

# The Determinant(s) of China's Foreign Aids during the "Great Famine"

The Final Presentation of IPE

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# Outline

- Introduction
- Literature Reviews
- The Late 1950s: Risk and Opportunity
- Hedging against the USSR
- Competition for the Leadership
- Conclusion

# Introduction

- Why did China still give a huge amount of foreign aids to other countries when she suffered from the “Great Famine?”

The “Great Famine”	Foreign Aids
<ul style="list-style-type: none"><li>- Serious problem of Shortage</li><li>- Millions of people died</li></ul>	<ul style="list-style-type: none"><li>- More than 4 billion yuan aid</li><li>- 22 out of 38 countries</li><li>- Adding new recipients (Uganda, Cuba)</li><li>- Increasing the traditional aids</li></ul>

# Literature Reviews

■ Theoretically,

[Realists] The means of guaranteeing the national security

[Idealists] Altruism Interests such as humanitarian needs

[Neo-Marxists] Calculations of donors and enlargement of the gap

# Literature Reviews (Cont.)

■ Empirically,

OECD Countries	China
<ul style="list-style-type: none"><li>- Political and Strategic Interest</li><li>- economic needs</li><li>- colonial past</li><li>- donor's preference</li></ul>	<ul style="list-style-type: none"><li>- Proletariat Internationalism</li><li>- The Role of Chinese Leaders such as Mao</li></ul>

# Literature Reviews (Cont.)

## ■ Disputes:

- The constraint of the “Great Famine”
- The change of China’s attitude to aids

## ■ Problems:

- Overly Blurred Concept  
(“Political and Strategic Interest” & “Mao’s decision”)
- E.G. Aids to Egypt vs. Aids to DPRK

# The late 1950s: Risk and Opportunity

- What was the political and strategic interest of PRC?

- Background:

(the Rise of China and the Fall of the USSR)

- Hungarian Revolution of 1956
- The Debate between the USSR and Yugoslavia (Nagy Incident)
- Poznań 1956 protests
- June Coup/Incident with the USSR Hierarchy

## The late 1950s: Risk and Opportunity (Cont.)

### ■ Moscow Meeting in 1957,

China	The USSR
War and Peace	Peaceful Coexistence
<p>[Mao] “But, using the Principles of Peaceful Coexistence as the general line of foreign policy is wrong ..... As the general line, we can not merely talk about the peaceful coexistence. Instead, we should focus on World Revolution and Proletariat Internationalism.”</p> <p>[Deng] “USSR was only talking about the peaceful coexistence. This is very awful. Only focusing on that war is not inevitable while never touching the question what we should do if war happens [is not correct].”</p>	<ul style="list-style-type: none"> <li>- The possibility of Nuclear War</li> <li>- The USSR Perception (military force as the means)</li> <li>- Khrushchev’s comments on recipient meeting held by Chinese Embassy at Moscow (Redundant and Unnecessary)</li> </ul>

## The late 1950s: Risk and Opportunity (Cont.)

### ■ Political and Strategic Interest

Hedge	Competition for the Leadership
<p>[Motivation]</p> <ul style="list-style-type: none"><li>- <u>Substantial Risk</u></li></ul> <p>[Limitations]</p> <ul style="list-style-type: none"><li>- Dominant Role of the USSR in terms of hard power</li><li>- <u>The Trade and Aids with the USSR</u></li><li>- Sino-American Confrontation</li></ul>	<p>[Motivation]</p> <ul style="list-style-type: none"><li>- Guaranteeing the correct guideline by replacing the position of the USSR</li></ul> <p>[Capability]</p> <ul style="list-style-type: none"><li>- Advantage in Soft Power</li><li>- The Winning of Korean War</li><li>- The leadership of the USSR was at Risk</li></ul> <p>[Observation]</p> <ul style="list-style-type: none"><li>- Khrushchev &amp; Yugoslavian delegate</li></ul>

## The late 1950s: Risk and Opportunity (Cont.)

	Characteristic	Means	Goals
Hedge	Defensive	Aids	Risk Management
Competition	Aggressive		Leadership



# Hedging against the USSR

## ■ Sino-DPRK case

After "August Coup"	After Moscow Meeting
<p>[Politics]</p> <ul style="list-style-type: none"><li>- Joint Intervention</li><li>- Final Peaceful Settlement of Korean War</li></ul> <p>[Aids]</p> <ul style="list-style-type: none"><li>- Rejected the request of extra 50 million yuan</li><li>- Food Negotiation for 1957</li><li>- Zhou Enlai's announcement</li></ul>	<p>[DPRK]</p> <ul style="list-style-type: none"><li>- Acknowledging the difficulties</li><li>- Not Urgent</li></ul> <p>[China]</p> <ul style="list-style-type: none"><li>- Unlimited aids on cotton/coal</li><li>- Joint dam construction</li><li>- The order of Chinese State Council in Jan. 20<sup>th</sup> and the end of Jan., 1961</li></ul>

# Hedging against the USSR (Cont.)

## ■ Result:

- The official newspaper of DPRK, *Labor News*, announced in 1963 that DPRK was against any partial attack on CPC.
- When Kim met the USSR ambassador at Pyongyang, he directly criticized the action of the USSR in 1956 and openly claimed that he could not accept the attack on China.

# Hedging against the USSR (Cont.)

- To sum up,

China was using the aids to DPRK as the means to response the USSR.

# Competition for the Leadership

- Sino-DPRK aids: Not sufficient

(The competition explanation is not excluded)

- The USSR-DPRK case:

- Long-term Trade Agreement, Sep. 1960
- Trade Deficit vs. Loans
- The meeting between Khrushchev and Kim

# Competition for the Leadership (Cont.)

- Leadership of the USSR and the Moscow Meeting
  - Stances of Poland (firmly against) and other Communist Countries (silence)
  - The USSR (Avoiding mention the leadership of the USSR or the Sino-USSR joint leadership)
- China's stance (firmly support)
  - China's revised draft of final document of the Moscow Meeting
  - Mao's speech on the opening ceremony
  - China's efforts on persuading Poland

# Competition for the Leadership (Cont.)

## ■ Allocation of China's Aids (No. 102-00015-01(1))

Facility Aids from 1955 to the early 1960s					
Country	DPRK	Vietnam	Mongolia	Albania	Czech
Number	8	100	53	3	1

Given the fact that Stalin had reached consensus with Mao that CPC would mainly deal with the communist movement in Asia while the USSR concentrated on European communist activities, what China did after the Moscow Meeting in 1957 did not exceed this consensus. On the contrary, considering the actions of the USSR to DPRK in the early 1960s, it seems that the USSR was more aggressive

## Competition for the Leadership (Cont.)

■ To sum up,

China was not intending at competing with the USSR for the leadership, although she increased her aids to other countries as the means to response the USSR.

# Conclusion

- Combining what discussed in the last two sections, hedging against the USSR instead of competing for the leadership was the determinant of China's aid allocation at that time

# Conclusion (Cont.)

## ■ Limitations:

### - Case Selection

A. What about non-communist countries since China indeed added many African countries as recipients during this period?

B. What about the different behavior in Sino-Mongolia case?

### - The “Great Famine”

Thank you !~

# The Trade and Aids with the USSR

Year	Machine Import	Percentage on Total Import	Trade Volume of Sino-USSR trade	Percentage of Sino-USSR trade
1950	0.037	10.6	0.238	29.8
1951	0.099	22.6	0.809	41.4
1952	0.141	27.7	1.064	54.8
1953	0.145	23.1	1.258	53.1
1954	0.179	26.2	1.291	53.1
1955	0.207	30.7	1.790	56.9
1956	0.273	41.6	1.524	47.5
1957	0.244	49.9	1.365	44.0
1958	0.256	51.2	1.539	39.8
1959	0.538	62.6	2.097	47.9
1960	0.454	61.6	1.664	43.7



# Substantial Risk

- The Strait Crisis in 1958:

[Kissinger]

The Strait Crisis in 1958 demonstrated Chinese ideological and strategic vigilance against the U.S., contrasting with the USSR quiescence in the face of a strategic American move in the Middle East. **Such quiescence, in the eyes of Mao, had made the USSR a problematic ally and perhaps even a potential adversary.** Consequently, Mao was partly using the Strait Crisis to push Khrushchev to choose between his new policy of peaceful coexistence and his alliance with China. As it turned out, **Khrushchev harshly criticized Chinese government and ended the cooperation on Nuke with China.**

