literature review suggests that the room for manoeuvre of actors beyond the Kremlin and party leaderships has to be measured anew, and that the impact of the alliance on Eastern Europe awaits further research. Finally, the influence of the West with its technologies and world markets becomes visible when these apparently exclusive East-East relations are examined more closely.

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1 Introduction

The Eastern-bloc assistance programme for industrial projects in the People’s Republic of China (PRC) during the Sino-Soviet alliance of the 1950s has been called the “largest technology transfer in human history”. The newly founded PRC and the Soviet Union and its partner states not only traded with each other but also cooperated intensely in industrial projects and scientific-technical exchange. Thousands of East European specialists and engineers went to the PRC to build up steel factories, textile mills, power stations and coal or copper mines, or to give advice on their modernization. Blueprints were exchanged for free, Chinese interns visited factories in Eastern Europe to gather technical knowledge and Soviet scientists helped to organize technical research institutes and education. This technology transfer represented a substantial part of China’s industrialization drive in the 1950s and has formed a part of the foundation of China’s subsequent economic rise.

At the same time, these exchanges had an impact on the East European side as well. The PRC was the Soviet Union’s most significant trading partner for most of the 1950s, and was important also for other socialist countries. Foremost in the industrialized socialist countries, such as the German Democratic Republic (GDR) and the Czechoslovak Republic (ČSR), the PRC’s significance led to new foci in foreign economic policies and a restructuring of economic bureaucracies. Temporarily, the PRC even verged on becoming a political alternative to Soviet leadership in the socialist camp, a development seen not least in East European leadership factions’ (albeit short-lived) displays of sympathy towards the Chinese Great Leap Forward campaign.

This paper is structured along major research controversies and problems in this field. The first section examines more deeply the debate about how important the Sino-Soviet alliance was for each side’s economy. The second section looks into the chronology and causes of the break-up, as well as for the

formation of the alliance. The corresponding research debate focuses mainly on the split and is dominated by a belief in the primacy of (geo-)politics, but some scholars ascribe a certain importance to economic dimensions. The third section goes deeper into studies on the ground to look at engineers and experts sent to and from China, and focuses on their room for manoeuvre vis-à-vis the Kremlin and national party leaderships. The fourth section turns to the role of Soviet partner states in Eastern Europe. With respect to economic policy pertaining to China, recent research has forgone depictions of a unitary strategy elaborated in Moscow and has instead highlighted asynchronisms and divergences in the Soviet bloc. In our conclusion, we turn to the present to ask how the economic achievements of the Sino-Soviet alliance are represented in public discourse today, especially in China, and we summarize our findings. This paper argues that based on the existing research, one can conclude that Moscow’s say in these relations had its limits, the dominance of political priorities was contested by economic necessities and mercantile attitudes among parts of the socialist states’ economic bureaucracies, and intra-socialist cooperation was subject to substantial influences and repercussions from the West.

Five (overlapping) research strands touch on the economic dimensions of the Sino-Soviet alliance: Cold War history, the transnational and global history of state socialism, economic history, Sinology or Chinese history.


Traditionally, the two areas were studied completely isolated from each other, as China studies framed the topic as part of China’s long-term modernization and internationalization while East European history largely neglected the topic. Recently, however, global history approaches to the Cold War and state socialism have started to build connections between each of the five strands. The increasingly intermixed approaches range from on-the-ground studies of engineers in specific construction projects to macro-perspectives on economic exchange, trade and negotiations at the governmental level.

This paper considers literature from recent decades in Chinese, English, German, French and Russian. Additionally, we occasionally use documents from the Bulgarian State Archive, the German Federal Archive in Berlin, the Russian State Economic Archive and Chinese state (Foreign Ministry) and provincial archives to support our arguments.

2 Building Industries, Exchanging Technologies: The Economic Significance of the Sino-Soviet Alliance for Both Sides

In her chapter in Odd Arne Westad’s 1998 volume on the Sino-Soviet alliance, Deborah Kaple bemoans that although the alliance was “unprecedented in scale...
40 years later [after the Soviet advisors’ programme in China] there still is no scholarly, book-length history of this program in any language” and promises that her chapter will mark “the beginning of the long process of filling in an important ‘white spot’ in history: that of the role of the Soviet advisors in China in the 1950s.” More than 20 years later, a certain ambiguity remains. The white spot has been filled by two monographs by Shen Zhihua and Austin Jersild9 as well as several articles, upon which this paper is based; nevertheless, the topic has not yet been covered exhaustively.

General accounts of Chinese and Cold War international history agree with Kaple on the absolute importance of the technology transfer from the Soviet Union to the PRC, but do not extensively examine the topic. Klaus Mühlhahn has “no doubt that China’s links to Eastern Bloc countries and to the Soviet Union led to the most systematic transfer of knowledge and technology in its modern history”10. Odd Arne Westad even states in his recent book that “the Soviet assistance program for China was not only the biggest Moscow ever undertook outside its own borders, but also, in relative terms, the biggest such program undertaken by any country anywhere, including the US Marshall Plan for Europe.” Similarly, Westad and Mühlhahn spare only a few pages for the Soviet and East European support for China’s industrialization. Histories of socialist Eastern Europe and the Soviet Union hardly ever mention the economic dimensions of the Sino-Soviet alliance at all. This latter neglect stands in the context of more general Eurocentric visions that assume that Europe’s policies and actions are integral parts of non-European history but not vice versa.

Leading Chinese scholars of international relations, meanwhile, tend to gloss over the first 16 years of the PRC’s internationalization altogether. In their eyes, Mao’s emphasis on autarky and planned economy kept China from engaging robustly with the outside world. China’s economic relations with the Soviet Union and Eastern Europe are said to have been very “limited”. According to this line of research, only after the roll-out of Deng’s Reform and Opening-Up

8 Kaple, Soviet Advisors, p. 117. In the introduction of the same volume Odd Arne Westad also bemoaned that the alliance had been underestimated in research and scholarship. He states that “up to 1958 – the alliance was more dynamic and purposeful than its chroniclers have so far accepted.” O.A. Westad, Introduction, in Idem, Brothers in Arms, pp. 1-46, p. 3.
10 K. Mühlhahn, Making China Modern. From the Great Qing to Xi Jinping, Cambridge 2019, p. 376.
Policy did China start to make “massive contact” with the rest of the world. This discourse of “self-reliance” and “autarky” is also promoted by China’s leading economists, who believe China’s involvement and strategic aspirations in the global economy during the first years of the PRC were rather “limited” and “weak”. Historians take a slightly different approach, but some of them also tend to agree with assessments by economists and political scientists who assume that under Mao’s leadership, China was saved “from poverty and blockade” and built its industrial modernization all on its own.

These first glimpses of basic studies from the West and China alike illustrate that the Sino-Soviet alliance’s economy is not part of the normal history of China and Eastern Europe, although some scholars hold that transfers of Soviet and East European technology and resources to China were an extremely significant part of the Chinese industrialization process. With the overall aim of moving the topic from the margins of historiography to its centres and bringing Western and Chinese perspectives together, this first section of the paper examines how the significance of the transfers is measured in the corresponding studies, be it by quantification or by descriptive and qualitative methods.

Some authors have attempted to estimate how much money the Soviets spent (or lent) to carry out industrial projects and technical assistance. Odd Arne Westad arrived at a sum of 25 billion US dollars (at 1998 prices) for all industrial transfers from 1946 to 1960, which accounts for a yearly cost just under 1 per cent of the estimated Soviet GDP. According to Westad, this number would be higher if one included unpaid knowledge transfers undertaken within the framework of scientific-technical cooperation, salaries for the Soviet experts and stipends for Chinese students in the USSR. Westad calculates that the Soviet European allies bore 18 per cent of these industrial project costs and estimates that the Chinese repaid 15 per cent of the complete sum. He concludes that the final sum of Soviet aid was immense. Austin Jersild’s estimate uses contemporary prices of the 1950s, so his numbers are much lower. He estimates

12 W. Li, Gaigekaifang yilai de zhongguo jingjiwaijiao (China’s economic Diplomacy since the Reform and Opening up Policy), in: Journal of International Studies (CASS) 1, 2018, pp. 185-214, here: pp. 201, 208.
13 S. Huang, Xinzhongguo canyu quanquzhili de huigu yu zongjie (The PRC’s Participation in global Governance: A Retrospect), in: Shandong Shehui kexue 6, 2020, pp. 116-123.
14 See one of the most influential studies of modern Chinese history in the Chinese academic world: D. Li/Y. Shi, Nanyi jixu de geming cong pilin dao pideng yijuqier zhi yijuqiliu (When the Continuous Revolution goes awry: From the Anti-Lin Biao Campaign to the Anti-Deng Xiaoping Campaign, 1972-1976), Hong Kong 2008, p. 84.
15 Westad, Cold War, p. 237.
the costs of Soviet assistance at 3.4 billion US dollars, but at the same time he acknowledges the extraordinary difficulty of estimating the overall costs, as prices vary and are documented only unsystematically. According to Russian and Chinese scholars’ estimations, which include military assistance, the price tag for transmitted aid, projects and equipment amounted to as much as 7 per cent of the Soviet national income.

The sheer number of projects might be taken as an indication of importance as well. During the first Five-Year plan (1953-1957), the famed “156 Soviet industrial projects for building and reconstructing industrial enterprises” represented a considerable part of the 850 factories the Chinese planned to construct in total. Furthermore, Soviet or East European help would be needed for most of these factories in one way or another. Under the second Five-Year Plan (1958-1962), the Soviet Union and China agreed to several dozen more projects, most of which were interrupted and cancelled after the Soviet experts’ withdrawal in August 1960. Overall, Zhang et al. count 215 projects in which full sets of equipment came from the Soviet Union. Soviet bloc expertise and blueprints were used in many other of the PRC’s industrial projects as well. Thus, all imponderability notwithstanding, one can conclude that a considerable share of China’s industrialization in the 1950s was a direct product of the Sino-Soviet alliance.

Trade quotas are another quantifiable category by which to measure the significance of the exchanges in the framework of the Sino-Soviet alliance. Each side held considerable shares in the other’s foreign trade. China was the Soviet Union’s main trading partner throughout the 1950s, and by 1959 its share in the Soviets’ overall foreign trade was greater than 20 per cent. The importance of cooperation with the Soviet bloc was even more obvious in the case of Chinese foreign trade. Throughout the 1950s the Soviet Union accounted for more than half of China’s foreign trade. The other European socialist countries together comprised a still considerable share between 10 and 20 per cent. According to

16 Jersild, Sino-Soviet Alliance, p. 38.
19 Ibid., p. 125.
20 Ibid., p. 116.
21 Eckstein, China’s Economic Revolution, pp. 253-255.
Austin Jersild, the share of all Soviet bloc countries in the PRC’s foreign trade amounted to 70 per cent by 1953.22

In combination with the western trade embargo, the Sino-Soviet alliance brought about a massive redirection of China’s foreign trade in a very short time span. While the Soviet Union and Eastern Europe held the dominant position described above, foreign trade with non-communist countries was almost halved in just three years, from 1950 to 1952.23 This redirection should not be mistaken for an autarkic development. China’s foreign trade expanded faster than global trade, and by 1959 China’s absolute foreign trade volume was the world’s eleventh or twelfth largest. Once the Korean War had ended, trade with non-communist countries began to grow again (albeit with less velocity than trade with Eastern Europe), and by 1957 had regained its pre-1950 absolute volume. Even in the crisis years of the early 1960s, a time of shrinking GDP and sharply contracting foreign exchange with Eastern Europe, Chinese trade with the West held steady and peaked in 1963.24

Furthermore, Sino-Soviet cooperation was decisive not just in the redirection but also in the level, balance and product structure of China’s foreign trade. As Eckstein has pointed out, “Soviet credits and then the necessity to repay them have played a significant role in determining the level and direction of China’s foreign trade since the advent of the Communist regime.”25 The Soviet loans allowed the PRC to maintain a negative trade balance in its first years, owing mainly to machinery imports from the Eastern bloc. Meanwhile, its need to pay off its loans forced it to keep a positive trade balance during the second half of the 1950s and the early 1960s.26

The machinery imports enabled a shift in the types of products China exported. The PRC started by exporting large amounts of raw materials and agricultural products, for example selling soybeans, oilseeds and ores of different kinds to Eastern Europe.27 With industrialization advancing, manufactured products – mainly textiles – gained new importance. In 1958, textile fabrics, i.e

22 Jersild, Sino-Soviet Alliance, p. 60.
24 Ibid., pp. 97-99.
25 Ibid., p. 93.
26 Ibid., pp. 94; 102.
27 See Zhongguo shehuikexueyuan (CASS), Zhongyangdanganguan (The State Archives Administration of the People’s Republic of China), (Eds.), yijiuwuba zhi yijiuliuwu zhonghuarenmingongheguo jingjidangan ziliaoxuanbian (Collected Archival Materials on the PRC’s Economic Affairs from 1958 to 1965), Beijing 2011, pp. 287-289.
Fabric, garment and footwear together, exceeded a share of 20 per cent among China's exports and thus had become the PRC's dominant export product. Their share steadily increased further, reaching 36 per cent in 1963.28 In the long run, this shift in the PRC's export structure, early steps of which had been made possible by Sino-Soviet cooperation, laid the groundwork for China's rise after 1979.

To understand the significance of Soviet support for the PRC's industrialization process in terms of knowledge and education, one must take into account the situation before the Chinese Communist Party (CCP) gained access to power. China's heavy industry base in its Northeast had been run mostly by Japanese engineers and experts who were gradually repatriated after the founding of the PRC in 1949, thus leaving the region's steel and other heavy industries with an extraordinarily low number of technical staff.29 The drastic shortage of expertise in the new China and the urgent need for knowledge transfers has led authors to conclude that even mere shipments of technical books and periodicals were critically important.30 More importantly, Soviet experts helped to build up research and educational institutions. By 1953, a stunning 93 per cent of the staff of the Chinese Academy of Sciences spoke Russian.31 Soviet consultants advised the Chinese Academy of Sciences to orient its research agenda towards direct support for the industrialization process. Moreover, higher education reform followed the Soviet example, as it was reoriented towards a more practical approach of educating technical specialists. The Soviet preference on practical technology led to a neglect of basic science and humanities, which are major flip sides of the Soviet model that still have an impact on China's development today.32

28 Eckstein, China's Economic Revolution, pp. 114-115; 150. Among exports to the Soviet Union (by then rapidly diminishing), textiles even reached a share of 66 % in 1963 (p. 150). See also: M.I. Sladkovskii, Istorija torgovo-ekonomicheskikh otnoshenii SSSR s Kitaem (The History of the USSR's Trade and economic Relations with China), Moscow 1977, p. 263.
31 Zhang et al., Technology Transfer, p. 123.
32 Y. Li, Yijiuwusannian zhongguo kexueyuan daibiaotuan shouci fangwen sulian jiqi yingxiang (The first Visit of the Chinese Academy of Sciences Delegation to the Soviet Union in 1953 and its Influence), in: Zhongguo kejishi zazhi 41/4, 2020, pp. 510-521; Zhang et al., Technology Transfer, p. 135-137.
The Soviet bloc supported the reconstruction and build-up of institutions for research and education not only in traditional fields like metallurgy, machine-building and mining but also in the newest technologies, such as computing, semiconductor technology, nuclear energy, radio electronics and automatic and long-distance control devices. Soviet experts helped to build the first Chinese computer in 1956 and, more importantly, to open the first Chinese computing research institute in 1959. Specialists who in a later phase would become the leading Chinese experts went to the Soviet Union to study computing technologies and the entangled sciences of cybernetics and mathematics, which were highly fashionable in the Soviet Union at the time because they were considered crucial to the future development of economic planning.33

Soviet and East European assistance was especially effective in specific industries. By 1952, Chinese coal production is estimated to have grown by 60 per cent. Oil production, irrigation, forestry, livestock production, mechanical engineering and railway construction benefited from similar advances.34 A series of large iron and steel complexes was established under the direct advice of Soviet experts.35 Moreover, important parts of Chinese car, truck and hydroelectric turbine production were outcomes of Sino-East European exchanges, as was the ability to refine oil, produce certain machine tools and forge metals like aluminium and zinc.36 China’s most important oilfield, in Daqing, the discovery of which freed the PRC from dependency on imported oil for forty years, presents a specific example of Eastern Europe’s contributions, as Hungarian geophysicists assisted in its development in the late 1950s and early 1960s.37

33 Ibid., pp. 130-145; 150-152.
36 Jersild, Sino-Soviet Alliance, p. 38. Sino-Soviet joint ventures established in the early PRC years mostly for raw material extraction had a considerable impact on China’s industrial development as well. See Hou, Building for Oil, pp. 81-83; Z. Dong, Yingdui fengsuojinyun xinzhongguo lishi yimu (Confronting Blockade and Embargo: an Episode in the History of new China), Beijing 2014, pp. 80-81.
Soviet planners also left an imprint on Chinese cities. Metropolises were rebuilt according to Soviet styles and planning methods, and cities developed from industrial projects connected to the alliance after 1949. In accordance with the Soviet model, during the (re-)construction of cities like Anshan or Daqing, planners focused on heavy industry and neglected urban development, which caused long-term tensions between city governments and industrial factories. Soviet preferences influenced decisions on the spatial allocation of large investment projects and these decisions defined the development of the corresponding cities to a large extent. For example, to woo Soviet assistance, the Chinese leadership agreed to the Soviet suggestion that the PRC’s first automobile plant should be built in Changchun in north-eastern China, which still is an important centre of nowadays China’s automobile industry, rather than near Beijing.

A further indicator of the Sino-Soviet alliance’s impact are the factories themselves. Whereas the stereotypical image of East European post-socialism is one of rusty, shuttered steel mills, Chinese steel complexes built by the Soviets
or modernized with their assistance are still among the world’s largest steel producers. In 2019 the Ansteel Group, based on the Iron and Steel Complex Anshan, figured seventh, Benxi Steel 19th and Baotou Steel 22nd, while the Wuhan Steel Group also ranked among the largest 20 until it merged with the larger Shanghai-based Baoshan Group to become the world’s second largest steelmaker. To be sure, these steel factories have been modernized, reconstructed and enlarged in the decades after the alliance, but, still, the 1950s’ Soviet-supported projects contributed a fundamental and still visible cornerstone to China’s industrialized landscapes.

Measuring the importance of the Soviet-Sino technology transfer implies comparison with other technology transfer projects, but the explicit undertaking of such a comparison is rare in research studies. Zhang et al. cursorily compare the Sino-Soviet cooperation with the Soviet industrialization drive of the 1920s and 1930s and Soviet industrial projects in India from the 1950s to 1970s. They found the Indian-Soviet interaction to have been less substantial, whereas they argue that the role Western technology played in the Soviet industrialization drive of the 1920s and 1930s was comparable to that of Soviet technology in the Chinese industrialization process of the 1950s. Very seldom in research are comparisons of the Soviet technology transfers to China with those to other socialist partner countries, which happened in the same time period. This gap in research is especially striking because Chinese complaints about Soviet assistance privileging East European states are discussed as one of the conflict lines contributing to and underlying the Sino-Soviet split, as will be examined in more detail in section 3.

Research has also largely neglected the repercussions Sino-Soviet exchanges had for Eastern Europe and the Soviet Union. At first glance the knowledge transfer indeed appears to have been one-sided. In the framework of scientific-technical cooperation, exchanges of blueprints and technical documentations theoretically went both ways, but of course the value of single objects varied. For example, Austin Jersild states that some of the Soviet coal experts were enthusiastic about the “Eurasian technology” of a coal-burning stove coming from China, but this technology was certainly not decisive for the USSR’s future development. Relatively important transfers from China to the Soviet Union

42 Zhang et al., Technology Transfer, pp. 152-158.
44 Jersild, Sino-Soviet Alliance, p. 75.
and Eastern Europe took place in light industry, where for example stainless steel pen-and-ink technology was transferred to Romania, the Soviet Union and the GDR, as well as fishing technology to the latter.45

The Sino-Soviet alliance’s impact on Eastern Europe went far beyond the direct transfer of technological blueprints, however. China became the Soviet Union’s most important trading partner for almost the whole decade of the 1950s. It also ranked third or fourth as a trading partner of other socialist countries and thus was crucial in that regard as well.46

The leaders of small East European states had great expectations for the benefits they would reap from their cooperation with China. The largest country in the world, in terms of population, had become socialist and set out to realize a large-scale industrialization project. Of course, economic planners in Eastern Europe, and above all those in the GDR and Czechoslovakia, saw far-reaching opportunities for their machine-building industry.47 For example, planners in the GDR Ministry for Heavy Industry and Bureau for Export of Industrial Facilities hoped the Chinese market would help to sustainably expand the GDR’s exports of industrial equipment and complete factories, which would allow for standardization of its offers. China’s special position in the expansion plans of GDR industry officials even led to the creation of a separate China Bureau within the Department for the Export of Industrial Complexes.48

45 See Shanghai Municipal Archives (SMA), B5-2-42: Xi gongji minzhudeguo xuyao de yuye jishu ziliao you (On providing Fishing Technology to the GDR), 18.07.1955; Gongji Sulian yu luomaniya de zilaishuibi bijian zhizhao jishu ziliao (Materials about providing Fountain Pen Technology to the Soviet Union and Romania), 03.08.1955; Gongji minzhudeguo jishuziliao de jingguo qingkuang (Process of providing technical Materials to the GDR), 30.11.1955.


47 J. Adamec, Our Friendship is longer than the River Yangtze and higher than the Tatra Mountains: Sino-Czechoslovak Trade in the 1950s, in: Schaufelbuehl et al., Europe and China, pp. 175-191; Skřivan, On the Expansion of the Czechoslovak Economic Relations. For the GDR’s strong interest in developing trade and economic cooperation with China, see the speech of Willy Hüttenrauch, the GDR’s vice minister for Foreign Trade, in the 1959 State Plan Commission (Minzhudeguo duiwaimaoyibu fubuzhang xutenglaoh zai guojiajiwei jianghua), 15.01.1959, in: Sichuan Provincial Archives, Jianchuan-165-1582.

48 Letter from Department for Export of Industrial Complexes to Bureau of Vice Prime Minister Fritz Selbman, 15.04.1957, including an overview of projects with/in China, in: Bundesarchiv Berlin (BArch), DC 20/2529, Dok. 366-393; Letter from Minister for Heavy Machinery Erich Apel
Whereas in this latter case, China was seen as a springboard from which to enter further, non-socialist markets, capacity utilization also was a point per se. East European countries had all built up immense capacities for heavy industry in their first Five-Year Plans, and these factories, as well as the design offices and architects that had built them, had to be exploited and employed further. The Chinese industrialization project was a way of keeping the socialist economy and its extensive-growth model in flux. The immense exchanges not only generated hope for more but also left an imprint on East European institutions and economic bureaucracies.

The cooperation did have its limits, however. These can be illuminated by structures that apparently did not change, for example the Council for Mutual Economic Assistance (COMECON). Though the Czechoslovak leadership demanded China’s integration in hopes of expanding its machinery exports and raw materials imports, the PRC never did overcome its observer status. Its representatives’ participation in COMECON meetings ended in 1961. To this day, no substantial publication has attempted to explain why the PRC did not enter COMECON as a full member.49

The transfer of economic models is another field which presents an ambiguous picture of the alliance’s impact. To be sure, at first sight the transfer of the Stalinist model to China changed the whole country by streamlining it according to Soviet guidelines. The New China was built on institutions that apparently – from the State Plan Commission and industrial branch ministries to foreign trade firms, not to mention party organs – were copied from the Soviet Union.50 Thomas Bernstein has complicated the story by identifying three Soviet models that were influential in Mao’s China, namely the moderate model, revolutionary Stalinism and bureaucratic/middle-class Stalinism.51 A younger generation of

49 Adamec, Sino-Czechoslovak Trade in the 1950s, p. 183.
51 According to Thomas Bernstein, the moderate model emphasized markets, incentives and a mixed economy, which was relevant in the initial stage of socialist construction in China. Revolutionary Stalinism was characterized by collective farming, rapid industrialization and mass mobilization, the core of which attracted Mao. Bureaucratic and middle-class Stalinism reflected a turn toward stability and valued technological elitism, thus large bureaucracies and inequality arose. See T. Bernstein, Introduction. The Complexity of learning from the Soviet Union, in: T. Bernstein/H. Li (Eds.), China learns from the Soviet Union, 1949-Present, Lanham 2010, pp. 1-23, see pp. 6-9.
Chinese scholars, in contrast, has begun to question the effect and implementation of the Soviet economic model, arguing that its influence was limited. In many cases, rather than following the Soviet rules of systematic economic accounting and planning, the CCP reverted to its old ideological working style of the “mass line”, which it had applied during the civil war to resume and promote production in factories taken over from the nationalists. Mass mobilization and propaganda remained important means of workforce motivation leading to the extensive but low-efficiency growth of the early PRC’s economy.

Despite the comprehensive transformation of China in the 1950s, recent studies argue that Mao later destroyed much of what had been built, including the party’s national bureaucracy and authority. Upon his death in 1976, China was still a semi-socialist country and had yet to reach the developmental level of the average East European socialist country. According to Andrew Walder, the country Mao left behind was “backward and weak”. Now that many of the Soviet-inherited institutions were smashed and had to be rebuilt, Mao’s successors had a great opportunity to make choices that fell far outside of the varieties of state socialism in Eastern Europe.

3 Why Did the Sino-Soviet Alliance End, and Why Did It Begin?

Whereas the start of the alliance is often taken for granted as self-explanatory, the Sino-Soviet split is hotly debated. Why did it happen, when did it start and when was it completed? The forming of the alliance, however, was also not a

52 For the mass line in China see, K. Lieberthal, Governing China. From Revolution Through Reform, New York 2004, pp. 64-65.
55 Walder, China under Mao, pp. 341-342.
56 See e.g. Li/Xia, Mao and the Sino-Soviet Split; Lüthi, Sino-Soviet Split; Radchenko, Two Suns; J. Friedman, Shadow Cold War: The Sino-Soviet Competition for the Third World, Chapel Hill 2015.
matter of course and has evoked diverging opinions in scholarship. The economy mattered for both the formation of the alliance and the split. Furthermore, this section proposes that the dynamics of Sino-Soviet relations were entangled to developments in the West, connected to the western embargo against China and the PRC’s need for Western technology.

The split has caught far more attention in research than the formation of the alliance. Most accounts attribute it mainly to political reasons and touch upon the economic dimension in a rather circumferential way. Lorenz Lüthi has identified four main traditional arguments in research on the causes of the split, which are based on the perception that the conflict was primarily political: (1) conflicting, long-standing national interests; (2) the dynamics in an assumed geopolitical triangle between the United States, PRC and Soviet Union, with the weakest link siding with the stronger superpower; (3) a confrontational foreign policy inspired by domestic competition for power in China; and (4) Marxist ideology and its tendency towards (hair-)splitting. One might add that studies traditionally also describe the leaders’ individual personalities and their mutual distrust as decisive in Sino-Soviet relations.

In many of the accounts that explicitly state a primacy of politics, economic dimensions nevertheless shine through. The argument of opposed long-standing national interests, for example, obviously leads to economic questions. In this respect, one cannot avoid mentioning Stalin’s successful attempts at regaining the colonial privileges of Tsarist Russia in China. The use of the ports in Dalian (Port Arthur) and Lüshun for military purposes as well as duty-free trade, control of the North Eastern Chinese Railway (leading to Dalian) and rights to exploit raw materials in Xinjiang in China’s north-west were reinstated in the 1945 agreement with the Guomindang government and confirmed in the Soviet-PRC friendship agreement of 1950. Even though the Soviets quickly renounced their privileges upon Stalin’s death, the experience of Soviet foreign power politics certainly left an impression on Chinese decision-makers.

Lüthi argues that even “ideology”, the most politicized argument, contains an economic dimension. Indeed, the key disagreement between the Chinese and

57 Lüthi, Sino-Soviet Split, pp. 3-8; Li/Xia, Mao and the Sino-Soviet Split, pp. ix-xx.
Soviet leaderships concerned the question of the right development model for China. While the Soviet leadership warned against picking up patterns from the Soviet industrialization campaign of the 1930s, the dominant Chinese leadership faction was unsatisfied with the, in their view, cautious approach of bureaucratic Stalinism. The line between supporters of a more moderate approach for development and supporters of a more radical one, however, did not run between Soviets and Chinese but cut through the CCP. Parts of the Chinese leadership, like Liu Shaoqi and Chun Yen, were close to Bukharin’s arguments in the early Soviet “Great Debate” of development starting from an accumulation in the agrarian sector. Other Chinese leaders included Yugoslav-style markets in their conception of socialism, as for example Zhou Enlai. These approaches fit with the advice of Stalin and Anastas Mikoyan, the Soviet leadership’s specialist for international economic relations, who suggested a gradual development approach based on a mixed economy, cautious nationalization and a substantial share of foreign trade and investment.\(^59\) Indeed, the *New China* in its first four years started as a mixed economy until, starting in 1953, its economic policy shifted towards Mao’s concepts of more rapid collectivization and industrialization.\(^60\) The contraposition came to the fore in negotiations about the Soviet contribution to the PRC’s Second Five-Year-Plan in 1956\(^61\) and culminated in the “Great Leap Forward” (1958-1961), when Mao was able to sideline the moderates in the Chinese leadership. The campaign made reference to “revolutionary” Stalinist campaigns of the 1930s and was severely criticized by the Soviets.\(^62\)

The question of self-reliance and protectionist policies also figured among these controversies and became a major reason for the split. China’s first Five Year Plan (FYP), greatly assisted by the Soviets, was a programme for import-substituting industrialization.\(^63\) Mao had actively advocated for China’s self-reliance already in the 1930s.\(^64\) Yet, also rather moderate CCP leadership members – such as Chen Yun and Zhang Wentian – shared this point of view at some point,

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59 Heinzig, Die Sowjetunion und das kommunistische China, pp. 244-246; Lüthi, Sino-Soviet Split, pp. 41-44.
64 Z. Dong, Ziligengsheng yu yinjin xiaohua xiangfuxiangcheng yijiusijiu zhi yijiuqiba nian zhongguo keji fazahn huigu xu qishi (Complementation of Self-reliance, Import and Digestion: Review of China’s Science and Technology Development from 1949 to 1978), in: Dangdai zhongguoshi yanjiu 26/5 2019, pp. 206-207.
as they championed a made-in-China policy and emphasized the importance of fostering China’s own technicians, even at the beginning of the alliance with the Soviets.65 Soviet industrial products, such as matches were forbidden in the Chinese market so as to protect domestic production.66 Meanwhile, Chinese factories imitated German technology and products for making completely Chinese products.67 By the mid-1950s, the Soviet and East European officials started to worry about patent protection and Chinese “catching up”.68 China was able to self-design most of the industrial projects of its second Five-Year-Plan.69

Building on these tensions and controversies about development strategies, Lüthi argues that “economic disagreements had deep ideological roots.”70 This paper suggests looking at the problem the other way around: the obvious ideological disagreements had deep economic roots. This perspective has been taken, for example, by Xia Yafeng and Shen Zhihua when they argue that the different perceptions of development paths from 1958/59 cannot be detached from “the different stages of development of the PRC and the SU”.71

Inequality between the PRC and the Soviet Union was also at the root of another economic factor for Sino-Soviet dissent, namely the Chinese trade deficit in the bilateral clearing. The deliveries of Soviet industrial goods financed by Soviet credits meant that the Chinese side accumulated debts that had to be paid back through exports. This unbalanced constellation put constraints on Sino-Soviet exchanges and facilitated decisions that led to the split. For example, after the Soviets withdrew their specialists in August 1960, the PRC leadership decided to suspend all remaining contracts for industrial projects in October. This step was inspired not least by diminished Chinese exports to the Soviet

65 According to Chen Yun, goods that could be produced in China should not be purchased from the Soviet Union, see H. Zhou, Chenyun yu xinzhongguo chengli chuqi de sulian duihuajingji yuanzhu (Chen Yun and the Soviet economic Aid at the early period of the PRC), Shanghai chenyun yanjiu, 2015, pp. 116-123; H. Zhou, Shilun Chenyun dui sulian yuanzhu xinzhongguo gongyehua jianshe de sikao yu pingjia (On Chen Yun’s Understanding of Soviet Aid to New China’s Industrialization), in: Henan shifan daxue xuebao 41/1, 2018, pp. 33-39.
66 Tianjinshi renminzhengfu gongyeju wei jiefengmaoyibu tongzhi jinzhi jinzhichang chushou sulian huochai yijiang diaocha jingguo chengfuli hechengbào beichayou (Investigation into the Forbidding of Soviet Matches in the Market), 14.08.1950, in: Tianjin Municipal Archives, X0053-C-000185.
70 Lüthi, Sino-Soviet Split, p. 11.
71 Shen/Xia, Mao and the Sino-Soviet Partnership, p. 5.
Union, which meant that the industrial assistance from the Soviet side amounted to a gargantuan trade deficit (two billion transferable roubles at the time) for the Chinese side. Another economic motive for terminating the industry vs. raw material exchange with the Soviets was that the Chinese also strove to sell raw materials to other countries at higher international market prices. Chinese negotiators had been criticizing Soviet prices since late 1958, so the Soviet pricing policy also contributed to the Chinese side’s aim of terminating the close but unequal relationship.72

To meet the Soviet bloc’s trade demands and import industrial equipment from there, the Chinese government had for years prioritized the fulfilment of these obligations at the cost of food supplies for the Chinese population.73 Foremost the Chinese leadership’s overambitious plan for trade with the Soviet bloc during the Great Leap Forward took a heavy toll on the Chinese people.74 It also led to a situation where the Chinese were not able to deliver large quantities of the goods they had promised to the Soviet Union and East European countries.75 After two years of this devastating campaign, the PRC had to ultimately reorient its spending priorities, from investment via Soviet machinery deliveries to direct food imports (mostly from capitalist countries). Alexander Eckstein describes this process as an economic knock-on effect: once farm output was no longer keeping pace, the mutually reinforcing processes of industrialization and expansion of foreign trade had to end. The drop in agricultural production led to declining savings rates, those led to declining investments in industrial production and thus demand for imports of capital goods and raw

73 G. Li, Shilun xinzhangguo waimaoshishang de neixiao fucong waixiao fangzhen (A preliminary Discussion on the Policy of Subjecting domestic Market Sales to foreign Market Demands in the foreign Trade History of the new China), in: Zhonggongdangshiyianju 1, 2011, pp. 70-81. China’s foreign trade policy in the early 1950s was rather discriminatory against capitalist countries and favourable to socialist countries. Under this policy, strategic goods such as tin, wolfram, manganese, antimony, and coal were not allowed to be exported to capitalist countries. See Z. Dong, Yingdui, p. 80.
materials shrank as well. In contrast, agricultural imports increased tenfold at the expense of all other imports.\textsuperscript{76}

Meanwhile, by 1960 dependence on Soviet technology had diminished, now that the PRC’s industrial structures had reached the stage at which it was able to produce certain capital goods and educate technical cadres. Furthermore, western technology was seen as preferable for the following development stage. The Chinese Foreign Minister Chen Yi stated in front of the Soviet ambassador that the withdrawal of the Soviet experts facilitated the PRC’s trade policy’s reorientation “away from the socialist camp toward the capitalist camp”.\textsuperscript{77} In the years before the Cultural Revolution, the PRC deepened its trade links with several West European countries and Japan, and bought 65 complete sets of industrial enterprises in the capitalist world – far fewer than the socialist world had provided in the 1950s, but still a considerable contribution to China’s industrialization at the time. Increasing commercial cooperation with West Europeans exposed China to an alternative to Soviet-style modernization.\textsuperscript{78} Similarly, Austin Jersild argues that in the long run, mutual disappointment about the lack of benefits from the alliance led each side to turn its interest towards the West and western technologies.\textsuperscript{79} These arguments concur with what is discussed as “convergence on the west” in debates about postcolonial East-South relations.\textsuperscript{80}

Another scholarly debate that offers a strong economic argument examines which side is to blame for the split: some authors argue that the Chinese ended the cooperation because aid provided by the Soviets was too meagre in comparison with European socialist countries, whereas other studies claim just the opposite, that the Soviet leadership ended the cooperation because aid to China was overly burdensome and disadvantageous to the Soviet Union.\textsuperscript{81} While earli-

\textsuperscript{76} Eckstein, Communist China’s Economic growth, pp. 90-91, 111.
\textsuperscript{77} Lüthi, Sino-Soviet Split, p. 180.
\textsuperscript{79} Jersild, Sino-Soviet Alliance, pp. 75, 220-224.
\textsuperscript{81} The older debate in Eckstein, China’s Economic Growth, pp. 136-37; Zhang, Economic Cold War, p. 14. According to estimates 50 % of all Soviet aid to socialist countries went to China
er studies had to attempt to find the answer in abstract absolute numbers, recent research has been able to look directly at the Soviet protagonists’ reasoning. Shen Zhihua and Xia Yafeng describe how the leadership around Georgi Malenkov and the more hesitantly agreeing Khrushchev argued that the Soviet Union could no longer afford to help the PRC on such a broad scale. Help meant that the Soviets gave loans, with interest rates below market conditions, to the Chinese. These loans were assigned to pay for Soviet capital goods and were projected to be paid back in form of raw materials and consumption goods. The question of these transactions being beneficial or a burden for the Soviet side has to be seen in the context of the post-Stalin leadership’s New Course policy, which aimed to shift resources from investment to consumption. In research, the scheme of 1950s’ Sino-Soviet exchanges have been interpreted either as being suitable to the Soviet leadership’s New Course, because Soviet industrial goods were exported for foodstuff and consumption goods, or as disadvantageous, in so far as “Chinese growth was being substituted for Soviet growth”. At least it is clear that the Soviet leadership in 1956, on the verge of the Second Five-Year-Plan, harshly criticized the PRC’s policy of rapid development with its high rate of investment. Ultimately, the two different theses of Soviet aid being too much or too little, rather than being a contradiction, represent a difference in perspective, depending on whether the documents studied are Chinese or Russian. Upcoming research should seek further differentiations by looking at the files of State Plan Commission departments, foreign exchange offices, industrial ministries, party organs and financial authorities to reconstruct which protagonists on which side rejected which parts of the exchanges and how diverging standpoints coalesced into decisions.

To sum up, arguments of a primacy of politics dominate the research debate, but if one digs deeper, the economic is to be found in the political. Given all the Chinese leadership’s rhetoric of self-reliance, which was strengthened by the Soviet-assisted first Five-Year-Plan in China, the political steps to liberate the PRC’s economy from dependence on Soviet assistance can also be interpreted as a first step of convergence towards the West and its technologies. Once the postwar model of extensive growth lost momentum, Sino-Soviet cooperation was no longer attractive to either side.

82 Zhang, Economic Cold War, p. 14.
But why did the alliance begin in the first place? That the newly founded People’s Republic of China and the Soviet Union would enter into a close alliance and economic cooperation was not a matter of course from the start. For one, the Soviets had cooperated with the CCP’s opponent, the nationalist Guomindang, in the war efforts against the Japanese occupation and only hesitantly begun to shift their support to the Communists during the following civil war. Second, the Chinese communist leadership was always fearful of falling into a new unequal relationship of dependency.\(^8^4\)

Soviet support for Guomindang’s war efforts and the Soviet friendship treaty with the national government in 1945 notwithstanding, the Soviet Union’s economic cooperation with communist China began before the founding of the PRC. The Soviet double-minded policy culminated in the Soviet ambassador’s flight from Nanjing to Guangzhou with the nationalist troops when the Communists approached the capital of Guomindang in early 1949. At the same time, the Soviets provided economic and technical aid to local CCP governments in North East and Northern China since 1946. Trade between Northeast China and the Soviet Union rose from 413 to 916 million roubles in the years 1947 to 1949 with the bulk of the trade being with communist-controlled areas.\(^8^5\) In 1948 the Soviet government sent specialists for railway building to Northeast China, where transport was a key problem. This later ensured the mobilization of communist troops by railway transport and the CCP’s victory in this region.\(^8^6\) Moreover, the Soviet worker salary system was implemented in Lüshun and Dalian starting from 1948, before it was promoted nationwide after the founding of the PRC.\(^8^7\)

Local cooperation and negotiations about an alliance between Communist China and the Soviet Union thus had started before the foundation of the PRC and economic questions always played a crucial role in this process of forming the alliance. Economic questions of trade, Soviet assistance, a financial loan and the Chinese development model were central topics of the negotiations about a Sino-Soviet friendship agreement in late 1949 and early 1950. The Soviets fulfilled many of the Chinese economic demands but the alliance still had a difficult birth. The Soviets refused to support the new Chinese government in

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\(^8^4\) Heinzig, Die Sowjetunion und das kommunistische China, pp. 118-120.
\(^8^5\) Ibid., pp. 166-168, 210-215. At the same time, the Soviets also dismantled a substantial part of the Manchurian industry as reparation from Japan.
\(^8^6\) Ibid., pp. 256-257; W. Lu, Sulian jingji yuanzhu dongbei jiefangqu de zuoyong (Effect of Soviet economic Assistance to the liberated Area of Northeast China), in: Lantaishijie 28, 2015, pp. 44-45.
\(^8^7\) P. Xu, Sulian jingyan yu bentushijian zhonghua renmin gongheguo chengliqian de tansuo (Soviet Experience and local Practice: Workers’ Salary System in Pre-PRC Lüshun and Dalian), in: ShiLin 3, 2020, pp.154-167.
the most sensitive political questions of Mongolian sovereignty and Taiwan, but agreed to provide a credit of 300 million US-Dollars along with sending specialists to assist industrial reconstruction. The practice of sending specialists was prolonged further in contracts throughout the 1950s, when these specialists numbered in the thousands. It had a large impact on China’s society and industrialization. The Soviet specialists in China have become a crucial topic in research on the alliance and thus will be examined in the next section.

An important factor that contributed to bringing the new Chinese government and the Soviet Union closer together was the western embargo against the PRC. At the beginning of their term in office, CCP officials and economic bureaucrats had supposed that relevant exchange with the West would proceed, regardless of their hope of changing their unequal relationship with European countries. This continuation was hindered by the United States’ and United Nations’ embargo policy following the Chinese intervention in the Korean War in 1950. The “China embargo” had drastic repercussions for Sino-Soviet relations. Zhang Shuguang argues that “the persistent U.S. economic sanctions against China seemed to have played a major role in shaping the rise and fall of the Sino-Soviet alliance in the 1950s and early 1960s.”

The Chinese leadership resorted to various methods to circumvent the western embargo, including the use of hidden trade structures, smuggling and the temporary privatization of foreign trade. East European socialist partner states also helped out by forming joint venture companies, officially owned by the East European partner, for shipping strategic goods to and from China. In similar fashion, the PRC helped the Soviets purchase embargoed rubber from Southeast Asia. To offset the Soviet aid, the CCP also decided to establish a great deal of rubber plantations in South China, which was considered “the biggest technological cooperation project between China and the Soviet Union throughout the 1950s”. The most successful method for the PRC to circumvent the Western embargo on a broad scale was to use Eastern-bloc production as a

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88 Zhang, Economic Cold War, p. 1.
89 See Chapter 5, footnotes 131 and 132.
substitute for western technological goods. The Western embargo “unquestionably pushed the Soviet Union and China closer together.”

Thus, it can be seen that economic questions underpinned the formation of the Sino-Soviet alliance – as well as the split. Behind an ideological surface and embedded in geopolitical interests, both sides pursued economic goals that the alliance should help to realize. The Chinese needed an alternative to industrialization through technology transfers from the capitalist core countries and was able to get it – not least in the form of East European technical experts coming to the PRC during the 1950s.

4 Technical Experts in China and the Failure of the Alliance on the Ground

A transnational turn in studies of the socialist bloc during the Cold War has been underway in recent years. Individual actors who crossed borders – students, experts, technicians, interns, workers, cultural ensembles, travellers – have become a major focus of current research. Mid-level governmental officials like trade, technology or hygiene professionals are also part of this group. Some studies view these specialists as agents who acted with a certain degree of autonomy vis-à-vis their governments and party leaderships. They are interpreted as practitioners of socialist internationalism whose focus was more on daily work and morality – in contrast to Soviet-bloc policy makers, who cared more about spheres of interests and strategic economic development.

The Soviet and East European technical specialists who worked in China in the 1950s made an extraordinary contribution to the modernization of Mao’s

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94 Xia, Personnel Exchanges, pp. 1-10.
China. Thus, they have become a central focus of research on the Sino-Soviet alliance. Scholars have started to see these actors’ behaviour as a problem in its own right. Depending mainly on their educational backgrounds, official positions, workplaces and similar factors, the East European specialists reacted varyingly to problems and conflicts with their Chinese colleagues, as well as to orders issued by their hosts and their own governments.

CCP leaders from the very beginning of Sino-Soviet cooperation stressed the crucial significance and urgent need of experts and expertise for economic reconstruction. Zhou Enlai, for example, warned in a conversation with the Soviet ambassador in summer 1951 that shortages of technical staff “will be the major obstacle in the industrialization of China”. Thus, from the outset the Chinese representatives asked the Soviets to send specialists to help build factories, to train experts and create educational institutions.

The overall number of the various Soviet and East European specialists travelling and working in China by the early 1960s is hard to calculate. Estimates vary from 10 to 20,000. If the higher numbers are correct, the Soviet Union sent more experts to China than to the whole of Eastern Europe, which received around 14,000 Soviet experts during the advisory programme from 1947 to 1956. The Chinese Cold War historian Shen argues that the role of Soviet specialists and advisors was more indispensable to development in China than it was to other countries in the socialist camp. Additionally, more than 50,000 Chinese students, engineers and trainees studied in the Soviet bloc.

The picture of the Soviet specialists’ imprint on Chinese society remains ambiguous. On the one hand, governments pressured the people involved in the interactions to maintain a mutual distance. In the eyes of ordinary Chinese people, the East European specialists, with their high salaries and their expat lifestyles, had “capitalist bad habits”. On the other hand though, daily contact between East Europeans and Chinese, even if it happened only at the worksite,

96 Jersild, Sino-Soviet Alliance; Kaple, Soviet Advisors; Shen, Sovetskie specialisty.
97 Cited according to Shen/Li, After Leaning to one Side, p. 119.
98 Lüthi, Sino-Soviet Split, p. 40; Shen/Xia, Mao and the Sino-Soviet Partnership, p. 112; Shen, Sovetskie specialisty, pp. 7-8.
99 Shen, Sovetskie specialisty, 7-8.
100 Kirby, China’s Internationalization, pp. 884-885.
helped create a platform for exchanges of different political opinions and cultural perspectives.  

The Soviet-bloc specialists took part in China’s domestic ideological campaigns. For example, China’s widespread manual labour programmes of the 1950s, which called on the skilled classes, party cadres and educated people to participate in labour in the countryside and in enterprises, attracted extensive attention from the Soviet-bloc specialists in China. Past research considers these programmes to have been of little interest to the latter, but we now know that the specialists stationed in China were accompanied by numerous observation teams sent to China to gain personal experience of its rapid construction. For example, Hans Modrow, a promising political star of the *Sozialistische Einheitspartei Deutschlands* (SED) who would later become the last prime minister of the GDR, visited and took part in volunteer work in China in 1959.

In the late 1950s, the biggest problems the European specialists encountered in China arose not from the technical and industrial fields but from the ideological and political differences and conflicts between China and the Soviet bloc. Some Soviet specialists called for one-man leadership in the projects they worked in, which received a negative response from the Chinese side. The continuous ideological mass movement campaigns of the Mao era posed a daunting challenge to all foreigners in the PRC at the time. During the Great Leap Forward – except in some sensitive fields such as nuclear cooperation,

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**103** Chen, Weathering the Storms, pp. 51-52.
**104** For example, East German specialists offered to participate in “voluntary” labour near their projects and helped dig channels to bring in water from the Yellow River to irrigate the rice fields in Zhengzhou, see: *Ersha changzhi bianji weiyuanhui (Editorial committee for the history of Ersha)*, Dier shalunchang changzhi bianjishi, Ersha changzhi 1953-1985 (History of Ersha 1951-1985), Hefei 1986, p. 71; Zhenggong zhengzhou shalunchang weiyuanhui guanyu shangbannian zhiyuan nongye gongzuopingkuang de baogao (Report of the CCP Party Committee of Ersha on supporting agricultural Production in the first Half of the Year), 20.09.1960, in: Zhengzhou Municipal Archives, 001-007-0868.
**106** The Soviet one-man leadership placed more importance on professional expertise rather than political ideological work, therefore unlike in China, an enterprise party secretary in the Soviet Union could not enjoy unchallenged leadership. Such a system was never fully established in China, for relevant debate on one-man leadership in the military field, see *T. Chen*, *Learning from the Chinese People’s Liberation Army: The Mass Line in the German Democratic Republic’s National People’s Army*, in: *Schaufelbuehl et al.*, Europe and China in the Cold War, p. 219.
where Soviet specialists still received considerable respect – Soviet and East European experts’ authority on technical questions was seriously undermined.\textsuperscript{108} The sidelining of the experts in the factories greatly slowed the progress of industrial projects. In reports to their superiors back home, many specialists linked Mao’s ambitious Great Leap Forward to loss of lives and industry.\textsuperscript{109} With the Great Leap Forward the Chinese began to focus on ideological work among foreign specialists, and to propagate CCP policies and approaches to work organization.\textsuperscript{110} In interviews, former Soviet advisors even attested to having been under the direct surveillance of the Chinese security apparatus.\textsuperscript{111}

The Soviet decision to withdraw all its specialists from China in August 1960 was one of the most crucial steps on the path from cooperation to conflict. According to Lüthi, this withdrawal pertained to 1,400 experts working on construction sites of industrial projects and doing advisory work for enterprises and organizations.\textsuperscript{112} Still, Shen Zhihua has concluded from his findings in Chinese and Russian archives that the Soviet specialists’ withdrawal had less impact on the Chinese economy than previously thought. The number of Soviet specialists and their influence in other fields had already begun to wane and Chinese specialists had acquired the necessary expertise for many of the working processes. The difficulties caused by the withdrawal were mainly limited to the military-industrial field.\textsuperscript{113} Additionally, after the withdrawal, the Chinese leadership started to explore the possibility of acquiring advanced technology from “capitalist countries”.\textsuperscript{114} Specialists from Japan and Western Europe returned to China after a decade of hostility.\textsuperscript{115}

The East European technical experts’ attitude towards the Sino-Soviet split is a central topic in current scholarship. Representative studies hold that East Europeans in China “firmly sided with their Soviet partners” and that their re-

\textsuperscript{109} Jersild, Sino-Soviet Alliance, p. 139.
\textsuperscript{110} Shen, Sulian zhuanjia zai zhongguo, p. 267.
\textsuperscript{111} Kaple, Soviet Advisors, p. 129.
\textsuperscript{112} Lüthi, Sino-Soviet Split, p. 178.
\textsuperscript{113} China’s development of nuclear industry and certain sophisticated weapons was greatly hampered by the withdrawal, see Shen, Sulian zhuanjia zai zhongguo, pp. 332-333.
\textsuperscript{114} R. Nie, Guanyu lizuguonei fazhankeji deng wenti xiang zhuoyang bing maozedong de baogao (A Report to the CCP Central Committee and Mao Zedong on how to develop Science and Technology on our own), 3.7.1960, in: Dangdewenxian 1, 1996, pp. 8-9.
\textsuperscript{115} King, Reconstructing China, p. 174; Zanier, Energizing Relations, pp. 165-168.
jection of “China’s radical path was complete” in all fields. However, new evidence from Chinese provincial archives tells a more complicated story. Long after the withdrawal of Soviet specialists, East German engineers in Zhengzhou became one of the last groups of Soviet bloc specialists stationed in China and continued their work until their project was finished at the end of 1964. Even before the Soviet bloc’s open ideological struggle with China, some German engineers (including the head of the specialist group) already had grown increasingly critical of the GDR’s domestic and foreign policy. These East Germans had frequent private conversations with their Chinese colleagues on issues like social inequality in the Soviet bloc, Soviet and East German policy towards Albania and similar concerns. Going even further, they handed secret East German negotiation plans to the Chinese and helped their Chinese fellows to pressure for compensation for losses caused by German project designs. Similarly, before leaving China in the summer of 1960, Soviet specialists offered to share technical materials and project blueprints with Chinese counterparts with whom they had established close contacts. All of these behaviours were illegal for the Soviets, but in the eyes of the Chinese they were considered to fall under the “friendship of internationalism”. These were perhaps only individual cases, but still, they indicate a potential room for manoeuvre. For the average specialist, however, political and ideological issues seemed too sensitive to talk about.

Room for manoeuvre cannot only be found on the ground at the level of experts. The Soviet partner states’ approaches to the Great Leap Forward and the Sino-Soviet split also reveal at least some asynchronisms between the policies of different Soviet bloc countries. These divergences will be the topic of the last section.

117 Guanyu wosheng waiguo zhuangyusheng sixiang qingkuang jianbao (Briefing on the Ideological Situation Among Foreign Specialists and Students in Henan), 25.01.1961, in: Henan Provincial Archives, J087-01-0049; Wosheng waiguo zhuangyusheng qingkuang jianbao (Briefing on Foreign Specialists and Students in Henan), 30.04.1962, in: ibid. Both were written by the Foreign Affairs Office of Henan provincial government.
118 Shen, Sulian zhuangyusheng zai zhongguo, pp. 327-329.
119 Chen, Weathering the Storms, pp. 50-51; Shen, Sulian zhuangyusheng zai zhongguo, pp. 256-257.
5 China and the Soviet Satellites in Eastern Europe

Traditional studies of the Sino-Soviet alliance have always centred on the Soviet Union and China as the two superpowers of the socialist bloc. In the shadow of this historical narrative, however, historians have gradually come to focus also on East-Central and South-East European socialist countries. Documents on China’s annual trade negotiations with the Soviet partner countries are no longer “extraordinarily tedious”, as the last generation of scholars considered them. In line with more recent studies, this section will show that Chinese economic relations with Soviet partner states in Eastern Europe were significant for both sides, had dynamics in their own right and were not simply a function of Soviet power. This section will also show how Sino-East European interactions were interrelated with the West, its technologies and global market infrastructures.

The PRC’s trade relations with East European countries took hold after bilateral trade agreements were signed in the first half of the 1950s. From 1951 to 1960, the GDR and Czechoslovakia, with their edges in heavy industry and technology, each ranked third or fourth among China’s trading partners, just behind the Soviet Union and Hong Kong, which at the time was an intermediary for China’s trade connections with the rest of the world. In 1958 and 1959 the GDR even overtook Hong Kong to become China’s second biggest trading partner. As mentioned above, the reverse was also true – for example, in the late 1950s China became the ČSR’s third most important trading partner, after the Soviet Union and the GDR. Also Poland and Hungary were among China’s top ten trading partners throughout the 1950s.

Trade relations with the fairly industrialized East-central Europe in particular have mostly been identified with the following pattern: China supplied raw materials and light industrial products, whereas the East European countries exported machinery to China. By way of a bilateral compensatory trade system

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120 E.g. Radchenko, Two Suns; Lüthi, The Sino-Soviet Split; Shen/Xia, Mao and the Sino-Soviet Partnership.
121 Kirby, China’s Internationalization, p. 885.
122 Ibid., pp. 879-880, 884.
123 Foreign Economy and Trade Ministry PRC (Ed.), Duiwai maoyi ziliao huibian yijiuwuling zhi yijiubaju (Collected Sources on Foreign Trade), Beijing 1990 (Oct.), pp. 47, 98.
124 Skřivan, On the Expansion of the Czechoslovak Economic Relations, p. 735
125 Foreign Economy and Trade Ministry PRC, Duiwai maoyi (Collected Sources on Foreign Trade), p. 96. See also Vámos, Im Schatten Moskaus.
on a clearing basis, China gained invaluable capital goods – embargoed by the West – to speed up its industrial construction.\textsuperscript{126}

Without changing the overall picture, new evidence from Chinese archives reveals that in these bilateral trade relations, China, albeit on a smaller scale, also offered technology and industrial products to Eastern Europe. In addition to the examples mentioned in the second section, here two more might be highlighted: in the early 1960s, the Polish government not only placed orders for Chinese pen-making equipment but also sent groups of technical experts to receive training in China, so as to learn how to make such products in Poland.\textsuperscript{127} On the basis of technologies they had acquired from other COMECON countries, the Chinese also provided technical assistance to Albania in the 1960s and Romania in the 1980s.\textsuperscript{128}

These East-East exchanges did not take place in isolation from the rest of the world. Trade relations between socialist countries may look rigidly bilateral, but they were always connected to global markets via networks, (price) mechanisms and (trade) infrastructures. Re-export deals offer an important example: when the PRC, during its own Great Famine, exported grain to Albania to woo Tirana’s political support in the Sino-Soviet split, the deliveries consisted of re-exports from capitalist countries like Canada. Meanwhile, rice bought from Myanmar was sent directly to the GDR to address trade deficits with East Berlin.\textsuperscript{129} Price changes on the world market, such as those for grain imports, affected China’s state budget and economic plans.\textsuperscript{130}

The U.S.-led embargo policies also directly affected China’s trade with Eastern Europe, and the attempts to circumvent it reveal the immanence of Western structures in East-East cooperation. The restrictions levied on trade with socialist Eastern Europe by the Western Coordinating Committee for Multilateral Export Controls (CoCom) were less encompassing than the UN embargo policy against the PRC after its intervention in the Korean War. Thus, the PRC’s East European partners were able to help Chinese foreign trade firms to ship goods to other parts of the world. The partners set up joint-venture shipping companies that served to import embargoed materials like steel from Western Europe and

\textsuperscript{126} Kirby, China’s Internationalization, p. 885.
\textsuperscript{127} Shanghai shi dui bolang gongying jinbi hebei qingkuang cankaoziliao (Information on Shanghai’s supply of gold fountain pen equipment to Poland), 30.12.1964, in: SMA, B32-2-182.
\textsuperscript{130} Wemheuer, Chinas Grosse Umwälzung, p. 173.
rubber from South Asia, and to re-export goods to capitalist countries. The Polish-Chinese Chipolbrok, founded in 1951, even withstood the Sino-Soviet split and the Cultural Revolution. Today it still operates as a bridge between China and Poland, with headquarters in Gdynia and Shanghai and a global range of activities.\textsuperscript{131} Even the landlocked Czechoslovak Republic founded a trade navy company that operated as a cover for PRC-owned ships in the 1950s. A company based in the PRC would not have been allowed to purchase the ships in western countries, register them with Lloyd’s (which was of great importance for insurance costs) or ship goods in international waters – the Czechoslovak flag made all these things possible.\textsuperscript{132}

Due mainly to its strategic position as an outpost of the socialist camp, the GDR served as a crucial intermediary in China’s trade with the West, especially West Germany, in the 1950s.\textsuperscript{133} Foreign trade experts came from China to the GDR to coordinate China’s rush-to-purchase activities in Western Europe.\textsuperscript{134} The Leipzig trade fair, a major channel for exports to and imports from China, also allowed for unofficial contacts between Chinese trade officials and West German entrepreneurs. West European business circles saw the fair as an open door to the East and pressured their governments to promote trade with China and other Soviet-bloc countries. China grew to be a large exhibitor, second only to the Soviet Union. The China Committee for the Promotion of International Trade (CCPIT), established in 1951, was the foremost responsible Chinese organ for overseas trade fairs. Its chief goal was not just to showcase the CCP’s domestic social economic success but also to promote China’s trade with the world and confront the economic embargo led by the USA. Even as political relations with the GDR went sour at the end of the 1950s, the CCP saw the Leipzig trade fair as a platform on which to acquire information about global technical and

\textsuperscript{131} M. Gnoinska, Chipolbrok; for information on Chipolbrok today see also the company’s website: http://www.chipolbrok.com.pl/article/1/general-info, 15.09.2020
\textsuperscript{134} Zhang, Beijing’s Economic Statecraft, p. 28.
industrial developments. Trade with Western Europe and Third World countries thus became the new main focus of Chinese delegations in Leipzig.\footnote{135}

The poor planning of the Chinese economy led to conflicts with trading partners in the Soviet bloc. Since the mid-1950s, the East Europeans had been prepared to conclude long-term agreements with China to make trade more stable and foreseeable. However, these attempts were frustrated by the poor quality of Chinese products and the Chinese state planners’ apparent inability to figure out the needs of their economy or provide any precise trade plan. Trade with China remained regulated by one-year agreements, which the more industrialized COMECON countries considered risky and inefficient because their export goods (machinery and industrial equipment) had long production cycles. Short-term orders put pressure on East German and Czechoslovak manufacturers, who frequently were unable to meet delivery deadlines.\footnote{136}

The Sino-East European exchanges were also shaken by China’s assertive ideological campaigns. First and foremost, the Great Leap Forward produced the loudest echo in Eastern Europe. Whereas the Soviet leadership’s reaction to the Chinese leadership’s radical rapid development plans ranged from reluctance to open criticism, in other COMECON countries the campaign was met with sympathetic interest in the beginning. Stalinist die-hard leadership factions unhappy with Khrushchev’s reform course maintained their positive image of the Chinese campaign until the fatal outcome became clearer.\footnote{137} The Bulgarian leadership saw the leap, with its mobilization of unpaid labour and its radical enlargement of agricultural entities and of industrial investments, as a model for rapid industrialization on limited means and launched a campaign with certain similar features. This ruthless, unbalanced approach contributed to socialist Bulgaria’s first debt crisis in the early 1960s.\footnote{138}

\footnote{136} Adamec, Sino-Czechoslovak Trade in the 1950s, pp. 179-188; Kirby, China’s Internationalization, p. 886.
In the initial stages of the Great Leap Forward, the Chinese government greatly expanded its trade plan with the Soviet bloc countries. To boost industrial construction at home, it vowed to import as much industrial equipment as possible, as fast as possible. However, the compensatory mode of trade with COMECON countries demanded vast increases in exports of agricultural products, light industrial goods and minerals that were actually well beyond China’s output and logistical capacities.\textsuperscript{139}

By the end of 1960, the value of goods not delivered to the six East European COMECON countries (East Germany, Poland, Hungary, Romania, Bulgaria, Czechoslovakia) reached a record high of 423.34 million roubles. Of these countries, industrial powers like the GDR, Czechoslovakia and Hungary suffered the most.\textsuperscript{140} This non-delivery of goods led to direct economic and political confrontation between China and its socialist partners.\textsuperscript{141} The reasons for extending the Sino-Soviet split to the Soviets’ East European partner states therefore went well beyond ideological hair-splitting between Mao and Khrushchev.

6 Conclusion

The shadow of the Soviet model still exerts a pervasive influence on today’s China. Although the PRC, now the second biggest economy in the world, is thoroughly integrated into the global capitalist economy, it still retains some essential elements of the Soviet model.\textsuperscript{142} China’s basic economic system, represented by powerful state-owned enterprises that have been greatly transformed

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\begin{enumerate}
\item J. Ge, Cong hezuo dao douzheng yijiuwuliu zhi yijiuliusi nian zhongugo yu minzhudeguo de maoyi guanxi (From Cooperation to Struggle: China’s Trade Relations with the GDR 1956-1964), in: Shilin 2, 2020, pp.171-181, p. 95.
\item Chen, East German Pragmatism.
\item H. Li, From Revolutionary Party to Ruling Party: The CCP’s Adoption of Soviet governing Structure in the early 1950s, in: Modern China Studies, 2015, pp. 29-44; Bernstein/Li, China learns from the Soviet Union, 1949-Present.
\end{enumerate}
\end{footnotesize}
since the late 1970s, holds remnants of the Soviet model and stifles the power of private enterprises by integrating them into an “authoritarian corporatism”.\footnote{Wemheuer, Chinas Grosse Umm\"{a}lzung, pp. 215-219.}

While the Sino-Soviet alliance and its impact are largely forgotten in public discourse in Germany and Eastern Europe,\footnote{An exception is a discourse in Russia about the country’s great contributions to China’s rise, (https://russian7.ru/post/pochemu-sovremennuyu-yekonomiku-kitaya-s/, 12.02.2022), similar to the stance taken in some scholarly writings, see: Mamaeva et al., Uchastie SSSR; A. Verchenko, The Role of Soviet Specialists in the Development of Economic, Scientific-Technical, Educational and Humanitarian Spheres of the PRC (1949-1960), in: Far Eastern Affairs 37/4, 2009, pp. 78-86.} it remains a topic in today’s China.\footnote{N. Volland, Socialist Cosmopolitanism: The Chinese literary Universe 1945-1965, New York 2017, pp. 1-3.} While the partly self-fulfilling prophesy that \textit{today’s Soviet Union will be the tomorrow of China} in the early 1960s had been replaced by nationalist propaganda aimed at legitimizing and consolidating the power of the party while boosting construction at home, the tone has changed again. Once the new party leadership took office in 2012, the CCP launched a new political and ideological campaign to legitimize its rule, called “Liangge sanshinian” (Two Thirty years). According to this new evaluation of the CCP’s history, the logic of Mao and Deng, of revolution and development, are interlinked.\footnote{L. Liu, Liangge sanshinian de youjilianjie maozedong yu zhongguo teshe shehuizhuyi de lilun he Shijian (On the Interlink of the Two Thirty Years), in: Yuejiangxuekan 2, 2009, pp. 5-11.} President Xi asserts that the history before and after the Reform and Opening cannot be divided into two different, contradictory periods.\footnote{See Xi’s speech on 5.01.2013: Xi Jinping, Buneng gelie gaigekaifang qianhou lishi bing xianghufouding (We can’t divide the history before and after the Reform and Opening and negate each other), https://www.chinanews.com/gn/2013/01-05/4460409.shtml, 12.02.2022.} A powerful wave of propaganda was launched to re-evaluate the socialist construction under Mao – which involves international economic cooperation and thus leads to a reappraisal of the Sino-Soviet alliance. In this discourse, officials state that autarky was not the guiding policy of Mao’s China, and that technology imports from the Soviet bloc played an indispensable role in the construction of a modern industry. For example, the former deputy Secretary-General of the State Council, Jiang Xiaojuan, who is currently dean of Tsinghua’s School of Public Policy and Management, argued in an article that the PRC’s opening policy actually started in 1949 rather than in 1979, the year traditionally deemed a watershed for the PRC and its relations with the world.\footnote{X. Jiang, Xinzhongguo duiwai kaifang qishinian funeng zengzhang yu gaige (Seventy years of Opening up in New China: Growth and Reform), in: Guanlishijie 12, 2019, pp. 1-2. A}
Recent western research does not bring forward the PRC government’s opening policy to 1949 like Jiang does, but still it gravitates towards a new interpretation of the interconnections of Mao’s China with the world economy, emphasizing also its sustained ties to the pre-PRC era. Departing from “the mistaken impression of China during his rule as either raging against the capitalist world or contentedly detached from it”, such literature examines the ongoing albeit reduced interconnections through the years of embargo, of the Great Leap Forward or even Cultural Revolution. Trade never stopped, and a focus on the ideas, techniques, attitudes, institutionalizations and networks it involved promises to tell a more nuanced story than what trade statistics alone could show.

Sino-Soviet cooperation also has to be seen in this context. It entailed industrialization and industrialization entails a constant need of things like technical knowledge for renovation, spare parts or markets for selling the products. The technology transfer of the Sino-Soviet alliance happened in the context of the global economic expansion of the postwar decades. It functioned as a substitute for western technologies during the embargo years and, despite the crises and political interruptions of the 1960s, laid the material groundwork for the PRC’s later ascent as the globe’s leading manufacturer and exporter of light industrial goods.

However, the picture is still very rough. The different protagonists, groups of actors, factions and institutions that participated in these exchanges and the corresponding decision-making processes, and the rationales of those actors, have not yet been broadly identified. This holds true not only for the Chinese side, where a large portion of top-level archival sources are still out of researchers’ bounds, but also for Eastern Europe. Rather vague, a posteriori inferences about actors’ ambitions still need to be replaced with detailed studies of decision-making processes. Protagonists involved in decision-making beyond the top leadership level, such as officials of international exchange authorities, foreign trade firms and producing enterprises, as well as the engineers on the ground, have only occasionally come into focus. Despite the transnational turn of recent years or even decades, the great leaders still retain their omnipresent role in the literature.

recent academic publication in the west on the importance of the 1979 for China and the world, see F. Bösch, Zeitwende 1979. Als die Welt von heute begann, München 2019.


150 Kelly, Market Maoists, p. 3.
Most striking is the contrast between the largest-technology-transfer-ever rhetoric in many studies and the complete absence of comparisons of the Sino-Soviet industrial cooperation with other such processes. Research until now has also largely failed to integrate the alliance into accounts of globalization, or of the postwar global economic expansion respectively. Even the debate about socialist globalization has largely avoided the Sino-Soviet alliance. One can only guess that various reasons are at play: language problems and the disciplinary rift between Sinology and East European studies in western countries; the difficulties of categorizing the PRC between East and South, which leave it on the margins of both studies on East-South relations and studies on the Soviet bloc; and the die-hard neoliberal cliché that globalization only began in the 1970s or even in 1989. All of these obstacles can be overcome.

Bionotes

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