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## China's adaptation to the international capitalist system: was it made in the USA ?

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# **CHINA'S ADAPTATION TO THE INTERNATIONAL CAPITALIST SYSTEM: WAS IT MADE IN THE USA?**

**Nom: LIANG  
Prénom: Qianjun**

UFR de Langues étrangères (LLCE et LEA)

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Mémoire de master 2 recherche - 30 crédits – Langues littératures et civilisations étrangères

Spécialité ou Parcours : Etudes anglophones

Sous la direction de Francis FEELEY

Année universitaire 2012-2013





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## **Introduction**

Sino-American relations or Chinese-US relations are characterized as being complex and multi-faceted. Some analysts consider that the People's Republic of China and the United States are neither allies, nor enemies, but rather that the US government regards China as a competitor in some domains while as a partner in the others.

Sino-American relations date back to the Qing Dynasty in late 19<sup>th</sup> century. The Qing government built up diplomatic relations with the U.S. government and Chinese personnel and scholars were permitted to travel to the United States. During World War II, the U.S. government was an ally of the Republic of China, led by the Kuomintang (KMT), under the leadership of Chiang Kai-shek. Another Chinese army composed of mainly peasants, and led by the Chinese Communist Party (CCP), also participated in the war, although the KMT and the CCP were against each other. The U.S. government saw the increasing power of the Communist Army and insisted on the unification of the two Chinese political parties in order to defeat Japan. Immediately after the WWII, the Chinese Civil War began. The U.S. government was on Chiang's side; US material and military aid was flown in to help the KMT. In the end, when the Communist Army, led by Mao Zedong defeated the KMT, General Douglas MacArthur ordered the KMT forces to retreat in the island of Taiwan. After Mao Zedong announced the foundation of the People's Republic of China at Tianmen Square in 1949, the U.S. government sent military troops to Taiwan to support the KMT. The US government recognized Taiwan as the Republic of China, the legitimate government. It didn't establish diplomatic relation with the PRC for thirty years. It was not until 1979 that the United States formally switched diplomatic recognition of China from Taipei to Beijing.

When studying Sino-American relations, we can not ignore Sino-Soviet relations and the Soviet-American relations, for these three nation states, "The Big Three," as they were called, have histories that are intertwined and overlapping with each other. It seems that whenever two of them developed a closer relationship, the third was always estranged. During the Chinese Civil War, neither the U.S. government nor the Soviet Union expected the Communists to win with their obsolete weapons. The Truman administration underestimated the power of ideology and always stood on the side of the KMT; the U.S. government maintained an embargo on mainland China for thirty years and more. Stalin didn't appreciate the Chinese Communists and he looked down upon them at the beginning. However, it was the common interests shared by the two Communist countries



that forced them to join in a common front during the Cold War period. At that time, the United States regarded the PRC as an agent of the Soviet Union and followed instruction from the Soviet Union. The Soviet Union, as “an elder brother of the PRC,” offered some financial and technical aid to help “the little brother” to develop industrialization. Nevertheless, things began to change when Khrushchev came to power, after the death of Stalin in 1953. Khrushchev negotiated a rapprochement with the United States, and was regarded as a pro-capitalist and revisionist by Mao, who adhered to the revolutionary Marxist ideology to defeat capitalism and imperialism. Sino-Soviet relations began to weaken. Moscow’s decision in 1959 to renege on its program of helping the PRC develop the atomic bomb and Khrushchev’s decision to withdraw all Soviet technicians from China in 1960 led the now famous Sino-Soviet split.

The Sino-Soviet relations became more and more fierce, and the United States approached the PRC at the beginning of the 1970’s. Richard Nixon’s historic visit China in 1972 marked a new page in history and broke the deadlock between the two nations. However, it was not until in January 1979 that the United States established diplomatic relations with the PRC. The Soviet invasion of Afghanistan in 1979 convinced President Carter to shift even more US priorities from the Soviet Union to the People’s Republic of China. At the same time, Deng Xiaoping, Mao Zedong’s successor, carried out the “Reform and Opening Up Policy”. Since the Carter Administration, the Chinese market was opened for the foreign investment and has become more and more integrated into the global economy. Nowadays, China has become the second largest national economy in the world after the United States. The two political and ideological enemies of the past have become economic partners and competitors today.

The intricate diplomatic relations between the United States and China has attracted my attention, and in this research I have attempted to make an original contribution to our understanding of the fundamental reasons behind America’s change in its foreign policy toward the People’s Republic of China. In this research, I have discovered that economic incentives play an important role in foreign policy decisions, both in the United States and in China. It is important to keep in mind that China underwent great changes, from a socialist economic system to one that is completely integrated into the global capitalist economy. This occurred after establishing diplomatic relations with the US, and in this work I will attempt to determine whether American foreign policy forced China to adopt neo-liberal methods to develop economically or whether these important decisions were made independent of US interests. In a word, this research aims to find out to what degree

did the United States compel China, politically and economically, by means of its foreign policy to adapt to the international capitalist system in an effort to secure its economic hegemony in the post-cold-war world.

I have presented the results of my research in three chapters. The first chapter presents the economic reform in the early stage of Mao's period, from 1949-1953. This chapter also describes the triangular relationship between the United States, the Soviet Union, and the PRC; and evaluates the foreign policy toward China during the Truman administration.

In the second chapter we will explain the power of Mao's personal ideology between 1953 and 1976 and its relationship with severe domestic problems in this period. Then we will examine the Sino-Soviet split and study the reasons for this dispute. Finally, in chapter 2, we will look at American foreign policy toward China during the Eisenhower Administration and the Nixon Administration: by comparing these two administrations, we can see different stages in the change of US policy toward the People's Republic of China and better understand what produced this change.

In the last chapter of this presentation, we focus on Deng Xiaoping's regime in China (from 1972 to 1990's) and how his economic reforms affected diplomatic relations between the United States, the Soviet Union, and the PRC during the Administration of Jimmy Carter.

## **Chapter 1**

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# **New-Built China and U.S. Intervention during Early Stage of Mao's Era**

At the end of the civil war in China between Communist forces and Nationalist troops in 1949, the PLA (People's Liberation Army) led by Mao Zedong seized the power while the KMT (Kuomintang) under the control of Chiang Kai-shek was defeated and was pushed out of mainland of China to retreat in Taiwan, shattering its dream of regaining power over all of China. After the non-stop wars between 1937 and 1949, Chinese society was in ruins, everything was shattered and hyperinflation was stifling the whole nation. Facing this catastrophic situation, what did the Chinese Army do to rebuild the new nation? Was everything changed for the better with Communist leadership replacing the KMT dictatorship? Was the new society free from the traditional inequality and oppression or was it the beginning of a new tyranny under Chinese Communist control? How did the Communists rebuild the national economy? What problems did they encounter during the economic development? Was China reluctant to turn to the Soviet Union for help? In what way did the Soviet Union agree to help China? And what did the triangular relationship between China, the Soviet Union and the United States look like? Were they enemies or friends or simply partners for their self-interests? What kind of foreign policy did the United States pursue toward the PRC? In this chapter, all of these questions will be answered. The purpose of this chapter is to elaborate on American foreign policies toward the PRC and the economic and political changes which occurred between 1949 and 1953, and.

## **I. China during Mao's Period**

### **1.1. The New-Built China**

When Mao Zedong proclaimed that the People's Republic of China was founded on the October 1<sup>st</sup>, 1949 in the Tianmen Square, the whole nation was in a rapture. The Red leaders showed their glorious faces in front of the whole nation, but behind closed doors, they were facing formidable problems which gave them a headache.

“By summer 1948, the economic situation in Nationalist China had deteriorated drastically as hyperinflation reached stupendous levels. Prices were three million times those of 1937. Private capital had been shunted into financial speculation and hoarding of commodities. Money lost practically all value and even moderate purchases required bushels of notes.”<sup>1</sup>

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<sup>1</sup> Bevin Alexander, *The Strange Connection: U.S. Intervention in China, 1944-1971*. New York: Greenwood Press, 1992, 78.

The Communist leaders had to carry out land reform to control urban economics, to stop hyperinflation and to open up a way for the development of industrialization. All of these were thorny issues in priority. China had to depend on itself to recover economically, although the Soviet Union gave limited assistance because it had lots of problems after World War II, while the United States and the Western didn't offer any help at all.

### **a. The Land Reform**

On June 30, 1950, a land-reform law was passed in Beijing in order to overturn the power of land holding power of the countryside, where 80 percent of the population lived. On the face of it, the law was meant to eradicate landlords and land was to be redistributed to the peasants to balance land possession. In fact, the agrarian-reform paved the way to industrialization.

The reform was aimed mainly at the rich landlords, whose lands would be collectivized and then redistributed to the poor and middle class peasants who hadn't owned any land. Then, the peasant worked in cooperatives instead of working individually on their own farms so as to produce food and commodities at a low price. The food and commodities would feed the workers, who were responsible to build factories, mines, and railways and workshops.

The reform was considered as being inspired by Joseph Stalin's program of collectivization during 1920s to 1930s. When Stalin demanded all the peasants to surrender their farm animals and their lands to the state as "collective farms (*kolkhoz*)"<sup>2</sup>, but in return, the peasants were compensated by very small sums of money, the peasants resisted the move. They killed and ate most of their animals. The slaughter of farm animals impacted on the food and farm production, which took years to get back on track. And the situation was worse when Stalin branded millions of peasants as "kulaks (well-to-do farmers, though many were poor)"<sup>3</sup>, and shipped them to Siberia and many died on the way.

Nevertheless, when Mao followed the example from Stalin, he had already learned a lesson. Mao's land-reform, which was planned to take several years to complete, seems different from that of the Stalin's. Firstly, the landlords' hold on the land would be reduced. Then the lands would be redistributed among the peasants who were encouraged to work in a unit. Next, the peasants were encouraged to work into a lower level or

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<sup>2</sup> Ibid., 130.

<sup>3</sup> Ibid.

elementary cooperative, though some land was allowed to be owned privately. Finally, the plots of land were collectivized and the peasants worked in advanced cooperatives. However, there is no big difference between Mao's reform and the Stalin's. Both of them paved the way to collectivization while the difference was in way in which the programs were carried out. According to Professor Bevin Alexander, "these advanced co-ops were to be full-fledged .collective farms differing from the Soviet *kolkhoz* only in name."<sup>4</sup>

The agrarian-reform policy was to leave the middle class alone while equalizing the two extremes-the rich peasants and the poor ones, which means that lands would be taken from the rich peasants and then redistributed to the poor peasants in order to bring all the peasant into a middle class level. Therefore, the aim was to eliminate landlords and confiscate their lands to redistribute them to those who had insufficient or no lands.

It seems that the land-reform aimed to eliminate landlords and the lands became collectivized by the peasants. However, it was still the rich peasants who owned larger shares, and it didn't bring as much wealth as expected to China. "As Vivienne Shue, an expert on land reform writes, 'Land reform made a relatively few people poorer and a great many people somewhat better off. But it made no one rich.'<sup>5</sup> During the implement of the reform, a group of cadres were organized by young students, who were high on revolutionary zeal and were in the cult of Mao Zedong. They were radical students, who had little knowledge of agriculture, but who were determined to seize the lands from the landlords and redistribute to the peasants, sometime through violent means. The students treated the landlords badly because they innocently thought the rich owners of the farms were bad guys who occupied most of the wealth, which was not fair to the poor. The students took the lands by force. Meanwhile, the land-reform could be considered as discrimination against the rich landlords who were deprived of their lands by force against their own will, which led some poor peasants to abuse their right to gain lands. Besides, the reform didn't motivate the peasants to work harder, since they could get lands if they didn't work much and what they produced was not worth much. Moreover, the poor peasants comprised over half of the total population and the middle class peasants took 20 to 30 percent, while the landlords, owning the most wealth made up the rest. The private lands were collectivized and redistributed to the peasants, which didn't increase the production rate, but dispersed the wealth, so that everyone became poor in the same way.

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<sup>4</sup> Ibid., 131.

<sup>5</sup> Ibid., 136.

Therefore, the reform didn't make everyone rich in China, but instead, it made the Chinese poorer. On the surface, the reform was aimed to equalize the holding of lands, but to start with, it was not just to seize land from the landlords.

### **b. Hyperinflation Resolved**

As was mentioned before, the land issue was not the only problem in China, since the Chinese Communists had also to solve hyperinflation so as to stabilize the prices and feed people. In order to solve hyperinflation, the government introduced "people's note" (renminbi) to replace the Nationalist "gold yuan" at a rate of ten yuan to one renminbi. However, at the beginning, the plan didn't work out efficiently, since the Chinese money didn't have much value, people didn't count much on the new currency and continued to buy foreign currencies and kept the old money. Later, China Bank increased the interest rate to attract people to deposit their money and allowed them to withdraw the money in renminbi. And at the same time, the government bonds, which were payable in commodity units, were introduced to encourage saving more and increase the purchasing power. Moreover, a graduated tax system was brought in to collect more tax from the industrialists and the businessmen. Finally, by March 1950, the inflation remained under control.

### **c. Industrialization Policy**

The land-reform and the solution to the hyperinflation paved the way to industrialization. After the war, all the shatter transportation networks, especially the railroads were needed to be rebuilt while the factories were needed to re-operate. The government continued to operate the industrial and transportation enterprises established by the Nationalist. According to Professor Alexander, "formally Nationalist-owned factories produced about a third of the nation's industrial output."<sup>6</sup> The state economy was still largely market-oriented while the government allowed the operation of both public and private sectors. However, the government made a gradual transition of the state control of the private firms into public ownership, by charging a larger tax rate on the private-owned enterprises. "During 1949-52 the share of modern industrial output by private companies dropped to less than a fifth."<sup>7</sup>

The government succeeded in reducing unrest caused by workers. At the start, the Communists allowed the workers to demand wage increase, the cost-for-living allowance

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<sup>6</sup> Ibid., 132.

<sup>7</sup> Ibid.

and better treatment by means of strikes, slowdowns, sit-ins and harassing employers. Besides, it guaranteed workers' economic security by providing them with low-cost essential commodities. Later, cadres of activists, organized by young students, who put the Red-dominated policy into effect, took on the responsibility to communicate between workers and firms. The government authorized the owners to end up the operation of the firms and to hire and fire the workers, based on the need for production, instead of the workers' need. If the workers were agitated, the cadres would persuade them to accept the fact. In this way, the workers were kept under control.

However, the Red leaders failed to produce the raw materials while the Nationalists were able to reduce the import of the foreign supplies on shipping in Shanghai, which was the largest industrial port. Moreover, the raw cottons were unattainable and the government had to buy American cottons.

Nevertheless, during the initial years of economic policies, the Communists succeeded in stirring up the energy and the passion of the young, educated people who were called on to carry out the party policy. Some young students had received education in the Nationalist schools, and they were sent to courses set up to teach Communist theories, such as the Marxist-Leninist ideology.

## **1.2. China Learned from the Soviet Union**

In order to revive the economy, China didn't work alone, meanwhile, it sought out its Communist brother-the Soviet Union for help. Here, it is interesting to mention the Sino-Soviet relationship, because at the beginning, Stalin paid no attention to the Chinese Communists, although both adhered to Communist. During the Chinese civil war, Stalin looked down on the Chinese Communists, and he had never expected that it would be the Communists who would win at the end. Stalin supported the KMT and found that it was incredible that the Communist Army would win at the end. It was not until the foundation of the People's Republic of China that Stalin realized that they had international interests in common and built diplomatic relations with the Chinese Communists.

Both of China and the Soviet Union shared the Marxist-Leninist ideology, they adhered to the route of Socialism through Communism, they had a common enemy-imperialism and capitalism, and finally they had the same mission to spread the world revolution.

“On February 14, 1950, after two months of maneuvering and negotiating, the two sides signed the Alliance and Friendship Treaty, which provided China with Soviet military



support against outside aggression, forming the basis of what would eventually become the largest ever socialist development project. In return, the PRC had to grant economic and military concessions in Xinjiang and Manchuria to the Soviet Union, accept unfavorable terms of trade, and consent to loan conditions in hard currency.”<sup>8</sup>

From 1950-1953, although China didn't receive much aid as was expected from the Soviet Union during the Korean War, Stalinization began to be implemented by Mao Zedong in China. Mao used Stalinization to fix his leadership in the Chinese Communist Party, through developing the cult of personality.

From 1953-1956, the Sino-Soviet relations reached their peak. Lorenz Luthi says that “in need to shore up support in the socialist camp for his leadership, Khrushchev reversed some of Stalin's policies toward China, and corrected unfavorable terms of trade.”<sup>9</sup> In that way, more financial aids were sent to China and more and more technicians were called for to help to build China.

### **a. Stalinism and the Short Course**

Instilling Stalinism dated back to the Rectification Campaign, which took place between 1941 and 1945. During this infamous movement, the Chinese Communist Party adopted Marxist-Leninism and Mao Zedong Thought as guiding ideologies and the campaign succeeded in supporting the leadership of Mao Zedong. From then on until the Cultural Revolution, Stalinism was implemented as an ideology in the Chinese Communist Party.

Stalinism, which is a distinctive interpretation of Marx' and Lenin's ideas on how to develop communist society, is a theory implemented by Joseph Stalin in the Soviet Union. It was written in a textbook named the *Short Course*, which is one of the three most printed books in history, together with the *Bible* and the *Selected Works of Mao Zedong*. *The Short Course* was written by Stalin under his supervision, which was considered as an encyclopedia of Marxism and Leninism seen through Stalin's reinterpretation. The book was based on Stalin's comprehension of Marxist and Leninist ideology, factual mistakes and false claims are inevitable. The main aim of the book was to spread the cult of personality of Stalin.

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<sup>8</sup> Thomas P. Bernstein and Hua-yu Li, *China Learns from the Soviet Union, 1949-Present*. New York: Lexington Books, 2010., 28.

<sup>9</sup> *Ibid.*, 29.

There were two main periods in which the *Short Course* was taught in China. One phrase took place between 1939 and 1956, when the book was taught to the Chinese Communist Party members as a sacred book, like the *Bible*. Nonetheless, during the 1950's, Stalinism was criticized and de-Stalinization was proclaimed under the supervision of Khrushchev. Mao also advocated the book and upheld Stalinism in order to oppose Khrushchev's dictatorship. It is necessary to mention that under the leadership of Mao in 1956, Mao decided to stop the use of the *Short Course*, since the socialist revolution deepened, the class struggle intensified. However, as a result of the Anti-Rightist Campaign due to the Great Leap Forward, Mao determined to re-use the *Short Course*, because it was important to continue the socialist revolution and the class struggle was essential.

During the second phrase, from 1957 to 1978, the book was not taught to the university students. At a certain time, there was one Russian teacher, who delivered the lesson, and one Chinese teacher, who interpreted the main idea in class. Exams would be administered to evaluate the comprehension of the book by the students. Students found that the lessons were not motivating since there was no interaction in the class, but they were crammed by the theories.

### **b. The Soviet Economic Model**

The Chinese leaders not only learned from the Soviet Union politically, but also borrowed its Soviet economic model. As Kong Hanbing writes that “with regard to the economy, the Soviet model was a combination of the theory envisioned by Marx of an economy without commodity or market relations and the use of Bolshevik practice of ‘War Communism’(1918-1920).”<sup>10</sup> The Soviet economic model had the following characteristics: Firstly, it implemented public ownership. The higher the degree of the public ownership was put into force, the better. Secondly, the society was oriented to plan economy, which means it was the government that decided what product to produce, at what quantity, and decided whom the products should be sold to, at what price. The state-owned enterprises had no decision-making. Thirdly, the economic system was centralized from top to bottom. The party and the government communicated with the enterprises by discussing the economic issues and all the decisions. Finally, the government paid more attention to develop the heavy industry, like the military industry, while the light industry and agriculture were neglected.

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<sup>10</sup> Ibid., 153.

The Soviet economic model was suitable for those countries which were centralized traditionally. Besides, since the economic system was concentrated at the centre, it could mobilize the energy and enthusiasm of human resources, materials and financial resources in a short time. Therefore, it was suitable for economically backward countries which wanted to want to surpass advanced countries. Moreover, the Soviet economic model was also appropriate to those countries whose economy was destroyed during wars and needed to rebuild. Finally, the economic system was limited by time and space. That is to say the model was quite efficient in a short time because of its great capacity to centralize and mobilize all human energy and resources through dictatorship. The more economically backward the country was, the more efficiently it could revive its economy and in a shorter period of time. However, the system could only work out well temporally since when the economy continues to develop, decentralization became necessary. All of these characteristics of the Soviet economic model were suitable to China after the civil war, since China was a traditionally centralized country, and its backward economy needed to be rebuilt after the war.

China learned from Soviet Union's model and methods of construction of socialism, the core mission was the five-year plan. The first five-year plan of the Soviet Union was created in 1925 and was completed in 1928. Thus, China's first five-year plan began to be implemented in 1951 and was finished in 1954 while the Soviet Union was in the process of its fifth five-year plan by 1955, by which time the Soviet economic model had been institutionalized.

The first Chinese five-year plan was drawn up by the Central Financial and Economic Committee. There were five versions to be completed. It is worth mentioning that the planned economic system in China had come into being during the process of the first five-year plan.

“The main thrust of this plan centered around 156 construction projects to be built with the aid of the Soviet Union, which were in addition to 694 industrial construction projects. Together they constituted a preliminary foundation for our country's socialist industrialization. With regard to agriculture and handicrafts, a preliminary industrial foundation would be created by promoting socialist transformation of agriculture and handicrafts based on collective ownership. Capitalist industry and commerce would be integrated into various forms of state capitalism, thereby establishing the basis for the socialist transformation of the private sector. The 156 projects, which constituted the main content of the first five-year plan in fact consisted of three components. The first fifty projects were constructed using the Soviet 300 million dollar loan granted in 1950. They involved the most important parts of the national economy, including the energy industries such as coal, electric power and the basic heavy industries such as steel and iron, non-ferrous metal, chemicals, as well as the defense industry. The ninety-one engineering projects were

to be built or rebuilt with Soviet help according to an agreement reached by the two government delegations in 1953. The last fifteen projects were added during Khrushchev's visit in 1954 in his capacity as the leader of a Soviet government delegation. The ninety-one projects were the most significant of the three components.”<sup>11</sup>

Apparently, the first five-year plan inspired by the Soviet Union did bring China huge positive results in a short time. China began to have its own industrial system and was launched on its path of social industrialization. In 1953, the seventh iron-making furnace of Anshan Iron and Steel Company was founded, while the large-scale rolling mill and the seamless steel tubing mill were completed. In 1956, China had its first automobile factory, its first aircraft factory, its first machine tool plant and its first electronic tube factory. In 1957, the well-known Wuhan Changjiang Bridge was built. All these great achievements in a short time proved that China wasn't a weak country any more. Workers were mobilized and contributed their enthusiasm and labor to the country and helped China change from a poor country to a richer country, which made them feel more motivated. The exploits proved the superiority of the Soviet model and strengthened the Chinese people's faith in socialist system. The Soviet model proved a very good example of building a socialist society and it became a symbol of what socialist meant to the Chinese people. The Soviet model's interpretation of Marxism-Leninism became glorious model for the Chinese by which to achieve their socialist society.

In a word, the Sino-Soviet diplomatic relationship during the 1950's turned out to be good. China was destroyed in the wake of several wars, and the whole nation needed to recover in a short time. Since both China and the Soviet Union adhered to Communism and were walking toward their mutual destination-socialism, and the Soviet Union was regarded as “an elder brother”, which was more advanced and had more experience politically and economically, China borrowed many ideas and methods to develop itself. The Soviet Union gave financial aid to China, and China had to give some concessions in return. However, the relations between PRC and the United State during the same period was not so promising.

## **II. The Triangular Relationship**

### **2.1 U.S. Intervention in Taiwan**

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<sup>11</sup> Ibid., 157.

U.S. intervention in China can be traced back to the WWII, when the United States offered military forces and material supports to the Nationalist government of China. At that time, President Roosevelt saw Chiang Kai-shek's negative resistance against the Empire of Japan, but hysteria to wipe out the Communists army. And he also observed that Chiang's government was going down because of his dictatorship and corruption while the Red Army was gaining more and more support from the public, especially from the poor peasants. However, the U.S. government supported the Nationalists because nobody would believe that the Communist forces were able to overthrow the Nationalist government. In order to end the Pacific War at the end of WWII, U.S. impelled the Nationalists to unify the Communist Army to fight against the Empire of Japan. Thus, it was the first time the U.S. government got in touch with the Chinese Communists during the WWII, and the Communist Army was not rejected by the U.S. government because of their mutual aim.

However, when the Chinese Communists defeated the Nationalists, even though neither the Soviet Union nor the United States could accept this fact, the Soviet Union changed its attitude toward China because of their mutual Communist benefit, while the United States still didn't give diplomatic recognition to the Chinese Communist government, since the PRC and the Soviet Union were on the same Communist alliance, which was considered as a thorn in U.S. side during the Cold War period.

After the KMT army was defeated by the Chinese Communists, Chiang Kai-shek, directed by General Douglas MacArthur, bringing all his wealth and troops, fled to Taiwan, which was a small island southeast to the mainland China, recovered by China from Japan in 1945.

At first, U.S. government was not concerned much about Taiwan, formerly called Forsoma, since there was no much military use and economic aid had to be sent to Chiang Kai-shek. Secretary of State Dean Acheson suggested that the United States abandon the island, since he thought that "preservation of Taiwan from the Communists could not be prevented by economic aid to the Nationalists or by reform Chiang's government."<sup>12</sup> Besides, the U.S. Joint Chiefs of Staff insisted with his previous opinion that "the strategic importance of Formosa (Taiwan) does not justify overt military action."<sup>13</sup> Therefore, military mission were opposed to send to Taiwan to examine the state of Nationalist defense at the beginning.

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<sup>12</sup> Alexander, 91.

<sup>13</sup> Ibid.

However, the main concerns of the U.S. government were long-term non-recognition of the Beijing regime and pressure to keep the PRC off the United Nations Security Council at that moment. If the U.S. government had not sent aid to Taiwan, it would have been considered that the U.S. government accepted the destruction of the Nationalist regime. Thus, Acheson had two contrary policies toward the intervention in Taiwan. One was supporting the intervention in order to delay the PRC's entry to the United Nations Security Council while the other was opponent, because of little use of military strategy. In order to keep the PRC out of the United Nations Security Council and refuse to recognize the Communist regime, Acheson preferred to choose the first policy.

Nevertheless, his proposal was accepted by the U.S. government, since the Truman administration couldn't wait to show their hostility towards the Communist China, while this idea was not supported by their allies, especially Britain, who "wanted to protect Hong Kong from takeover, needed trade with China to aid in recovery from the war, and sought to prove to newly independent India, Pakistan, Ceylon (Sri Lanka), and Burma that it was willing to accept Asian nations on equal terms."<sup>14</sup> France didn't back up the proposition, either. Zhou Enlai informed France that if France stood on the side of the fleeing Nationalists, the PRC would grant the revolt by the Communist-led Vietminh under Ho Chi Minh in French Indochina, the northern frontier, which was not wanted by France.

Facing the potential threat, Mao Zedong flew to Moscow to ask for military and economic assistance from Joseph Stalin in December, 1949. However, Stalin turned out to be a "difficult bargainer and a relentless protector"<sup>15</sup>. Stalin accepted the demand from the PRC, but with some conditions:

"When Red China and the Soviet Union signed a thirty-year treaty, on February 14, 1950, Mao and Zhou received only \$300 million in loans that had to be repaid with interests in five years. But, Stalin agreed to assist China in developing industry by providing technicians and technical help. Stalin promised return of the Manchurian railways and to return Port Arthur and Dairen to Chinese control at the end of 1952, but he stipulated that the facilities be used jointly by both countries in the event of war."<sup>16</sup>

Judging from Stalin's negotiation with the PRC, on January 12, 1950, Secretary Acheson delivered his controversial speech before the National Press Club, in which he

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<sup>14</sup> Ibid., 92.

<sup>15</sup> Ibid.

<sup>16</sup> Ibid., 93.

proclaimed that “the Soviet Union was absorbing Outer and Inner Mongolia, Xinjiang, and Manchuria, and he drew an American strategic line in the Pacific, which the United States would defend, that expressly omitted Taiwan and South Korea.”<sup>17</sup> His speech was in accordance with what President Truman had announced the U.S. stand toward the issue of Taiwan on January 5, 1950:

“Truman announced that the United States had no desire to acquire special privileges or military bases on Taiwan and no intention using American military forces to interfere in the Chinese civil war. Truman said the United States would not provide military aid or advice to the Nationalist forces. He also cast aside any idea that the United States would dispute China’s possession of Taiwan. The president’s firm statement cleared the air dramatically and threw China bloc members on the defensive.”<sup>18</sup>

It was obvious that at the very beginning, the Truman administration didn’t exercise much concentration on Taiwan. It was not so willing to offer aid to Chiang, because it wouldn’t gain much political or any military benefits from intervention in Taiwan. What Acheson concerned about was to resist any Communist advance in the world during the early Truman administration. Acheson’s speech drew a Far Eastern version of American containment policy, which became the “Truman doctrine”.

“Containment rested on the ‘domino theory’ articulated in February 1947 by then Secretary of State Marshall: If Greece fell to the Communists, Turkey might follow, and ‘Soviet domination might thus extend over the entire Middle East and Asia.’ The United States extended the same logic to the British, American, and French occupation zones of Germany, forming them into a state to prevent the spread of Communist through West Europe.”<sup>19</sup>

It is interesting to find out that neither Taiwan nor South Korea was the first concern in the Far Eastern American containment policy, but both of the two became major concern to constrain both the PRC and the Soviet Union in their foreign policy. After Acheson’s speech, the Press and Washington were shocked by the omission of Taiwan from the containment policy, while the other American leaders didn’t agree to the omission of South Korea, since they were not satisfied with “this conservative, non-provocative line”<sup>20</sup>.

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<sup>17</sup> Ibid.

<sup>18</sup> Ibid.

<sup>19</sup> Ibid., 94.

<sup>20</sup> Ibid.

And at this time, something happened, which began to change U.S. government's containment policy on Taiwan. The day after Acheson's speech, U.S. government rejected the requirement from the Soviet Union, in which the Soviet Union urged the U.S. government to recognize the PRC in the United Nations Security Council. Facing the rejection, the PRC did two things that provoked the U.S. government.

On one hand, the PRC seized American, Dutch, and French diplomatic property on Beijing on January 14, 1950. Responding to this action, the United States informed that it was to close down all the consular offices in the PRC and all the diplomats were called back. The PRC's action prolonged the delay of the recognition of the Beijing government by the U.S. government. And it also postponed the recognition of the PRC by many countries. By 1950, only Switzerland, the Netherlands and Indonesia recognized Beijing.

On the other hand, Beijing recognized the Communist Vietminh government under the leadership of Ho Chi Minh in Vietnam. The Ho Chi Minh government was "a government in rebellion and in opposition to the French program that would create within the French Union three 'independent' countries: Vietnam, Laos, and Cambodia."<sup>21</sup> This program revealed French intention to continue dominating Indochina. Beijing's move not only stopped French plan to recognize the Beijing government, but also urged the Soviet Union to recognize Ho Chi Minh's regime. According to Bevin Alexander, "these demarches divided the nations involved in East Asian along ideological lines when it was in Beijing's interest to avoid distinctions and to work toward reasonable solutions to disputes. The Beijing errors played into the hands of Americans opposed to any accommodation with Red China."<sup>22</sup>

The two "errors" made by the Beijing government, not only hardened American attitude toward the PRC, but also increased the fear from the Communist China to the U.S. government, who was more convinced that there was a growing threat from the Communist China to invade Taiwan. Thus, a new policy of containment was drawn up by the National Security Council in the spring of 1950, affirming a new line beyond which the Soviet Unions would not advance.

"The policy, embodied in NSC resolution 68, accepted as an axiom that the Kremlin was plotting to expand everywhere. NSC 68 estimated that the Soviet Union, which had detonated its first atomic device in August 1949, would have enough atomic bombs by 1954 to risk war with the

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<sup>21</sup> Ibid., 95.

<sup>22</sup> Ibid.



West. In the interim it was likely to perpetrate limited war by its satellites.....NSC 68 called for a huge rearming with conventional weapons and implied that the United States would fight any Communist advance anywhere because it defined Communists everywhere as equally dangerous. It made no distinction between the Soviets, the Chinese Communists, the Communists in Vietnam, or Third World Communists movements. All had to be kept from advancing.”<sup>23</sup>

NSC 68 warned the U.S. leaders of PRC’s takeover of Taiwan. The Central Intelligence Agency also alerted the U.S. government that the PRC might invade Taiwan at the end of the year, which made matters urgent and complicated. General MacArthur wrote a copy of memo in June 1950 to conclude:

“‘The domination of Forsoma (Taiwan) by an unfriendly power would be a disaster of utmost importance to the U.S. and I am convinced that time is of the essence.’ MacArthur advocated that he be authorized to make an immediate survey of the requirements to prevent Red seizure of the island and that the results ‘be acted upon as a basis for U.S. national policy with respect to Forsoma.’ This memo had an important influence on subsequent decisions by President Truman.”<sup>24</sup>

The U.S. government changed its foreign policies toward Taiwan, not because it found out that Taiwan was useful for development of a military base or any economic use, but because it was suspicious of the growing threat from the Communist advances in the Far East and Asia. The United States was a “greedy” powerful nation, who was afraid of other nations, especially its super-powerful enemy-the Soviet Union to absorb its field of influence in the world. The threat of Communist expansion was an excuse to defend the hegemony of the United States. Since the WWII, the previous powerful Western nations like Great Britain and France were weakened seriously and they were busy recovering of their own economically, so they didn’t have enough time to deal with division of containment around the world. However, the uprising super-power Soviet Union, the leader of Communist nations became a mighty “competitor” to the United States, a fact that made the United States feel threatened. In an overt fashion, the U.S. government condemned the Communist expansion around the world. In fact, it felt threatened by the uprising power of the Communists, who had the potential to destroy its hegemony around the world.

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<sup>23</sup> Ibid., 95-96.

<sup>24</sup> Ibid. 96.

In the research, it is noteworthy that there was a correlation between U.S. foreign policy toward Taiwan and the outbreak of the Korean War. And the United States didn't have a head-on confrontation with the Communist China until the Korean War began.

## **2.2 The Korean War**

The Korean Peninsula was ruled as a colony by the Empire of Japan from 1910 until the end of WWII, when the Peninsula was divided into the Republic of Korea, also called South Korea, supported by the United States, and the Democratic People's Republic of Korea, also named North Korea, supported by the Soviet Union. The two Koreas were forced to be divided along a "temporary" line at the 38<sup>th</sup> parallel. As Bevin Alexander points out that,

"The cold war froze this line into a permanent international frontier and made political opponents out of the two states that emerged on the Korean peninsula, one American-supported and Western-oriented, the other Soviet-supported and Communist-oriented.....The abrupt splitting of this ancient society to serve the political purposes of two superpowers created deep animosities and schisms among the Korean people. It also developed an intense desire among the Koreans to end the political division and reunite the peninsula in a single government"<sup>25</sup>

The continuing negotiation of unification could not stop the intensified tension between the two Korean states. The situation deteriorated into an open warfare when the Soviet-equipped armies of the People's Republic of Korea went across the 38<sup>th</sup> parallel and opened an unexpected attack on the Republic of Korea on June 25, 1950.

Both the United States and the Soviet Union were shocked, since neither of them wanted another war after WWII. At first, the United States didn't plan to change the status quo, since they knew that Stalin was not going to take direct intervention in the Korean War. Neither did it consider that China would go into the war, since China always followed Stalin's direction. Although the Soviet Union and the United States had set about armies on the Korean peninsula, neither of them wanted to create a force with offensive potential. Nevertheless, Syngman Rhee, a seventy-three-year-old reactionary, the leader of South Korea, always wanted to attack the north and unify Korea.

Things began to change in the late 1949, when Kim II Sung visited Stalin and talked with him about his plan to attack South Korea. The plan appealed to Stalin but was afraid

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<sup>25</sup> Ibid.

of the intervention from the United States. However, at this time, Acheson suggested to leave Korea out of the perimeter that the United States was decided to defend. This may be the reason behind Stalin's agreement with Kim to go ahead. Stalin hoped that the United States would stay out of the Korea business, while the United States thought it was the Soviet Union that instigated the attack.

In the spring of 1950, a few modern aircraft and 150 T-34 tanks were delivered from the Soviet Union to North Korea. Equipped with these modern weapons, the North Korean army reached along the 38<sup>th</sup> parallel and assaulted South Korea unexpectedly. The South Korean army fell back in confusion and was defeated.

The United States thought it was the Soviet Union that backed up the attack and concluded there was a Communist conspiracy of conquest and attack on South Korea. The unexpected outbreak of the Korean War changed American foreign policy toward the PRC and resulted in American protectorate over Taiwan.

“Acheson and other American leaders had been asserting without any evident that Red China was under the control of the Kremlin. NSC 68 made little distinction between the Communists of China and those of the Soviet Union. Thus Acheson could conclude that China also was behind the North Korean attack and could claim that the protection of Nationalists on Taiwan was an American concern.”<sup>26</sup>

Consequently, Truman approved that the United States would seek UN sanction for open military intervention in Korean War, and he also approved that the Seventh Fleet would quarantine Taiwan. On June 27, 1950, President Truman declared a message to American people, the main idea of which was to justify American intervention in the Chinese civil war, mentioning that he had “ordered United States air and sea forces to give the Korean government troops cover and support.”<sup>27</sup>

“In this message, Truman said that the attack upon Korea ‘makes it plain beyond all doubt that Communism has passed beyond the use of subversion’ and was now using armed invasion and war. He added: ‘It here [Truman means all Communism everywhere, not merely the actually guilty North Koreans] has defied the orders of the Security Council.’ Truman then concluded that ‘in these circumstances’ occupation of Taiwan by Communists would be a direct threat to U.S. security. The president then announced he had ordered the Seventh Fleet to prevent any attack on Taiwan and also had called upon the Nationalists to cease all operations against the mainland. Truman concluded ominously that ‘the determination of the future status of Forsoma must await

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<sup>26</sup> Ibid. 99

<sup>27</sup> Ibid. 100.

the restoration of security in the Pacific, a peace settlement with Japan or consideration by the United States.”<sup>28</sup>

Truman’s message tried to justify his unilateral order to protect Taiwan by means of the Korean War, which sounds illogical, since there had not been any Chinese troops marching toward North Korea. Chinese main concern was Taiwan. And the PRC wouldn’t intervene unless the United States and the Nationalists intervene in occupation on Taiwan. The preemptive move of the United States was rather to keep the Communist out of Taiwan than to prevent the Communist subversion.

The sending of the Seventh Fleet to Taiwan angered the Beijing government. Although Truman said America’s intervention in Taiwan was to mediate between the Communist China and the Nationalists, it was obvious that the preemptive action was aimed at the PRC.

“Zhou Enlai denounced Truman’s move as ‘armed aggression against Chinese territory and a total violation of the United Nation charter.’ Mao Zedong said the United States had broken its promises not to interfere in China’s internal affairs and called upon the Chinese people to ‘defeat every provocative of American imperialism.’ Acheson chose to interpret Zhou Enlai’s statement as tantamount to a declaration of war.”<sup>29</sup>

It was ridiculous that Acheson misinterpreted Zhou’s statement as a declaration of war with the United States on the Korean issue, since the Beijing government was concerned more with the occupation of Taiwan than with attacking South Korea. Besides, the UN didn’t approve America’s quarantine of Taiwan, which meant that it was a sole American action. What’s more, American leaders might have preferred to misinterpret Zhou’s statement. In that way, the U.S. government had the excuse to justify their intention to quarantine Taiwan and intervene in the Korean War. Therefore, Zhou’s statement might have been what the United States predicted and wanted. And that might explain why later President Truman accepted General Douglas MacArthur’s suggestion to seize the chance to unify the two Korean states.

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<sup>28</sup> Ibid.

<sup>29</sup> Ibid., 101.

General MacArthur's aggressive plan and America's military forces in Taiwan led the Chinese Communists to think that the United States wanted to invade the mainland of China.

"The Korean conflict, in Red Chinese eyes, gave the United States a splendid opportunity to wipe out a little Communist state in northern Korea and set up conditions for either an American or a Nationalist invasion of China to reverse the decision of the civil war. For a thousand years Korea had served as a shield against incursions from Japan. Now, the United States, successor to Japan as the great danger from the sea, was attempting to eliminate the historic Korean buffer recreated in 1945."<sup>30</sup>

Since the Soviet Union showed no signs of intervening in the war, the United States thought that the Chinese Communists would not act alone. Thus, when Zhou Enlai informed that Red China would intervene in the Korean War, if American troops crossed the 38<sup>th</sup> parallel, President Truman ignored the message and doubted that it might be a ploy to keep the UN from approving the North Korea intervention resolution. No warning could stop America's aggressive plan. Therefore, the Communist party's Politburo decided to send "volunteer" troops to North Korea on October 6, 1950.

According to Alexander, "the Chinese possessed little artillery and relied almost into battle, carrying their weapons, food and ammunition with them while UN forces mostly rode into battle in trucks or other vehicles."<sup>31</sup> The Chinese "volunteer" soldiers walked across the mountains and were still able to fight with their remarkable volition against their more powerful enemy, which helped them to achieve success in battles.

"UN morale collapsed in the face of the devastating success of the Chinese offensive. The entire Eighth Army began a precipitate retreat southward, giving up with scarcely a fight all the gains of the fall offensive. By the middle of December 1950, after having rushed back 120 air miles in the longest retreat in American history, the Eighth Army was nervously in place below the 38<sup>th</sup> parallel. It had completely lost the initiative and its confidence, having fled southward largely on its own volition, not in response to enemy pressure...The Americans and a few attached South Koreans and Britons suffered about 6,000 casualties before they reached Hungnam and sailed south on December 24. The great effort to conquer North Korea had failed."<sup>32</sup>

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<sup>30</sup> Ibid., 111.

<sup>31</sup> Ibid., 116-117.

<sup>32</sup> Ibid., 117.

Talks on cease-fire between America and China began, since America didn't want a full-scale war with China. On December 14, 1950, the United States endorsed the cease-fire resolution and passed it to the council.

“With a cease-fire along the 38 parallel, the Beijing government would attain its primary aim: the reestablishment of a buffer state between the American and the Yalu river. Also a large group of Asian and Arab nations was lining up to press for admission of Red China into the United Nations. Red China was on the verge of gaining worldwide acceptance. In such a situation it would have been very difficult for the United States to isolate Beijing much longer. But at this moment the Chinese made a major and costly error: They rejected the offer. Zhou Enlai declared the UN resolution illegal because Communist China was excluded as a member and said China would not consider a cease-fire unless there also was an agreement on withdrawal of foreign troops from Korea, withdrawal of the Seventh Fleet from the waters off Taiwan, and seating of Red China in the United Nations. The Red Chinese rejection of the cease-fire proposal was a major turning point in the Korean War in U.S.-Chinese relations. On December 15 President Truman, responding to the terrible defeat in Korea, declared a national emergency and announced that the United States was willing to negotiate but would not yield to aggression or engage in appeasement in the face ‘of the great danger created by the rulers of the Soviet Union.’ Truman announced plans to increase military production, expand the armed forces, and establish wage-and-price control. Zhou Enlai’s intransigent rejection of the cease-fire had met an equal intransigent response in Washington.”<sup>33</sup>

Zhou’s intransigent decision caused debates. It is said that it was his unsophisticated stance toward diplomatic relations that led him to make such a wrong decision. When the second cease-fire proposal came on January 20, 1950, China also rejected the resolution, which was not beyond America’s expectations. However, this time it gave the United States more evidence to prove that China was aggressive and created a more positive excuse for America to give military assistance to Chiang Kai-shek in Taiwan.

The Korean War, which ended in late July 1953, would have ended on July 10, 1951, if both China and America had agreed to a compromise. When the war ended in two years later, there was no big difference with the armistice agreement of 1951. But what had happened was that more young men had been killed or injured on both sides. Nothing more was gained. “From the start of the war until the Chinese launched their great offensive on November 25, 1950, total American casualties were fewer than 28,000. Estimated Chinese and North Korea losses during the July through November 1951 period were more than 230,000.”<sup>34</sup>

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<sup>33</sup> Ibid, 119.

<sup>34</sup> Ibid, 126.

## **Conclusion:**

China had been all but destroyed by the Japanese invasion and the Civil War. Everything needed to be re-constructed. The Chinese Communists, under the leadership of Mao Zedong, tried to re-build China and lead China on its path to being a world power. In order to develop economy and become a socialist country, Communist China began diplomatic relations with the Soviet Union and followed its example to solve economic and social problems. With the financial aid from the Soviet Union, China built its own industrial system and began to follow the socialist model of industrialization after the first five-year plan. Chinese leaders also succeeded in ending the hyperinflation, which the Nationalists couldn't solve during the civil war. The state economy was changed from being largely market-orientated one after the founding of the PRC into a plan economy, as more and more private sector firms were nationalized. Besides, Stalin's *Short Courses* were implemented as the right interpretation of Marxist-Leninist ideology. China implemented the economic model and ideological method used by Stalin. The positive effects gave rise to Chinese admiration for the Soviet Union, and made them believe that the Soviet Union's model was the only road to a socialist society.

However, after the foundation of the PRC, the United States adopted a hostile attitude toward the Communist China. The U.S. government didn't recognize Beijing as the legal government of China and refused the PRC entry into the United Nation Security Council. In order to contain the spread of Communist power in the world, the American leaders decided to send the Seventh Fleet to quarantine Taiwan, which angered the Chinese authorities. The Communist leaders condemned American intervention in Chinese affairs and protested against America sending troops to South Korea. The two governments misinterpreted each other's messages and finally went to fight against each other in the Korean War.

In conclusion, several points will be made. First of all, China copied the Soviet Union's example without thinking about whether the methods were suitable or not, a fact that would lead to the repetition of the same mistakes. The Chinese land-reform at the beginning of 1950's, which took several years to complete was no different from Stalin's program of collectivization during 1920's to 1930's. The land-reform, the aim of which was to equalize the ownership of the lands, didn't bring wealth to all the peasants, since the lands of the well-off peasants were collected and distributed to massive numbers of poor peasants, which not only diluted the wealth of the rich peasants, but also failed to motivate

the poor peasants to produce more. Besides, Stalin's *Short Courses* and Soviet economic model were subjective ideologies, which were re-interpretations of Marxist-Leninist ideology. Thus, there were personal mistakes, as Stalin used his ideology to create a cult of personality. When the Communists made use of these ideologies in China, they followed the same mistakes. Mao Zedong made use of Stalinism, which he found suitable to support his central leadership in the Communist Party, and later created his cult of personality. Even though Khrushchev later advocated De-Stalinism, Mao still adhered to Stalinism, since he found it useful to develop class struggle and to consolidate his central position in the Communist Party, which was one of the factors leading to the Sino-Soviet split, to be discussed in the second chapter. In fact, the ideology is subjective, and when it is implemented by the leaders, it is always used in accordance with the leader's will to fulfill their goals.

Secondly, in the diplomatic relations, permanent friendship does not exist. That means the diplomatic relations can change their course, depending on the nation's own strategies. In order to win the Pacific War during the WWII, the United States approved of unification of the Communists and the Nationalists. However, during the Chinese Civil War, America gave military aid to the Nationalists. Neither the United States nor the Soviet Union believed that the Chinese Communists would win the Civil War. Also, after the civil war, America didn't give diplomatic recognition to the Communist China while it recognized Taiwan as legal seat of the Chinese government. At the beginning, the Truman Administration didn't make any use of the island of Forsoma (Taiwan), and the American leaders hesitated whether to quarantine Taiwan or not, since if they had not quarantined Taiwan, it would have shown they lost tactic superiority in the competition with the Communists. Later, when they found that Stalin approved of North Korea's unexpected attack to South Korea, the American leaders feared the Communist conspiracy so that they changed their foreign policy toward Taiwan. They sent the Seventh Fleet to quarantine Taiwan, and sent troops to help South Korea. It was ridiculous to connect the quarantine of Taiwan and the attack on South Korea. The American leaders would rather fear the advance of Communist power around the world, with the potential to reduce America's dominance in the world than to fear the Communist conspiracy. The prevention of the Communist conspiracy might be an excuse to justify the preemptive quarantine on Taiwan, since otherwise, America would not have any reason to interfere in Chinese political affairs. Moreover, before Stalin recognized Russian mutual benefits with the Communist China, he looked down on the Chinese Communists. Initially, the Soviet Union built an



alliance with China, and offered aid, but when the Korean War broke out, the Soviet Union made no effort at direct intervention. It just offered material aid to China and North Korea. Each nation acts in their own national strategies and interests, in order mainly to consolidate their power over the world.

Finally, the Korean War would not have broken out if the governments had not miscalculated. The armistice agreement signed in late July 1953, which was no more different than that before the war. The two Korean states were always divided along the 38<sup>th</sup> parallel. The status quo was not changed, neither were the two Korean states unified. The war would have ended in 1951, if both China and the United States had made compromises. Nothing was gained, but hundreds of thousands of young men were killed or maimed. “It had been one of the bloodiest wars in history. The United States had suffered about 140,000 casualties, South Korea 273,000, and other United Nations contingents 14,000; the North Koreans endured 620,000 battle casualties and the Chinese 910,000.”<sup>35</sup> War is horrible, and it is much more horrible when the innocent young men fight for their homeland, but loose their lives without achieving anything tangible.

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<sup>35</sup> Ibid. 141.

## **Chapter 2**

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### **Triangular Relations from the 1950's to the 1970's**

During the 1950's, the Sino-Soviet relation reached its peak as Khrushchev revised some of the unfavorable treaties toward China signed by Stalin. Different from Stalin, Khrushchev adopted pro-American policies, advocating "peaceful" co-existence with the United States. At the same time, Khrushchev proclaimed a new policy of "de-Stalinization". Mao Zedong found it unacceptable and called that "revisionist" and pro-capitalist, which was aimed against socialism, the true aim of which had always been to develop worldwide revolution. In that way, Mao continued to adhere to Stalinism and enlarge his cult of personality in China. Thus, the Sino-Soviet relations began to decline in the late 1950's. In this chapter, several questions will be discussed: why the Sino-Soviet relation declined and what was its effect on China? What was the Great Leap Forward? Did the Great Leap Forward have anything to do with the Sino-Soviet split? What was the Cultural Revolution? What was the impact of the Great Leap Forward and the Cultural Revolution on Chinese society? While the Sino-Soviet relations went down, what was the relation between China and America? What reasons led Nixon to break a deadlock and visit China? What was the Nixon Administration's foreign policy toward China? The purpose of this chapter is to explain the change in U.S. policy toward China between 1953 and 1972.

## **I. The Domestic Problems**

### **1.1. The Great Leap Forward**

By 1955, the Chinese Communists leaders encountered the bottleneck that all the leaders in the developing countries can meet with: they failed to produce surplus agricultural product to meet the need to pave the road to industrialization. The agricultural grains were needed to feed the industrial workers, and to be sold as export in order to buy advanced machinery and equipment, mainly from the Soviet Union. There were two reasons for the insufficient surplus of grains. For one thing, the cultivation of grains could not catch up with the rapid growth of population. For another, the Chinese leaders copied the Soviet economic model and focused on developing the heavy industry, while agriculture was neglected. Thus the grains were sold to the state at a very low price, which reduced the farmers' incentive.

According to Professor Alexander, from 1954 to 1955, "local cadres, trying to impress their superiors, had pressured many APCs (agricultural producers cooperatives) to deliver excessive amounts of grain to the state, resulting in actual shortage in some

locations.”<sup>36</sup> In order to solve the problem, there were two opinions available. Mao thought that it should mobilize the massive peasants, enlarging their productive power to increase the quantity of grains, while the officials of the State Council believed that the personal incentive was the key to promote the output of the grains. Therefore, the price of the grains should be increased to show the individual farmer how to earn more by producing more. Meanwhile, the leaders decided to turn to the higher intellectuals for help, who were mainly professionals, scholars, writers and creative artists.

“In May 1956, Mao announced his famous slogan, ‘Let a hundred flowers bloom, let a hundred schools contend’....To Mao Zedong, one aim of the ‘Hundred Flowers’ period that ensued was to allow intellectuals to criticize officials to improve the bureaucracy, of which Mao was increasingly suspicious for its tendency to follow routines rather than to continue the revolution.”<sup>37</sup>

At the beginning, the intellectuals were asked to feel free to express their opinions to solve the grains issue and improve the party policy. However, when many intellectuals abused the opportunity to criticize the Communist Party, the party labeled the intellectual critics “rightists”. Moreover, from 1956 to 1967, there was no progress in the production of agriculture, when Hundred Flower critics were warmly welcomed. Therefore, the Hundred Flowers became a scapegoat of the problem, which resulted in “Anti-Rightist campaign”, during which, attack would be launched against those who dared to criticize the party. “Between 400,000 and 700,000 intellectuals or educated persons lost their jobs and were sent to the countryside of factories for ‘labor reform’.”<sup>38</sup> The domestic shortage of the grains was the blasting fuse to the Great Leap Forward, while the decline of the Sino-Soviet relations played the role of a catalytic agent to speed up the event.

## **1.2 The Decline of the Sino-Soviet Relations and the Famine**

On August 26, 1957, the Soviet Union announced that their test of an intercontinental ballistic missile had achieved success while later on October 4, the Soviet Union launched its first artificial earth satellite, Sputnik. On October 15 in the same year, Khrushchev signed up an agreement to offer China technology on the secret atomic bomb for the national defense, which was withdrawn when all aids from the Soviet Union were cut off in 1959. The great military progress made by the Soviet Union proved that it was able to

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<sup>36</sup> Bevin, 166.

<sup>37</sup> Ibid, 167.

<sup>38</sup> Ibid, 168.

match with the United States in the military competition. However, Khrushchev chose “peaceful path” to develop with the U.S. and didn’t want to challenge the U.S. Mao disagreed with Khrushchev’s “peaceful” policy toward America, saying that “Leninism teaches and experience confirms that the ruling classes never relinquish power voluntarily, thereby indicating revolution was the only way to destroy imperialism and capitalism.”<sup>39</sup> The conflict between Mao and Khrushchev began, which led Mao determined to break away from the Soviet Union gradually and to adhere to his own radical policy to develop economy in order to surpass the United State and Khrushchev believed Mao wanted to challenge the Soviet Union as well.

The Great Leap Forward was Mao’s solution, in which he called for an expansion of a large mobilization than before to achieve unprecedented, sudden growth.

“It consisted of placing great emphasis on industry, embodying a massive infusion of imported machinery and equipment, and accelerating the capital-intensive development of the first five-year plan. It also called for “backyard” steel furnaces and other small-scale industrial plants that could be developed in rural areas by peasants....The institutional framework for the mobilization of human effort implied in the Great Leap Forward was a radical new political structure combining government, administration, lower-education, services, and production (agricultural and industrial). Mao called the structure ‘people’s communes’....The original people’s communes were huge, embracing several of the standard marketing areas of a dozen or more farming villages surrounding a small market town that characterized most of rural China. Most communes had 30,000 to 50,000 people and were thus thirty to sixty times larger than the advanced APCs....By November 1958, rural China had been transformed into 26,000 communes embracing 99 percent of the farm population.”<sup>40</sup>

Commune workers were not farmers any more, and they lost their private household and subsidiary-income. With the utopian concept, the commune workers were compensated on a per-capita basis, instead of on the basis of their production. Thus, a person would have been paid the same amount of money no matter how hard he or she worked. Thus, this dampened the workers’ incentive to work, which led to a drop in labor efficiency. As a result, commune workers became groups of do-little men, who were waiting for the compensation from the commune.

The worse was that in order to satisfy the central leaders, the local cadres overstated the output of the grains, which the leaders believed.

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<sup>39</sup> Ibid, 171.

<sup>40</sup> Ibid, 172-173.

“By December 1958, the CCP central committee reported grain output in 1958 at 375 million metric tons, twice the 1957 level of 185 million tons....Unknown to the Communist leadership, because of false reporting by lower-level cadres, actual grain production fell in 1958 by 25 million tons. Real production reached only 160 million tons.”<sup>41</sup>

In the fall of 1958, reports showed that there was a food shortage and many crops were not properly harvested because the farmers had converted themselves into commune workers. A great famine was the result of the Great Leap Forward, while Chinese economy was collapsing.

Because of the faith and great enthusiasm in mass mobilization and the communes, the Communist leaders were looking forward to having a good harvest result. In order to please the Communist leaders, the local cadres overstated the number of the grains, as to report failure would indicate defeatism and lack of confidence. Therefore, the local cadres continued to bump up the output figures. To everybody’s surprise, the top leaders believed the exaggerated figures, and were satisfied with them. The unrealistic figures of the grains and the optimistic report of the season of 1958 led to a catastrophic decision.

The Communist leaders thought that the problem of sufficient supply of grain had been solved. Therefore it should allow the non-agricultural population grow rapidly and increase the rate of industrialization and grain fields should be reduced while more industrial products, such as cotton should be planted. The government also raised industrial targets. “The state had initially set a figure of 6.2 million metric ton of steel for 1958 (19 percent over 1957) but by August Mao Zedong had persuaded the Politburo to raise the target to 8.5 million tons.”<sup>42</sup> The state also doubled industrial capital investment, which result in the growth of the labor force in urban cities. The urban expansion required more grain being delivered to the cities.

“Believing great stocks of grain lay stored in commune leaders, the leaders ordered cutbacks in 1959 of 13 percent in the area of grain sown (while allocating a higher share to cotton, oilseeds and other nongrain crops) and permitted the agricultural labor force to shrink drastically to fill new factory jobs and small industries within the communes. Between 1957 and 1960 the peasant population fell 10 percent.”<sup>43</sup>

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<sup>41</sup> Ibid, 179-180.

<sup>42</sup> Ibid. 180.

<sup>43</sup> Ibid.

Khrushchev opposed the Great Leap concept. When speaking to U.S. Senator Hubert Humphrey, Khrushchev regarded the communes as “reactionary”, and commented that “you can’t get production without incentive.”<sup>44</sup> The public commentary from Khrushchev added the tension between the two Communist countries.

Some Chinese leaders like Liu Shaoqi and Deng Xiaoping, supported the Great Leap concept while others like Zhou Enlai and Peng Dehuai, the minister of defense, were against the concept. Peng opposed the commune theory when he saw the the PLA (the People’s Liberation Army) were called for to participate into the civil work and train the citizen militia, because in his opinion, it should follow the Soviet Union Army’s professional and technological model to train the PLA and it needed advanced weapons. However, Mao didn’t agree with this idea, because he thought it should keep the training of the PLA in the old way, i.e. keep the PLA light, by using semi-guerrilla forces.

In the fall of 1958, during the inspection trips of some leaders, some cases of grain shortage were spotted. And they also found that crops were not properly harvested because the workers were called for to do industrial jobs in urban cities. However, these cases didn’t lead to Mao’s reassessment of the Great Leap concept, and the local cadres were reluctant to admit the exaggerated figures. When Peng’s investigation probed deeper, the leaders found out that they had been deluded by the falsely-optimistic figures.

In Mid-June 1959, after a three-day visit to the Soviet Union, Peng began to feel more concerned about the effect of the Great Leap Forward. He wrote a letter to Mao during the Lu Shan conference, and criticized the Great Leap directly and Mao himself indirectly. However, Mao thought Peng’s criticism was aimed at abusing him personally, because he thought that “Peng’s talk with Khrushchev, plus the Soviet leader’s criticism of the communes may have suggested to Mao that Peng and Khrushchev had colluded to discredit him.”<sup>45</sup>

Therefore, Mao didn’t revise his view of the Great Leap problem, but launched a severe attack on Peng for his “right-opportunities” remarks. Mao charged Peng with planning to forming a “military club” or antiparty clique. No other Communist leaders dare defend Peng. And at that time nobody could foresee that Mao’s insistence on personal decision, his misinterpretation of the Great Leap concept, and his objection to criticism would bring about a calamity in China .

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<sup>44</sup> Ibid.

<sup>45</sup> Ibid. 183.

In 1960, in order to feed the bulging population of the urban work forces who were called on to contribute to industrialization, Chinese authorities increased planted acreage of food crops. Therefore, there was no shortage of food in cities, contrary to the villages where acreage of crops decreased and whose grains were mainly delivered to the cities.

“The 1960 harvest was a disaster: 143.5 million metric tons of grain, 26 percent below 1957. Oilseed production fell half the level of 1957. Meat production dropped almost as much and fell even more in 1961. Agriculture output in 1960 was only three quarters of the dangerously low production of 1958.....Grain consumption in the cities dropped only 2 percent in 1960, while it declined 24 percent in the rural areas. The next year consumption fell 8 percent in the cities but 25 percent in the country.”<sup>46</sup>

As a result of the shortage of grain, the most devastating famine in the twentieth century befell the Chinese people. More horribly, the Chinese leadership kept it a secret from the people and the authorities didn’t admit they had been responsible for that. The silence of the authorities also kept the genuine figure of mortalities from public.

“The deaths certainly reached 16 million and may have totaled 27 million. There are some official data that hint at the disaster. The mortality rate, 11.1 per 1,000 in 1956-57, rose to 14.6 in 1959 and to 25.4 in 1960! It declined in 1961 to 14.2 per 1,000 but its great elevation over 1956 and 1957 shows that the effects of the starving time lingered. The birth rate fell from 33 per 1,000 in 1956-57 to 18 per 1,000 in 1961.”<sup>47</sup>

The terrible famine not only brought much higher mortality rate to the Chinese people, but also resulted in a drop of farm animals. “The numbers of pigs fell 48 percent while 30 percent of all animals either died or were slaughtered for food.”<sup>48</sup> That was a great catastrophe for those who lived, depending on sale of farm animals. As Bevin Alexander points out that:

“An ironic aspect of the 1960-61 Chinese famine is that three to five times as many people died as during the forced collectivization of Soviet agriculture in 1929-30. This mocked the pride the leadership had taken in the Chinese collectivization process, which had been accomplished without the destructive consequences that followed the Soviet effort.”<sup>49</sup>

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<sup>46</sup> Ibid. 185.

<sup>47</sup> Ibid. 186.

<sup>48</sup> Ibid.

<sup>49</sup> Ibid.



It was not until when Khrushchev finally informed the Beijing government that all Soviet technicians would be withdrawn in 1960 that the Chinese authorities began to re-evaluate the Great Leap Forward. Communist leaders like Zhou Enlai and Chen Yun suggested reforms to formulate a recovery strategy. Chen Yun proposed to increase the price of grain in order to boost the peasants' incentives to produce food, while investment in heavy industry was to be reduced. However, Mao, who still adhered his belief that mobilization of labor was the best solution, didn't share Chan's idea. It was because of Mao's disagreement and clashes between the leaders whose policies were different from his, that it delayed Zhou and Chen's reform for two years. Reforms of recovery began in the early 1960's, and finally in 1965, the domestic problem was solved.

Another reason why the Communist leaders hadn't realized the catastrophe consequences of the famine was that at the same time there was a dramatic revolt in Tibet which distracted the Communist leaders' attention. As a result, the Beijing government didn't change its decision to reduce the crop acreage for the sake of industrialization, leading to a fatal lesson to the Communist leadership.

Since 1958, China and India had had dispute on frontier issues, when the PRC claimed that it had completely highway from Xinjiang into western Tibet.

“The road ran directly through the Aksai Chin plateau, a 100-by-100-mile region north of the Karakoram range and northeast of the Ladakh region of Indian-occupied Kashmir. Indian claimed this high, barren, and virtually uninhabited territory (with peaks well over 20,000 feet), basing its claim on the fact that a British survey team had tracked across the plateau in 1865 and later drew a map including the Aksai Chin as part of Kashmir. The region, however, was north of the main Himalayan crests and strategically more important to China. This was primarily because Khamba tribesmen in eastern Tibet were disaffected with Beijing for allowing many Han Chinese to migrate into their region. The Khambas could block normal land links between Tibet and China proper. The Chinese road from Xinjiang through the Askai Chin guaranteed access to Tibet, whatever the Khambas did.”<sup>50</sup>

The embarrassing position of the Askai Chin caused frontier problems between China and Indian, when China got Khambas out of their homelands. When the Khambas came back and re-located in the south of Lhasa, they got support from the Indian city of Kalimpong, which made the Beijing government anxious. The Beijing government also protested that the American CIA and Nationalists encouraged and supplied aids to the revolt in Tibet.

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<sup>50</sup> Ibid. 181.

China and India had disputes over the northeastern region of India in Arunach Pradesh, formerly called the North East Agency. The two nations argued the lines in this region. Indian sent troops to the British-drawn McMahon line. The Indian troops ran northeastward from the northeast of Bhutan to the northern of Burma, while China drew a line, which was 100 miles to the south, running northeastward from the southeast of Bhutan.

In January 1959, Zhou Enlai informed Indian Prime Minister Jawaharlal Nehru that the highway through Aksai Chin belonged to Chinese territory and that both sides should respect to the McMahon line, even though the Beijing government thought it was an illegal line. In Bevin Alexander's opinion, "this was an extremely reasonable proposal, because the North East Agency, though mountainous, was much lower (1,500-1,600 feet) than Aksai Chin and offered far more economic potential."<sup>51</sup> Therefore, it was normal to be accepted when Nehru claimed that China should give up Aksai Chin and the North East Agency.

Meanwhile, the rebellion of the Khamba people spread to Lhasa, which was the capital of Tibet. The Dalai Lama, the head of the dominant Yellow Hat order of Buddhists, both spiritual and temporary leader of Tibet, was dissuaded to claim the independence of Tibet by the revolt.

"On March 12, 1959, the Tibetan cabinet denounced its 1951 treaty with China and declared Tibet independent. On March 17 the Dalai Lama fled, escorted into India by Khambas. From India the Dalai Lama condemned Chinese conduct in Tibet, claiming that thousands of Tibetans had been slain."<sup>52</sup>

China accused Indian of interfering with its domestic affairs, and protested that the American CIA and Nationalist Chinese continued to send aid to the revolt in Tibet. The consequence of the incident was that Beijing dissolved the Tibetan government and build up another new puppet regime in Tibet. Besides, PLA blocked much of the frontier with Nepal and India, and the dispute ended when China occupied Aksai while India owned the North East Agency.

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<sup>51</sup> Ibid. 182.

<sup>52</sup> Ibid.

It is worth mentioning that during the dispute between China and India, China's elder Communist brother, the Soviet Union, who was supposed to help China, refused to support China in the conflict.

Though in public the Soviet Union proclaimed it was neutral during the conflict, it signed an agreement to add \$375 million for India's third five-year plan, which was doubled from the previous aid to India in September 1959. The provocative action of the Soviet Union showed that the Soviet Union preferred to assist India in the dispute. In Bevin Alexander's point of view, "perhaps Moscow's support emboldened Prime Minister Nehru to reject Zhou's offer of compromise. He informed Beijing that no discussions could be fruitful until China withdrew from all territory claimed by India."<sup>53</sup>

Moreover, Khrushchev informed Beijing unexpectedly that the Kremlin revised its October 1957 decision to assist China in developing the A-bomb. In China's point of view, it was because the Soviet Union sacrificed Chinese interest to work out a settlement with the United States.

"During Khrushchev's celebrated tour of the United States, he appealed for peaceful coexistence, spoke darkly of the danger of nuclear war, and paid high tribute President Eisenhower for his efforts to improve relations with the Soviet Union. Khrushchev's behavior aroused intense anger in Beijing, which privately complained of his 'tactless eulogy of Eisenhower and other imperialists'."<sup>54</sup>

Khrushchev's opposition of the Great Leap concept, his denial to assist China to develop atomic weapons, his rapprochement with the United States and his assistance to India during the frontier conflict between China and India, made him unfriendly to the PRC. Moreover, in 1960, Khrushchev informed the Beijing government that all the Soviet technicians would be withdrawn, which caused 257 Sino-Soviet scientific and technical projects to end. Khrushchev called back his nearly 1,400 Soviet experts, with their blueprints, technical papers, and know-how. This indicated the absence of the will to cooperate with China. The Sino-Soviet relations reached a freezing point.

Facing domestic disaster and foreign disputes, the Chinese authorities should have re-evaluated their concept of industrial development. However, Mao didn't learn a lesson from internal and external troubles. Instead, he insisted on his mobilization of labor. And at

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<sup>53</sup> Ibid. 184.

<sup>54</sup> Ibid.

the same time, he was afraid that his politically lead would suffer because of his mistaken Great Leap concept. Besides, Khrushchev's policy of "peaceful coexistence" with the United States made him determined to lead China to walk the "revolutionary road" alone. Nevertheless, the first thing he thought he must do was to fix his central position in the Communist Party. That was the germination of the Cultural Revolution, which was no big different from the Great Leap Forward, but the consequences were far more catastrophic to China.

### **1.3. The Cultural Revolution**

After the Great Leap Forward, Mao's began to loose his prestige in the Communist Party and his decision on developing economy was doubted. As Professor Alexander says, "Mao's insistence upon mass mobilization of the peasantry and simultaneous full-scale development of industry had nearly brought China to its knees in 1959-61. The crisis had come because of Mao's misunderstanding of human nature and his insistence upon extending China's limited resources beyond their capacity."<sup>55</sup>

Mao adhered to mass mobilization of the human power and advocated Marxist ideology, which emphasizes the class struggle and worldwide revolution. To Mao, it was the key to solve the Chinese economic problem. However, the younger intellectuals thought that education and technology was the future of China. Among the Communist leaders, Liu Shaoqi and Deng Xiaoping were more pragmatic, who proclaimed less social revolution and agreed with the younger intellectuals. Mao feared the younger intellectuals, because he thought that they adhered to capitalism. Nevertheless, Mao was more afraid that the other party leaders were against his ideology, which would weaken his central position in the party. In 1965, Liu Shaoqi proposed to rebuild the alliance relation with the Soviet Union in order to acquire advanced technology, but Mao didn't agree with that. Mao didn't want to adhere to the Soviet system any more because of the decline of the Sino-Soviet relations. From then on, Mao thought that Liu Shaoqi, who was in control of the Communist Party, should be disinherited. Therefore, Mao built a new power base in the military, having Lin Biao as his loyal follower. Mao's personal worry was one of the reasons why he started the Cultural Revolution.

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At the same time, the international affairs impelled Mao to confirm his decision.

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<sup>55</sup> Ibid, 201.

“When American aircraft began a virtually continuous bombardment of North Vietnam in February 1965, the Soviet Union became as concerned as China about U.S. intentions. This brought on renewed interest in settling Sino-Soviet differences and helping North Vietnam withstand the American onslaught. Soviet Premier Aleksei Kosygin visited both Beijing and Hanoi in February 1965 and proposed aid to North Vietnam....The Kremlin asked on April 17, 1965, that 4,000 Soviet troops be permitted to move through China to Vietnam, to establish one or two Soviet airports in southern China to support Vietnam and to authorize a Soviet air corridor through China to Vietnam.”<sup>56</sup>

Beijing refused this request, while North Vietnam was complaining that more military aid was needed than China was able to offer. Other officials suggested the intervention in North Vietnam, but the intervention made China ask for nuclear protection from the Soviet Union, which Moscow would offer under on condition that China could fix its difference between the Soviet Union. Mao would never make compromise. In the end China built a front line with the Soviet Union as an aid to North Vietnam. The inner problem and the international issue led Mao to reaffirm his decision on class struggle in China, which was his primary task.

According to Professor Luthi, “by early 1966, Mao decided to sever party relations with the Soviet Union in the run-up to the Cultural Revolution, during which his internal enemies, real and imaginary, were purged as Soviet-style traitors of the communist cause. China’s international self-isolation in the early Cultural Revolution years paralleled the nadir of Sino-Soviet relations. Only low-level governmental relations remained of what was once a multi-faceted alliance. Cultural Revolution excesses not only targeted western diplomatic representations in Beijing as imperialist agents, but also the Soviet embassy as the legation of the world revolution’s traitors.”<sup>57</sup>

The Cultural Revolution broke out in 1966, which was a domestic catastrophe. At first, Peng Dehuai pointed out the mistakes made by Mao Zedong in the economic policy. Mao considered Peng as a rightist who wanted to lead other party members to shaken his power center in the party. Then Mao lambasted Peng and those who would say anything against Mao would be labelled rightist and punished. At the beginning, the aim of the revolution was to remove the “four olds”, including ideas, culture, customs and habits, as well as capitalism by enforcing communism. Mao insisted that revisionists and rightists should be eradicated since they represented capitalism. Young students were called to join and to form “Red Guard”. This was the beginning of the Cultural Revolution. The revolution soon spread wildly throughout the whole nation ; schools were stopped, daily

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<sup>56</sup> Ibid, 203.

<sup>57</sup> Bernstein and Li, 30.

life was interrupted. Saily life became struggle for the people. Later, millions of people were drawn into the revolution, they began to suffer from humiliation, violent torture, and imprisonment, deprived of property, and some even went insane or died from the brutally physical and mental suffering. At this time, Mao's cult of personality reached its zenith.

After Mao's death in 1976, the revolution ended when Deng Xiaoping took power and initiated a reform policy. The revolution took China back to the previous disaster, with agriculture and industry suffered severely. Schools were abandoned and millions of intellectuals, professionals, scholars, scientists, technicians as well as young students were sent to the countryside to do menial work. The Great Leap Forward was a disaster for China while the Cultural Revolution matched it in scope.

The domestic catastrophe caused by Mao's personal mistake, leading to a great economic loss, forced China to be integrated into the Western world, while the Sino-Soviet split accelerated the rapprochement between United States and China.

## **II. The Sino-Soviet Split**

The period from 1953 to 1956 was the golden age of the Sino-Soviet relations, since Khrushchev revised some unfavorable treaties toward China which had been signed by Stalin, in order to win prestige among the Communist bloc countries. In the 1950's, the Sino-Soviet relation reached its peak, while ideological and economic disagreement between the two countries began, which later even led to territorial disputes.

In 1963, Moscow and Beijing argued over the legitimacy of the treaties signed by the Russian Empire and Imperial China, since the Red China pointed out that the Russian Empire was awarded with some unjust territories, even though Beijing didn't intend to ask for them back. Since then, the territorial conflict between the two countries began. China argued the unjust possession of 12,000 square miles of high Pamir Mountains, which reached the boundary of Xinjiang Province. The Chinese disputed with the Soviet about the legitimacy of possessing of 700 small islands in the Ussuri and Amur rivers, which formed the eastern and northern boundaries of the northern Manchuria.

“Through the Cultural Revolution the Soviet Union had strengthened its forces along the Manchurian frontier and Outer Mongolia. The People's Liberation Army had not matched the Soviet buildup. On the night of March 1, 1969, however, the Chinese decided to strike. About 300 Chinese soldiers crossed over to Chen-bao or Damansky island, a sliver of land about a mile long and a third-of-a-mile wide in the Ussuri river occupied by a small Soviet

detachment. The next morning the two forces clashed. The Chinese killed 7 Soviet and took the surviving 19 prisoners. The Soviet command moved up tanks and troop reinforcements, as did the Chinese. On March 14-15 the Soviets assaulted Chen-bao for nine hours, resulting in 60 Soviet and more than 800 Chinese casualties.”<sup>58</sup>

Tensions between the two countries eased when the Soviet Premier Aleksei Kosygin visited China in 1969. Kosygin talked with Chinese counterpart Zhou Enlai and they agreed on the status quo for the moment.

The Sino-Soviet conflicts resulted in several points of disagreement between the two Communist countries.

## **2.1. Disagreements on Economic Development**

The disagreements on economic development between the two countries stemmed from different national conditions when the same economic policies were implemented. When China was in an economically backward state and turned to the Soviet Union for help in the early 1950's, taking the Soviet Economic Model and implementing the first five-year plan, the Soviet Economic Model had been used in the 1920's, which was ahead of the Communist China by 30 years. By the mid-1930's, Stalin shifted from unbalanced development strategies to a more balanced economic development through bureaucratic control, a system called Bureaucratic Stalinism. Thus, when the Chinese Communists borrowed the complete Bureaucratic Stalinism, they copied all the aspects, including the personal mistakes and errors made by Stalin through his interpretation of human social development.

When the Soviet Union launched its economic reform in the 1920's, it started with a small industrial sector and a large section of agriculture. Since the Soviet Union couldn't rely on foreign loans, it depended solely on itself. Mechanization and the availability of some arable land reserves provided the Soviet Union with sufficient agricultural products and a surplus utilized in exports to buy new technology and improve labor forces. It eventually became more efficient in labor and it match toward industrialization.

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<sup>58</sup> Alexander, 216-217.

However, when the Chinese implemented the same method in the 1950's, the situation was not the same. China relied on foreign loans, financial aids mostly from the Soviet Union, and its agriculture to develop industry. However, when Mao called for a great mobilization to work on the farm, the grain output didn't increase, since the grains sold at a very low price to the state and consequently didn't increase the peasants' incentive. Thus, when the financial aid from the Soviet Union were cut off, the burden was left on the farmers who were responsible for grain productions to feed the labor forces who kept industrialization going.

In mid-1955, when Prime Minister Zhou Enlai proposed to use a Yugoslav solution to replace Bureaucratic Stalinism, Vice-Chairman Liu Shaoqi suggested an economic reform by means of Lenin's New Economic Policy, Mao rejected it, since he thought the recommended economic reforms would lead China into capitalism, and believed that a large-scale mobilization of labor force was more suitable to China. While later Khrushchev criticized Stalin's political mistakes, there were problems in producing enough grains in China, other Communist leaders began to doubt on Mao's policy. Without admitting his personal mistakes, Mao insisted on his policy, but this time he carried out a more extreme policy-the Great Leap Forward. Khrushchev thought the Great Leap Forward was a way to challenge his ideology and Mao's megalomaniacal slogan to surpass the United States in 20 years led the Soviet Union to drift apart from China. The Great Leap Forward resulted in a great famine in China.

## **2.2. Disagreements on Political Ideology**

Not only did China and the Soviet Union disagree on the economic reforms, but also did Mao and Khrushchev held different opinions on de-Stalinization. Khrushchev criticized Stalin for criminal rule and political mistakes. He repudiated Stalin's personality cult and his critics on Stalinism in his Secret Speech had a negative impact on Mao in the Chinese Communist Party. Although the Chinese Communists didn't criticize Mao's blind copying Stalin's personality cult, the other Communists leaders began to limit Mao's authority in the central Party.

“In the belief that Khrushchev's Secret Speech had sown confusion among the socialist states, he blamed the Soviet leader for throwing away the 'sword' of Stalin....Over the course of 1957 and early 1958, Mao was able to claw his way back to supreme leadership. By March 1958, he announced a new personality cult which was designed to help him push through his radical Great Leap Forward ideas....Against the background of Mao's rising personality cult and the increasing official adoration of Stalin by the CCP, the twenty second



CPSU congress in October of 1961 decided to remove the late dictator's body from the Lenin Mausoleum and inter it behind that building, close to the Kremlin Wall. It was the symbolic end of Stalin's personality cult in the Soviet Union, but also a political signal to the Chinese Communists who had made the mausoleum a pilgrimage site in an open refusal of the de-Stalinization.<sup>59</sup>

Khrushchev's ideology also resulted in his announcement a foreign policy of peaceful coexistence with the United States which was unacceptable for Mao. Mao adhered to Marxist-Leninist ideology radically so that he insisted on continuing a worldwide revolution against the imperialism and capitalism. Mao criticized Khrushchev's policy yielding to the United States.

Besides the disputes between the Soviet Union and China, the United States played a role in helping the conflict run deeper between the two countries.

### **2.3. The Role of the United States**

Since the Soviet Union and China were the two biggest Communist countries, which were against the imperialism, the United States tried every effort to destroy the relationship between the alliances. However, in the 1950's, China was so weak and economically backward so that it acquired assistance from the Soviet Union. Therefore, at that time, China and the Soviet Union enjoyed a very intimate relationship. It was not until the 1960's that America seized the chance to undermine the alliance. During 1965, the United States began a campaign of intense harder bombing in North Vietnam. When North Vietnam asked for help from China and the Soviet Union, China refused to allow the Soviet troops march across the Chinese territory. This led to a complain from North Vietnam and the Soviet Union.

“Washington's hard-line policy toward Beijing in the 1950s was designed to tax Moscow's resources and thereby undermine the alliance. Apart from the two Taiwan Strait crises (1954-55 and 1958), however, the United States did not have any opportunities in the 1950s to destabilize the Sino-Soviet alliance. Once the CCP made the disputes public in the spring

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<sup>59</sup> Bernstein and Li, 39-40.

of 1960, the subsequent worsening of Soviet-American relations and the continued Sino-American antagonism also did not allow the United States to apply pressure on the alliance. It was only in the wake of Mao's political resurgence in the summer of 1962 and the radicalization of ideological disputes following the Cuban Missile Crisis in October, that Washington was able to exploit the Soviet-American-British negotiations on the Limited Nuclear Test Ban Treaty to isolate the PRC and tax Sino-Soviet relations."<sup>60</sup>

The Sino-Soviet split began in the late 1950's. After Khrushchev seized power, he adhered to policy of rapprochement with the United States, which led to a worsening of the relations between the two big Communist countries. Kremlin's pro-American policy and Khrushchev's disagreement with Mao's revolutionary concept intensified the disputes between the Soviet Union and the PRC. Finally, Khrushchev's refusal to help China develop atomic weapons and his withdrawal of all the Soviet technicians in China angered the Chinese leaders who decided to depend on themselves to strengthen national power. Chinese self-reliance resulted in differences in political policies and economic development between the Soviet Union and the PRC. Moreover, the United States played a role to cast a bone between the Sino-Soviet alliance. When Sino-Soviet relations worsened between the late 1950's and the 1960's, did Sino-American relations take a turn for the better? The following context may give an answer.

### **III. Sino-American Relations**

#### **3.1 Eisenhower Doctrine and Carthago Delenda Est**

##### **a. Carthago Delenda Est**

When the United States and the PRC finally came to an armistice on July 27, 1953, the United States considered the armistice as an American victory, since America succeeded in preventing Communism's attempt to conquer a peace-loving democracy. Did America advocate peace-loving democracy? If it was the case, why didn't the Eisenhower administration change its foreign policy toward the PRC?

The United States charged the PRC with aggression in the Korean War and its support of the Ho Chi Minh regime in Vietnam. "Yet Beijing's support of these neighboring Communist regimes exhibited no more aggression than American support of the regimes

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<sup>60</sup> Ibid, 45-46.

that opposed them, Rhee's in South Korea, and Bao Bai's in Vietnam. Both sides were seeking to maximize their own interests."<sup>61</sup>

And Eisenhower doctrine not only wanted to continue to quarantine Taiwan, but also adopted a policy of the destruction of the Chinese Communist state. The new national policy emerged early in November 1953, when the NSC 166 was proposed. "Robert R. Bowie, director of the State Department's policy-planning staff, told Smith the Joint Chiefs of Staff wanted NSC 166 amended to set forth definitely that 'the ultimate objective of the U.S. is the replacement of the Chinese Communist regime by one which, as minimum, would not be hostile to the United States.'"<sup>62</sup>

How come was China hostile to the United States? China's defense in North Korea and support the Communist revolt in Vietnam for its own protection, since both North Korea and North Vietnam were on China's doorstep. China never set up a national policy to destroy the United States. Wasn't the United States hostile toward the PRC when it adopted a policy of destruction of the Chinese Communist state? Can we also regard a country, which adhered to a policy of destruction as a peace-loving democracy country? I think probably not.

General Smith suggested "*Carthago Delenda Est*, a watchword made by the Romans means 'Carthago must be destroyed'"<sup>63</sup> should be the long-term objective of the United States, and President Eisenhower adopted it. However, the PRC, whose power was underestimated by America, was in fact no so easy to destroy. Thus, some American leader thought of using atomic bombs against mainland China, which President Eisenhower shrank from. Even though Eisenhower was unwilling to resort to A-bombs, the majority of the American leaders were reluctant to give up hostile attitude toward the Communist China. In January 1954, Secretary Dulles' pronouncement of the doctrine of "massive retaliation" added tension to the relationship between the United States and the PRC. The pronouncements meant that:

"The United States, in crises with Communist states, might react with atomic weapons. This doctrine displeased Eisenhower, and Dulles soon modified it to permit 'flexible' responses when atomic strikes were not called for. Even so, the readiness of the United States to accept nuclear war as a solution to conflicts sobered world leaders and reduced the possibilities of mutual agreement."<sup>64</sup>

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<sup>61</sup> Alexander, 143.

<sup>62</sup> Ibid.

<sup>63</sup> Ibid.

<sup>64</sup> Ibid., 144.

Eisenhower's doctrine was still hostile toward the Communist China, while the conflict in Indochina between France and the Vietminh, Vietnamese Independence League under the leadership of Ho Chi Minh by the early 1954, provided the opportunity for the United States to fulfill its policy.

## **b. U.S. Intervention in Vietnam War**

“French generals had sent 40,000 men to Dien Bien Phu in extreme northwestern Vietnam near the Laotian border. The purpose was to break Vietminh supply lines. However, the French army itself was isolated after the Vietminh surrounded the army, blocked its road access to Hanoi, dragged artillery over the mountains and commenced a siege.”<sup>65</sup>

France wanted to settle the conflict in a peaceful way by talking about the issue in a conference at Geneva. France was also able to convince the United States to participate in conference to discuss the issue of Indochina. However, the United States disagreed with a peaceful non-military way to solve the conflict, insisting on the “theory that anything but destruction of Communist forces would result in the ultimate loss of Southeast Asia to communism”<sup>66</sup>, with Dulles believing “the Vietminh was part of ‘the Communist imperialist movement.’”<sup>67</sup> Therefore the United States considered a direct intervention in Vietnam in April 1954 after France demanded air strikes against the Vietminh surrounding Dien Bien Phu. Nevertheless, France opposed the expansion of war, fearing identification with the French colonial era, and Britain refused to support American intervention.

On May 7, 1954, the day before the conference on Indochina at Geneva, the Vietminh leaders captured Dien Bien Phu and France determined to get of the Indochina affair, leaving the United States as the only power in the Vietnam conflict, while at the same time, the Soviet Union and China supported the Vietminh regime. According to Bevin Alexander,

“Both the Soviet Union and China were willing to sacrifice gains in Vietnam to achieve aims elsewhere. The Soviet Union encouraged termination of the Vietnam War on terms acceptable to France to get Paris to reject the European Defense Community (EDC) and a supranational

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<sup>65</sup> Ibid.

<sup>66</sup> Ibid.

<sup>67</sup> Ibid.

European army. Red China wanted peace to prevent an American pressure on its southern frontier.”<sup>68</sup>

Thus, when the Vietminh overturned most of the Vietnam and got support from the Soviet Union and the PRC in order to gain control of the whole country, both the Soviet Union and China forced the Vietminh to accept a “temporary” partition of Vietnam along the 17<sup>th</sup> parallel, with the state in the north ruled by the Communist Vietminh regime and a puppet Bao Dai government supported by France in the south. “This satisfied a fundamental requirement of Red China that no state allied to the United States be permitted along the Chinese frontier and answered France’s desire that it not be abjectly humiliated at Geneva.”<sup>69</sup> However, the American leaders didn’t understand the implication of the PRC, which showed no willingness of conquering the whole Vietnam but just to keep the American forces out of its border, which was the case in the Korean War, when China didn’t allow the North Korea to fight over the 38<sup>th</sup> parallel. The American leaders interpreted the Chinese act as an offensive purpose by keeping the buffer states in order to lead the Communists to conquer all the Southeast Asian regions. Beijing’s insistence of “temporary” partition obviously showed that they had no interest in expansion of the Communist power around Asia, but that their actions were motivated by a concern for their national interest, and certainly not by a Communist conspiracy. “If Red China’s true position as well as the Soviet Union’s willingness to rein in Ho Chi Minh had been seen for what they were, Western leaders would have realized that China and the Soviet Union were going to leave the nations of Southeast Asia to work out their own internal problems.”<sup>70</sup>

Under the pressure of the PRC and the Soviet Union, the Communist Vietminh had to accept the 17<sup>th</sup> parallel line, and promised to hold a nationwide election, which they hoped to win. However, the United States didn’t accept a peaceful Communist takeover of Vietnam, and it denied and refused to be bound by the Geneva accords, even though it had verbally abided by them. Besides, with the help of France, the United States set up military mission in South Vietnam and gave direct support to the Bao Dai regime to fight against the Communist regime. Moreover, Washington planned to appoint Ngo Dinh Diem, a rich Roman Catholic to form a new government in South Vietnam. These frustrated the hope of

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<sup>68</sup> Ibid., 145.

<sup>69</sup> Ibid.

<sup>70</sup> Ibid.

the Vietnamese Communist leaders to win the election and shattered their hope of unifying the whole Vietnam. America's extremely hostility toward the Communist China manifested itself openly in the Geneva meeting on June 5, 1954, when the Secretary Dulles refused to shake Zhou's hand. America's hostility toward China was not only evident in foreign affairs, but also in bilateral relations.

### **c. Sino-American Conflicts on Small Islands**

When the United States intervened with Chinese border affair in Vietnam, it didn't relax its vigilance on the Taiwan issue at the same time. "Already in November 1953, the NSC had decided that the United States must maintain Taiwan 'independent of Communism, as an essential element within the U.S. Far East defense position.'"<sup>71</sup> Also, the NSC "endorsed continuation of trade embargoes not only by the United States but by all American friends to delay Red Chinese efforts to achieve large-scale industrialization."<sup>72</sup>

However, the real dispute between the United States and the PRC was over several groups of small islands occupied by the Nationalist Chinese near the coast of the mainland China. The PRC, preoccupied with the Korean War, now had time to deal with the island issue with the Nationalists and it wanted to take them back by force. Chiang Kai-shek took these small islands as gesture of defiance. In fact, the islands were useless from a strategic standpoint, but American leaders thought if they lost the islands, it would be considered as a military defeat on the Taiwan issue. Also, the American leaders' hatred toward Communist China made them unwilling to allow the Communist Chinese to own even small useless islands. Therefore, the U.S. government decided to help Chiang Kai-shek to maintain these islands.

"The main Nationalist-held islands were the Dachen, a group of islets 30 miles off the Zhejiang province coast about 220 miles north of the northern tip of Taiwan; Nanji, about 30 miles off the southern Zhejiang coast; the Mazu (Matsu) islands, less than 20 miles off the Fujian coast opposite the port of Fuzhou and the two Jinmen (Quemoy) islands, just off the entrance to the harbor of Xiamen in southern Fujian."<sup>73</sup>

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<sup>71</sup> Ibid., 147.

<sup>72</sup> Ibid.

<sup>73</sup> Ibid.

The dispute worsened into armed conflict when the PRC began heavy shelling of the Jinmen (Quemoy) islands on September 3 1954, which continued for several days. And the American authorities regarded it as a prelude to invasion. “Dulles reacted with a doomsday prophecy that loss of Quemoy, garrisoned by 40,000 Nationalist troops, would begin ‘a chain of events which could gravely jeopardize the entire offshore position’ of the Nationalists.”<sup>74</sup>

The American officials wondered how to react, since the defense of the Quemoy islands might lead the United States into all-out war over the militarily useless islands. Finally, the United States decided to conceive of the Quemoy as a matter of prestige, because if it didn’t react, it would be considered as a defeat of their strategies in the region.

“On September 13, 1954, President Eisenhower said he was opposed to ‘any holding back like in Korea.’ Therefore, the policy proposed by the JCS majority to defend Quemoy could not be limited to Quemoy. Intervention also would alienate American allies and probably lead to the use of nuclear weapons because the United States could not achieve a decision without them.”<sup>75</sup>

Facing the possible war between the United States and the PRC, the Soviet leaders announced that they had the capability of using the hydrogen thermonuclear bomb and that they would not allow China to be devastated by the United States without any threat of retaliation. However, the bellicose American leaders still considered a possible war against the PRC due over the useless islands and they also called for their Western allies to fight on their side, neglecting the future consequences.

However, at the moment, the Beijing government signed an agreement with India concerning Tibet in April 1954 before the Geneva conference, to show their unwillingness to go into war.

“China had re-conquered the religious state in the years after establishment of the People’s Republic. There remained, however, residues of more than three decades of British influence in Tibet, imposed after the land declared its independence during the Chinese revolution of 1911-12. Upon Britain’s departure from south Asia, the Indian government had taken over the extraterritorial privileges the British gained in Tibet: special status for Indian traders, stationing of Indian military detachments in Tibet, and an Indian-owned telephone and telegraph system. In the Sino-Indian treaty, New Delhi gave up these privileges. In return China pledged not to undermine non-Communist countries in Asia. More important was the preamble, which contained a statement concerning both countries’ intentions to abide by the five principles of ‘peaceful coexistence’.”<sup>76</sup>

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<sup>74</sup> Ibid. 149.

<sup>75</sup> Ibid. 150.

<sup>76</sup> Ibid.

At the same time, the PRC received world attention by the visits of Nikita Khrushchev, first Secretary of the Soviet Communist Party; Nikolai Bulganin, first Vice Premier and Anastas Mikoyan, Vice Premier. It was the first visit by the top Soviet leadership, which marked an improvement in relations between the Soviet Union and the PRC. “The Soviets loaned China \$130 million and signed a number of documents, including an agreement to withdraw Soviet forces from Port Arthur without waiting for a peace treaty with Japan. They also closed down Sino-Soviet joint-stock companies, which had been exploiting Chinese natural resources.”<sup>77</sup>

The rapprochement between the two Communist countries gained China great support from the Soviet Union, whose military power couldn't be neglected by the West. Meanwhile, Britain opposed America's warmongering. Finally, The United States signed a mutual-defense treaty with Chiang Kai-shek, recognizing the two-Chinas policy on December 2, 1954. “Dulles noted that ‘the treaty covers an attack directly against Formosa and the Pescadores’ and mentioned no other islands. The note required Chiang not to attack the mainland without U.S. agreement.”<sup>78</sup> Zhou Enlai responded to the treaty, condemning it as a “grave warlike provocation”<sup>79</sup>.

To sum up, during the Eisenhower administration, the American leaders' hatred of the Communists didn't abate. The Eisenhower doctrine aimed at destruction of Communist China and continued to insist on the independence of Taiwan. Also, America intervened in Chinese frontier disputes, but this time this happened in Vietnam. The nature of the Vietnam War was the same as that of Korean War, which means America intervened into the war because it wanted to prevent Communist power spreading in those regions in Asia, which might threaten its own power eventually. Fortunately, during the early 1950's, the Soviet Union backed up the PRC and the PRC had the courage to fight America in order to capture some small islands. However, China began shelling Quemoy again in the late 1950's, while Sino-Soviet relations turned bad. Khrushchev withdrew his formal plan to help China develop atomic weapons. Each nation changed their foreign policy due to their own interests. What was worse was that later in August 1958 China commenced a second shelling to Quemoy, Khrushchev not only didn't support China because of his appeasement policy of the West, but also refused to help China develop atomic weapons, thereby aggravating the Sino-Soviet split. When the Soviet Union was hostile toward the

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<sup>77</sup> Ibid., 151.

<sup>78</sup> Ibid. 152.

<sup>79</sup> Ibid.



PRC in the 1960's, but had adopted a peaceful coexistence policy toward the United States, the Kennedy administration held a more relaxed attitude toward the Soviet Union, but was always convinced that China was hostile to the West and menacing its neighbors. The situation didn't change after the assassination of Kennedy. Lyndon Johnson, the new president, continued Kennedy's policy with the PRC. It was not until Richard Nixon became president of the United States that there was a breakthrough in the Sino-American relations.

### **3.2 Nixon's Rapprochement to China**

When Richard Nixon took office in 1969, few people could imagine that Nixon, a loyal supporter of China-haters and famous for his anti-Communist faith, could reverse the traditional American hostility toward China, marking a turning point in the Cold War.

In fact, Nixon's secret diplomacy with the PRC started from the Ping-Pong diplomacy. On April 7, 1971, the Chinese table-tennis team in Nagoya, Japan, competing for the international table-tennis championship games, invited the American table-tennis players to play with the Chinese players. With approval from Washington, the president of the American table-tennis team was glad to accept the invitation. During the seven days' visit to China, Zhou Enlai warmly welcomed the American table-tennis players. The "Ping-pong diplomacy" was a turning point for the relationship between the Chinese and American peoples, which was a breakthrough that Nixon badly wanted.

In July 9-11, 1971, Nixon made another much bolder move when he sent Henry Kissinger to Beijing to ask whether Beijing welcomed Nixon's visit to Beijing. When, on February 21, 1972, President Nixon's airline, named "the Spirit of 76" landed on the Beijing Airport, Prime Minister Zhou Enlai and a Chinese delegation received Nixon. Mao was not there and the greeting was low-key. When Nixon stepped forward and heartily extended his hand to Zhou, Zhou accepted the hand. Nixon's sincere handshake was in great contrast to that of Ex-Secretary Dulles, who refused to shake hands with Zhou Enlai in the Geneva conference in 1954. The historic handshake between the Sino-American leaders marked the end of America's hostility toward the PRC, which was a breakthrough for the Sino-American relations and was a great signal to turn a new page in the diplomatic relationship between Communist China and the United States since the Cold War.

In actual fact, Richard Nixon, who was Vice President during the Eisenhower administration, had built his political career as an anti-Communist China cold warrior in

the 1950's. Moreover, Nixon was pro-KMT, and he advocated that veto should be obtained to prevent any attempt to replace Taipei with Beijing in the UN. Before Nixon realized that it was important to keep contact with the Communist China, Henry Kissinger was not interested in Chinese issues, and he didn't know much about the Communist China. In 1961, he had written about a possible rift between the Soviet Union and the PRC, unaware that the split had already existed. Before Nixon appointed Kissinger as national secretary adviser, Chinese issues had little impact on him. "Early on, Kissinger's biographers Marvin Kalb and Bernard Kalb observed, 'Kissinger was a mere passenger on the Administration's China train. The President was clearly its sole engineer.'<sup>80</sup> Nixon took the initiative role for the rapprochement.

"It was for Nixon's foreign-security advisor, Dr Henry A. Kissinger, a former Harvard professor of history, to come up with a theory upon which to base Nixon's diplomatic revolution. Kissinger advanced the idea of equilibrium among states and a system of limited security rather than a principle of total security by the United States. He and Nixon abandoned a view that had ruled American thinking since World War II: that the earth was dominated by the United States and the Soviet Union and other countries had to adjust to this bipolarity by revolving around one or the other or attempting to stay neutral. Instead, they conceived that five great power centers had risen: the United States, the Soviet Union, Western Europe, Japan, and China. Of the five centers, only China and remained isolated. Since China was necessary to check Soviet expansionism, it was imperative to bring the People's Republic into the international system. As the United States had been the principle foe of China, it was the responsibility of Washington to initiate a rapprochement."<sup>81</sup>

How come Nixon, who was typically a conservative, a Communist-hater, and Kissinger, who was not zealous about Communist China, became so active in the creation of the Chinese rapprochement? There must some other reasons far more important than a concern for peace in the world, forcing them to change their stance.

In fact, Nixon's reorientation toward Beijing came earlier when he was still a Vice President during the Eisenhower administration. The idea of the normalization of relations with the PRC occurred to him when he made a trip to Asia in 1965.

"Nixon told Roger Sullivan, in the American embassy in Singapore, the rough outlines of his later path to normalization with Beijing. On a subsequent trip, he argued to an unenthusiastic Chester Bowles, then serving as U.S. ambassador to India, that 'good relationships with China were more important than good relations with the Soviet Union.'<sup>82</sup>

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<sup>80</sup> Nancy Bernkopf Tucker, "*Taiwan Expendable? Nixon and Kissinger Go to China*", *Journal of American History*. Vol. 92. No. 1 (Jun. 2005): 109-135. 117.

<sup>81</sup> Alexander, 215.

<sup>82</sup> Tucker, 116.

## a. The Rapprochement and the Vietnam War

When Nixon took office in 1969, what he most wanted was to end the Vietnam War as soon as possible. Different from the former presidents in the United States in the Cold War, Nixon endorsed rapprochement toward the PRC, even though he had been anti-Communist at the beginning of his political career. Neglecting the majority of American officials' objection, Nixon and Kissinger planned to begin secret diplomatic contacts with the PRC.

“In the ‘short range,’ Nixon recorded in January 1969 about China, ‘-no change. Long range-we do not want 800,000,000 people living in angry isolation. We want contact.’ He intended to restart secret diplomatic meetings with the Chinese in Warsaw, and told Kissinger to give private ‘encouragement to the attitude that this administration is exploring possibilities of rapprochement with the Chinese.’ It was a striking departure from Nixon’s harsh attacks on ‘Red China’ prior to 1969. As a president, he no longer saw any domestic political value in bashing Democrats as soft on the Chinese Communists. He was focused instead on how unproductive continuing Sino-American tensions could be in the reach for greater international stability and peace. It was an initial demonstration of what Nixon and Kissinger sensibly thought of as foreign policy realism.”<sup>83</sup>

After almost fifteen years’ intervention in the Vietnam War, Nixon now wanted to put an end to the war.

The Vietnam War could not be dissociated from the Cold War, which drew the United States, the Soviet Union and the PRC into the conflict. “The conflict in Vietnam stemmed from the interaction of two major phenomena of the post-World War II era, decolonization-the dissolution of colonial empires-and the Cold War.”<sup>84</sup>

When France fell to Germany in 1940, Japan imposed a protectorate on Vietnam, the French colony. Japan finally overturned French puppet government in Vietnam in 1945. After the Empire of Japan surrendered in August 1945, the Communist revolt, supported by the Soviet Union and the PRC and under the leadership of Ho Chi Minh, seized the chance to unify the whole Vietnam and achieved independence for the nation. However, France wanted to take back the colonial Vietnam. Negotiation failed, therefore the war broke out between France and Communist Vietnam in 1946. When France planned to get out of the war for fear that it would be identified as colonizer in 1954, the United States

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<sup>83</sup> Robert Dallek, *Nixon and Kissinger: Partners in Power*. London: Penguin Books, 2008. 105.

<sup>84</sup> George C. Herring, “The Cold War and Vietnam,” *OAH Magazine of History*. Vol. 18. No. 5 (Oct. 2004): 18-21. 18.

interfered in the war. As George Herring says, “At the every time Vietnamese nationalists were engaged in a bloody anti-colonial war with France, the Cold War between the U.S. and the Soviet Union was evolving into an ideological and power struggle with global dimensions. The conjunction of these historical trends explains the internationalization of the war in Vietnam.”<sup>85</sup>

Ho Chi Minh’s regime was led by Communists. The Communist revolutionary independence against the French colonization caused the United States to feel anxious about the spread of Communism around the world. Besides, the People’s Republic of China was established in 1949, and after that, the PRC didn’t stop to offer sanctuary and military assistance to the Vietminh, a fact which heightened U.S. concerns.

“Unable to accept the essentially nationalist origins of the Vietnamese revolution, Americans were certain that Ho Chi Minh and the Vietminh were part of a monolithic Communist bloc controlled by the Kremlin. U.S. officials also concluded that the fall of Vietnam to Communism would threaten their Nation’s vital interests. NSC 68, a key 1950 statement of Cold War policies, posited that the Soviet Union, ‘animated by a new fanatical faith,’ sought ‘to impose its absolute authority on the rest of the world.’ It had already gained control of Eastern Europe and China. In the frantic milieu of 1949-1950, Americans concluded that ‘any substantial further extension of the area under the control of the Kremlin would raise the possibility that no coalition adequate to confront the Kremlin with greater strength could be assembled.’ In this context of a world divided into two hostile power blocs, a fragile balance of power, a zero-sum game in which any gain for Communism was automatically a loss for the ‘free world,’ previously unimportant areas such as Vietnam suddenly took on huge significance. The North Korean invasion of South Korea in June 1950 seemed to confirm American fears of Communist expansion and to heighten the significance of Vietnam.”<sup>86</sup>

Besides the fear of expansion of Communism around the world, the economic factor was another reason for American involvement in any conflict. “The so-called domino theory held that the fall of Vietnam to Communism would cause the loss of all Indochina and then the rest of Southeast Asia, with economic and geopolitical repercussions spreading west to neutral India and east to key allies such as Japan and the Philippines.”<sup>87</sup> All these factors resulted in the support of anti-Communism by all American policy makers. From the Truman administration to the Johnson administration Cold War policies were imposed in Vietnam, gradually augmenting U.S. involvement to a full-scale war.

However, when Richard Nixon took office in 1969, he succeeded in seizing the opportunity to reshape relations with America’s Communist enemy and gained an edge

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<sup>85</sup> Ibid.

<sup>86</sup> Ibid.

<sup>87</sup> Ibid.

over it, when there was border conflict between the Soviet Union and the PRC. Eager to end the Vietnam War, which Nixon regarded as the priority of his foreign policy, Nixon and Kissinger wanted to end the war on a note of “peace with honor” to maintain America’s position.

“Nixon and Kissinger succeeded for the short-term effecting major changes in the Cold War. In one of the most dramatic events of his presidency, the one-time red-baiter par excellence traveled to Beijing in early 1972 to begin normalizing relations with a nation once America’s most bitter enemy. Shortly after, in Moscow, he and Soviet leader Leonid Brezhnev reached agreements on expanded trade and nuclear arms limitations. Nixon’s diplomacy did not end the Cold War, but it dramatically altered the contours of the conflict.”<sup>88</sup>

However, the Soviet Union and the PRC played a double game with the United States, seeking the chance to improve the diplomatic relations with the United States and urging North Vietnam to compromise, while at the same time offered aid to North Vietnam to allow large-scale offensives against South Vietnam. Toward the end of the year 1973, Nixon was no longer playing an important role in the Vietnam War as he had to resign in 1974 for charges of wiretapping during the presidency elections in the US. Finally, when Saigon fell on April 30, 1975, it marked the end of the war.

The ending of the Vietnam War and advances in Sino-American relations came first for Nixon. Nixon proclaimed to end the long-running Vietnam War, which caused a great loss to the United States ; a loss that the rapprochement with China was hoped to end. Seeing Nixon’s eagerness to end the Vietnam War, the Communist Chinese leaders didn’t agree to urge North Vietnam to compromise without offering military aid, for its national interest. Communist China also seized the chance to force the United States to make further concessions on the Taiwan issue including the guarantee of a seat in the UN Security Council.

### **b. America’s Compromise on Taiwan Issue**

“Analysts generally agree that Nixon and Kissinger acted in the national interest when they launched normalization with China.”<sup>89</sup> When the United States agreed to compromise to end the Vietnam War, it had to compromise on the Taiwan issue with the PRC.

Although the United States-Taiwan relationship remained a formal alliance in 1969, nothing could stop the trend for normalization between America and China, no matter how

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<sup>88</sup> Ibid. 20.

<sup>89</sup> Nancy Bernkopf Tucker, “*Taiwan Expendable? Nixon and Kissinger Go to China*”, 110.

reluctant Taipei was. For the Taiwan leaders, the normalization was the last thing they might want to see. When Nixon became president, Taipei had much faith in this anti-Communist President, who was pro-KMT. However, “Nixon’s sympathies for the Republic of China had been dampened by his expanding foreign policy experience and changes in the importance of Taipei and Beijing.”<sup>90</sup>

“Chiang, for one, insisted that only invasions of North Vietnam and China would solve the Vietnam conflict and the Red China threat because the only way to defeat Communists was with ‘bullets.’ Nixon later remarked, ‘Chiang was a friend and unquestionably one of the giants of the twentieth century. I wondered whether he might be right, but my pragmatic analysis told me he was wrong.’”<sup>91</sup>

As a Secretary Adviser, Henry Kissinger also became interested in China when he realized how seriously Nixon took improvement of relations with China into consideration. “Kissinger believed that the United States could play the Soviet Union and the People’s Republic each against the other and enjoy better relations with each than either had with the other.”<sup>92</sup> Having given Beijing a leading role in strategy, Kissinger dismissed Taiwan as inconsequential and would consider to minimize the significance of Taiwan for the sake of the Chinese issue.

However, the policy makers Nixon and Kissinger kept the said normalization from the public in the beginning. “The CIA veteran James Lilley recalled that ‘as we bickered over the finer points [of policy, we]...were taken by surprise when news of Kissinger’s July trip to Beijing was made public even though we represented some of the most informed and experienced China hands in the U.S. government.’”<sup>93</sup> Also, “Taipei learned of the Kissinger mission just thirty minutes before Nixon announced to the world that he had initiated the opening to China and would himself be traveling to Beijing in 1972. By contrast, Anatoly Dobrynin, the Soviet ambassador, heard directly from Kissinger almost twelve hours before Nixon’s television broadcast.”<sup>94</sup> Since it was the first time the United States normalized diplomatic relationships with the PRC after almost thirty years’ hostility toward China, both nations made it look like a modest move.

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<sup>90</sup> Ibid., 116.

<sup>91</sup> Ibid.

<sup>92</sup> Ibid., 117.

<sup>93</sup> Ibid.

<sup>94</sup> Ibid., 125.

Even though Nixon didn't publicly reveal the normalization of relations with Beijing until the last moment, Taiwan leaders were suspicious. And Taipei leaders knew that China wanted a rapprochement with the United States, not just to protect them against the Soviet Union, but to demand admission into the UN Security Council, to trade with the U.S., but also to reclaim Taiwan.

During Henry Kissinger's first trip to China in 1971, what he focused on his U.S. agenda was anti-Soviet strategy and effort to end the Vietnam War. When Zhou talked about the Taiwan issue, Kissinger introduced his policy of two Chinas or one China, one Taiwan. "He pledged that no one in the U.S. government would give any support to the Taiwan independence movement and promised to enforce the policy himself. The United States would also refrain from running covert CIA or other intelligence operations out of Taiwan."<sup>95</sup> However, Zhou opposed the two Chinas policy or one China and one Taiwan, reiterating that the Taiwan agenda was a primary Chinese issue and they would not compromise on it.

Therefore Nixon instructed Kissinger, "Having in the mind the fact that...[the Chinese] have to be tough on Taiwan...we've got to be tough on Taiwan in order to end up where we're going to have to end up.' Still, a slightly chagrined Nixon urged, 'I wouldn't be so forthcoming ...until necessary.'<sup>96</sup> Also, Kissinger thought that China's main concern was anti-Soviet agenda while the Taiwan issue was used as "a bargaining chip". Moreover, Kissinger believed that Taiwan would still survive either as a separate state or as clinging to a form of autonomy, since on one hand, China would not have the military capability to attack and occupy the island, while on the other, China asserted that the U.S. must recognize Beijing as the sole legitimate government with Taiwan as an inalienable province of China. Thus, Kissinger gave a positive response to Zhou.

"China stated its position that Taiwan was a province of China and its liberation an internal affair and that 'all U.S. forces and military installations must be withdrawn.' The United States acknowledge 'that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China. The United States does not challenge that position.' The U.S. declared it would progressively withdraw forces from Taiwan 'as the tension in the area diminishes'....The United States accepted the 'one China' premise upon which Beijing's relationship with Taiwan had rested from the beginning. Although the United States did not promise to cancel its security pact with Taiwan, the communiqué foreshadowed future recognition of Beijing and withdrawal of recognition from the Nationalists. Opening of trade between China and the United States gave the People's

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<sup>95</sup> Ibid., 123.

<sup>96</sup> Ibid., 124.

Republic access to an immense range of modern technology that it had found difficult to obtain. For the United State, the gains from the Nixon visit were extremely important. Not the least was the interment of twenty-six years animosity to the Chinese Communists. This hostility had consumed an enormous amount of American energy and had been the reason why the two countries went to war in 1950 and reached the brink of war several times thereafter. Détente with China exchanged the threat of war with prospects of peace. Finally, the United States gained materially by vastly increasing its exports to China.”<sup>97</sup>

Clearly, it seems that what China wanted on the Taiwan issue could be accomplished, but in fact, the United States was not going to let Taiwan belong to China, which would leave the Chinese leaders feeling betrayed below the surface of the visible rapprochement.

“It did not have a significant impact so long as no radical departures in Taiwan’s politics, cross-strait interaction, and United States-Taiwan relations occurred. Once the balance began to shift in all those areas, however, the courses set by Richard Nixon and Henry Kissinger came back to haunt the corridors of power and decision making.”<sup>98</sup>

American policy makers were cunning on the Taiwan issue. On the one hand they made the Chinese leaders believe their goals could be accomplished, while on the other, they had another plan under the negotiating table. The American policy makers were more cunning while dealing with the UN issue with the Chinese leaders.

### **c. The Seat in the United Nations**

In 1970’s, there were two things that undermined Taiwan’s international status and its future prospects. One was the normalization of relations between the United States and the PRC, while the other was Chinese admission into the United Nations Security Council. The way the U.S. acted on the UN issue toward the Chinese was similar to that of dealing with the Taiwan issue.

In the beginning, U.S. diplomats proposed a dual-representation formula which would allow both the PRC and Taiwan in the UN. However, this formula was not only rejected by the PRC, but also opposed by the UN members because “they would probably see U.S. sponsorship of such an arrangement as cynical manipulation of the system since American had previously promoted it partly because Chiang Kai-shek could be compelled to accept while Beijing’s rejection would shift the burden for exclusion onto the Communist

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<sup>97</sup> Alexander, 224-225.

<sup>98</sup> Tucker, 125.



Chinese.”<sup>99</sup> In this stance, Taiwan was not as indomitable as the PRC, who always rejected the idea. Kissinger persuaded China not to insist on their stance too hard, which would disrupt the normalization between the United States and China. However, Zhou didn’t buy Kissinger’s account, and cynically observed that Kissinger didn’t want to abandon Taiwan while letting China into the UN.

Taipei official didn’t accept the dual-representation formula, especially Chiang, who was not easy to persuade, since “if Taiwan quit the UN, not only would it be isolated, but its intransigence might psychologically release the United States from promises to protect Taiwan.”<sup>100</sup> However, when the Taipei leaders saw Kissinger’s visit to China, they soon capitulated, even though they believed that the idea was not acceptable by the other communities. Finally, it was the misguided actions of the Taiwanese leaders that pushed Taiwan out of the game.

“When Taipei claimed to be the capital of all of China, it undermined confidence in the government’s grasp of reality. Finally, so long as Taipei demanded that countries choose between Taiwan and China, it convinced delegates there was no sense in trying to keep both parties in the UN...Taiwan’s passivity in the face of almost-certain defeat suggested poor choices and ineffective leadership.”<sup>101</sup>

Apparently, the Sino-American rapprochement was built on the basis of national interests. Both the United States and China wanted to maneuver through bargaining. In Politics, there were no friends or foes forever. The mutual interests could bring the two sworn foes together. And the rapprochement between the United States and the PRC could undermine the relations between the Soviet Union and the PRC, and could undermine Taiwan’s interest protected by the U.S., since in order to end up the Vietnam War, America had to compromise and had to be forthcoming on many issues. However, when Nixon had to resign because of the Watergate scandal in 1974, the agreement discussed between the Communist China and the United States had to be postponed. It was not until in 1979 that the United States and China agreed to formally to establish diplomatic relations.

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<sup>99</sup> Ibid., 128.

<sup>100</sup> Ibid.

<sup>101</sup> Ibid., 132.

## Conclusion

As a conclusion, I would like to say that there were “pushing” reasons as well the “pulling” factors that affected the triangular relations between the PRC, the Soviet Union and the United States.

Mao learned from the Soviet Union and implemented Stalinism to develop his domestic economy. However, there were mistakes and errors in Stalin’s own conception of economic development, which had been proved in the 1920’s and the 1930’s. Mao insisted on ignoring these mistakes by adhering to Stalinist strategies and abused it for the sake of his personality of cult, which was in turn used to promote his Great Leap Forward and resulted in disputes on different ideological issues with the Soviet Union. The “People’s commune” didn’t solve the insufficient output of grain. Instead, it led to famine for the Chinese people. When Mao’s central position in the Party was shaken because of his personal mistakes, he committed another more radical mistake. He started the Cultural Revolution, which lasted for almost ten years, resulting in economic collapse for China. The domestic catastrophe pushed China to accept globalization in a global context.

At the same time, Mao’s disagreement with de-Stalinism led to disputes with Khrushchev on ideology. The Sino-Soviet split stemmed from the differences on economic development and political ideology between the two Communist countries. The disputes later developed into territorial disputes. Meanwhile, the United States carried the Sino-Soviet conflicts further by intervening in the two countries’ foreign affairs.

It is important to keep in mind that the United States intervened in other countries’ affairs only for its own self-interest. It decided to become a “friend” or a “foe” with other countries, depending on its benefits. When the Vietnam War caused America a lot of loss, and when it seized the opportunity to intensify Sino-Soviet conflict, it initiated a rapprochement with China, hoping that with the help of China, North Vietnam would reach compromise to end the war. China, at the same time, utilized the opportunity to urge America to recognize the “one China” policy, to withdraw troops from Taiwan Strait, and to recognize the People’s Republic of China in the UN council.

Despite the claims to objective self-interest, foreign affairs always reflect subjective interests of national leaders. Policies are changed, depending on the different ideological interests of the leadership. Nevertheless, changes in foreign policy do not originate from ordinary people, reflecting their needs and interests.

## **Chapter 3**

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# **Chinese Economic Reform and Sino-American Relations during Deng's era**

Although President Richard Nixon of the United States visited the People's Republic of China in February, 1972, which marked a great step forward in the diplomatic relations between the two big nations, the two giant countries didn't establish diplomatic relations soon after Nixon's visit. On one hand, Nixon was charged with wiretapping national Democratic Party headquarters at Watergate during the reelection several months after his visit to China. Richard Nixon resigned in August 1974 because of the Watergate political scandal. On the other, Nixon's successor, Jimmy Carter, the Democratic winner in the 1976 presidential election, was not as much interested in Chinese affairs as Nixon. Therefore, it was not until January 1<sup>st</sup>, 1979 that the United States began diplomatic relations with the PRC. Meanwhile, the Soviet Union invaded Afghanistan, which led to President Carter's decision to switch approach from the Soviet Union to the PRC. And at the same time, the new Chinese chairman Deng Xiaoping, Mao Zedong's successor, was leading China into a new page in its history. He seized the tension between the United States and the Soviet Union to continue Chinese economic development under his new domestic policies. His new foreign policies and Reform and Opening policies brought China huge economic profits. Seeing huge changes in China, some sinologists approved of the new reforms while the others sniffed at it, since China had to compromise and sacrifice a lot. The domestic repression led to the Tiananmen Square Protests in 1989. What were the changes in China since 1979? Do the changes have anything to do with the United States? How did the PRC change, politically or economically? Did the United States approach the PRC only for economic reasons, or were there other factors? Did the United States provide aids to the PRC without any conditions? Or did the PRC have to make some concessions in exchange? In this chapter, all of these questions will be answered. There are two parts in this chapter. The first part deals with Deng Xiaoping's economic reform, while the second part explains the new type of triangular relationships between the United States, the Soviet Union and the PRC during Deng's period.

## **I. Deng Xiaoping's Era**

For almost thirty years after the foundation of the PRC, Mao Zedong, a revolutionary enthusiast, always believed in massive mobilization of the labor force to develop socialist economy and believed that China could rise in global influence by following the Soviet Economic Model. Nevertheless, his personal ideology and his idea on the Great Leap Forward and the Cultural Revolution brought China nothing but famine and chaos, proving that Mao not only abused his personal cult to experiment with his revolutionary theory, but

that he had also caused China's economy regress. Different from Mao, Deng Xiaoping, a more practical economist, thought that economic development was a task of top priority in order to rid China from chaos. Besides, the United States normalized diplomatic relations with the PRC, while relations between the United States and the Soviet Union came to a deadlock because of the Soviet war in Afghanistan adventure in 1980. All these internal and external factors forced Deng to implement the Chinese economic reform to rescue national economy.

## **1.1 Reform and Opening Up Policy**

Deng advocated that it should allow some people to become rich at first, saying this could result in the rest becoming well-off. Deng introduced his policy of modernizations in four sectors, namely "agriculture, industry, national defense, and science and technology, economic interests dominated the agenda."<sup>102</sup> The Chinese economic reform consisted of two parts, including the domestic reform and economic opening up to the foreign market.

Politically, Deng reduced the size of the administration and re-arranged the government functions in order to pave the way to economic development.

"As early as 1980, Deng Xiaoping had pointed out the urgency of solving the problem of the 'combination of party and government functions and substituting the government by the party'. Among measures offered as solutions were the abolition of life appointment, the buildup of a civil service system, the removal of party departments with overlapping government functions at local levels, the restoration of enterprise manager authorities, the reorganization of defense industrial ministries and industrial economic ministries into large corporations, and so on. Important institutions were also created at various stages, such as Ministry of Commerce, the State Intellectual Property Office, the China Banking Regulatory Commission, and the National Council for Social Security Fund. Since the 1980's, China has undergone six rounds of major government restructuring exercises: 1982, 1988, 1993, 1998, 2003, and 2008. The reforms have gone deeper and broader through the past three decades; from the separation of the party from government functions, to the separation of government functions from enterprises, the separation of government functions from financial capital providers, the separation of government functions from public services, and the separation of government functions from market agency organizations."<sup>103</sup>

Although Deng transformed domestic political policies, it didn't mean that he abandoned socialist theory. Instead of being an ideologue, Deng was quite pragmatic. He also upheld the communist party leadership, the Marxism-Leninism, as well as the Mao

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<sup>102</sup> Chan Lai-Ha, Gerald Chan, Kwan Fung, *China at 60 Global-Local Interactions*. Singapore: World Scientific, 2011, 72.

<sup>103</sup> *Ibid.*, 73-74.

Zedong Thought. He improved socialist theory in his own way for the sake of economic development. He combined the socialist ideology and his new concepts skillfully and proceeded to build socialism with Chinese characteristics. In this way, we can consider Deng Xiaoping as a great engineer reconstructing a better Chinese society.

Deng's domestic political reforms opened the way to the transformation of China from planned economy to socialist market economy. The Chinese economic reforms, introducing capitalist market principles, were carried out in two stages, one from the late 1970's to early 1980's, while the other from the late 1980's until 1990's. In the first stage, measures included de-collectivization of agriculture, opening-up to foreign investment, permission for entrepreneurs to start up business, while at this stage most of the industry was state-owned. The second stage, measures included privatization, contracting out of much state-owned industry, inflation control, protectionist policies, and regulations, while state monopoly still remained in some sectors like banking and petroleum. Special Economic Zones in the costal urban cities like Shenzhen, Zhuhai, Xiamen, and Fuzhou were set up. From the 1980's, the number of private sector firms increased tremendously. It is said that the private sector accounted for as much as 70 percent of China's GDP in 2005. Nowadays, China's economy is the worlds' second largest after the United States and it is predicable that it would become the largest by 2025.

## **1.2 Success of the Reform and its Effects**

Scholars believe there are several reasons for the success of the economic reform. First of all, the decentralization of the state authority allowed the local leaders to privatize the sectors and enlarge economic growth. Besides, the internal incentives of the Chinese government forced the local and provincial governments to relax restrictions and barriers and to reduce regulations for the economic development. Finally, success could not have been achieved without Deng, an intelligent economic reformist.

The Chinese economic reforms brought huge wealth to the PRC, which eliminated poverty in urban areas and reduced it remarkably in rural regions. Although the living standard was much better than the pre-reform era, once reforms took place, it could bring some unpredictable consequences that Deng could not prevent. As political policies were less restricted in accordance with economic needs, and Chinese market became more and more integrated with the world, problems appeared. Inequality between the costal areas and the interior regions increased remarkably along with the economic growth. Some

scholars criticized that the PRC was “hungry for foreign investment and economic interest chaser” so that it made a lot of concessions to the United States in foreign policies when it gained aids in return. In order to open its own market and attract more foreign investment, the PRC loosened the regulations and barriers to the foreigners, while at home it repressed domestic policies, a fact resulting finally in the Tiananmen Incident in 1989, to be discussed later in this chapter.

On one hand, the PRC was eager to open its door to the foreign market, so that it established diplomatic relations with the United States. On the other, the United States approached the PRC while keeping its distance from the Soviet Union. Foreign investment from the United States flew into the Chinese market. Why did the US government change their foreign policies toward the PRC? Was it only for economic reasons? Or were there other incentives behind that? The following text may give an answer.

## **II. The Triangular Relations in the 1980's**

### **2.1 US Economy in the 1980's**

In the late 1970's and early 1980's, there was a severe global economic recession, leaving a great impact on the developed countries. The recession brought about a high rate of unemployment and inflation to the United States. This recession brought about the Latin American debt crisis and the savings and loan crisis for the United States.

During the recession, the unemployment rate rose from 5.1% in 1974 to as high as 9% in 1975. Then it declined to 5.6% in 1979. However, unemployment kept rising afterwards. It increased to 6.9% in April 1980 and reached to 7.5% in May 1980. Although the recession became milder, the unemployment rate still remained high. Unemployment reached 10.8% in November and December 1982, the highest since the Great Depression.

Misfortunes never come alone. Inflation increased to a 7.7% annual rate after the 1973 oil shock. Then in 1975, inflation reached 9.1%, which was the highest rate since 1947. Although inflation went down to 5.8% in the next year, it always kept rising. By 1979, inflation reached 11.3% and in 1980 it increased to 13.5%.

The economic recession not only brought negative effects on the domestic government, but also threatened America's role on the whole world's economy. As the largest economic powerful country, the United States began to worry about its role of hegemony, and the adaptation of neo-liberal economic policies throughout the world.

“The new U.S. national security policy transmitted from the executive branch to Congress establishes three keys principles: (1) the perpetuation of unrivaled U.S. global military dominance, no nation being allowed to rival or threaten the United States; (2) readiness to engage in preemptive military attacks against states or forces anywhere on the globe that are considered a threat to the security of the United States, its forces and installations abroad, or its friends or allies; and (3) the immunity of U.S. citizens from prosecution by the International Criminal Court, Senator Edward M. Kennedy, commenting on this new strategy, declared. ‘The administration’s doctrine is a call for 21<sup>st</sup> century American imperialism that no other nation can or should accept’. One of the bases for the strategy is the restructuring of the U.S. economy and the re-conquest of economic hegemony at the global level.”<sup>104</sup>

In order to recovery the national economy, the Unites States turned its eyes on the PRC, on which it had imposed embargo for about thirty years.

“The groundwork for change in US policy was laid by Vice President Walter Mondale’s August 1979 speech at Peking University in which he declared that ‘a strong and secure and modernizing China is...in the American interest in the decade ahead’. Although publicly denying US intentions to develop a military relationship with the PRC, Mondale privately informed the Chinese that the Carter Administration had begun serious consideration of a policy that would differentiate the PRC from the USSR on export controls governing high-technology transfer as well as a range of other bilateral trade matters. The two sides also agreed at that time that Secretary of Defense Brown would visit Beijing in January 1980.”<sup>105</sup>

U.S. national economic crisis forced it to seek another new market to solve its economic problems, while during the same period, China implemented a new opening-up reform, which allowed for more economic relations between America and China. Meanwhile, before Brown’s trip to Beijing, the Soviet Union invaded Afghanistan, which meant that President Carter became determined to approach the PRC while keeping distance from the Soviet Union.

## **2.2 Soviet Invasion of Afghanistan**

The Soviet war in Afghanistan started in December 1979, and ended in February 1989. The nine-year-long war was regarded as a part of Cold War. It was fought between Soviet-led Afghan forces and the multi-national insurgents called Mujahideen, trained by the CIA. The insurgents received material and military aid from the United States, the United Kingdom, Saudi Arabia, and other developed countries. Firstly, President Carter

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<sup>104</sup> Orlando Caputo Leiva, translated by Marlene Medrano, “*The World Economy and the United States at the Beginning of the Twenty-First Century*”, Latin American Perspectives: The Crisis of U.S. Hegemony in the Twenty-First Century, Vol. 34. No. 1. (Jan. 2007): 9-15, 10.

<sup>105</sup> William J. Long, “*Economic Incentives and International Cooperation: Technology Transfer to the People’s Republic of China, 1978-86*”, Journal of Peace Research Vol. 28(1991): 175-189, 178-179.



placed embargo to the Soviet Union on shipments of commodities like grains and weapons, which discontented the Soviet Union. The tension between the two powerful nations upgraded when tens of thousands of Soviet troops were sent to oil-rich regions in the Persian Gulf. Finally, it led to the war.

Soviet invasion of Afghanistan pushed the US government's button, and the United States imposed political and economic sanction on the Soviet Union. In the diplomatic relations, keeping distance from one country means approaching another one. The United States loosened its export policy toward the PRC, while made different policy toward the Soviet Union, which caused Soviet's anxiety. Especially when more and more high-technology were transferred into the PRC, which led the Soviet Union worry that the United States would united the PRC, a potential military powerful nation, into ally, which would finally threatened the Soviet Union.

“By mid-1980, Soviet policy pronouncements indicated Moscow viewed enhancement of the Sino- US relationship as shifting the global ‘correlation of forces’ against the USSR. Officially, Prime Minister Aleksei Kosygin speaking in February 1980 warned that the USSR would give ‘unremitting attention to the question of the defense capability of the USSR’. He added ‘No one must be left in any doubt that the USSR will not allow any disturbance in the balance of forces which has come about in the world to the detriment of its security’. Shortly thereafter, Brezhnev reiterated Soviet consternation in an interview with former French Prime Minister Jacques Chaban Delmas, where, accompanied by desk pounding, he shouted: ‘Believe me, after the destruction of Chinese nuclear sites by our missiles, there won’t be much time for the Americans to choose between the defense of their Chinese allies and peaceful coexistence’. One account of the Soviet response to Sino-US strategic cooperation cited an article entitled ‘Dangerous Partnership’ appearing in *Kommunist* in July 1980 which warned of a dangerous new development in global politics created by the ‘actual alliance which is now taking place between China and imperialism’. The article went on to charge the USA with seeking to exacerbate the Soviet defense burden and attempting to undermine the economies of Eastern Europe stating ‘all this calls for increased vigilance, for reinforcing policy countermeasures and financial expenditures including defense’.<sup>106</sup>

It is apparent to see that when the two nation's approach could stabilize the bilateral relations while it would destabilize the third nation. As there were more and more trade contact with the United States and the PRC, and more and more high-technology flew into China, it was inevitable for the Soviet Union to worry about the deeper military contracts between the two nations. The Chinese tilt threatened the international position of the Soviet Union in the future. Obviously speaking, in the triangle relations, the Soviet Union gained nothing from it. Superficially speaking, it seems that both the United States and the PRC

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<sup>106</sup> *Ibid.*, 185-186.

won the political game this time, since they exchanged benefit with each other. However, the biggest victor was the United States. The United States didn't offer the technology to the PRC without conditions. As a return, the PRC had to make political concession.

### **2.3 China's Concession in the Trade with the U.S.**

From the Chinese perspective, economic development by means of obtaining US and Western technology was the core mission, which was of primary importance during Deng's era. Some scholars thought that Deng's reform abandoned Mao's ideology and his mobilization of peasant force to advance the national economy. Deng's reform was to push Chinese market into the global capitalist market. Deng's reform forced Chinese market more and more integrated into the capitalist market.

“Steven Levine describes succinctly the new attitude of the Chinese leadership: Deng's top foreign policy priority, which derived from his domestic reform and development program, was to smash the double-walled barrier of domestic isolationism and foreign suspicion which still separated China from the international community even in the late 1970s. Deng was convinced that China's prosperity and security depended upon a much higher degree of integration into the inter-national economy than anything ever contemplated during the Maoist era. This international market-oriented strategy required that China expand and consolidate relations in the first instance with the developed nations of the Western Alliance system - the USA, the European Community and Japan.”<sup>107</sup>

During Chinese economic reform period, in many respects, U.S. and Chinese goals were harmonious. China adjusted its foreign policy to accord with its goal to expand its technological link to the U.S. and the West by means of getting integrated into the capitalist market, which was primary importance for China. Meanwhile, the U.S. needed cooperation with China, which resulted in the China tilt.

“Economic concerns clearly took priority over security issues by the late 1970's. Specially, in the 1978-81 period, the PRC's leaders abandoned the substance of Maoist political economy with its emphasis on mass mobilization, ideological incentives, and self-reliant withdrawal from the world market as a means of obtaining growth and high technology.”<sup>108</sup>

The economic cooperation between the United States and China not only resulted in China's abandoning Mao's revolutionary ideology, but also forced China to give compromise when importing technology from the United States and the West.

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<sup>107</sup> Ibid., 181-182.

<sup>108</sup> Ibid., 181.

During the 1981-82, the relations between the United States and the PRC was a little bit cooling, since the Ronald Reagan, a future-president candidate, favored establishing official relations with Taiwan and advocated to challenge the Soviet military capabilities directly. Chinese delay of licenses for the U.S. export of high-technology and its failure to agree on quotas for import of Chinese textile added more tension between the cooperated partners. However, the PRC saw the diminished threat from the Soviet Union because of US-USSR relations and it saw an opportunity to absorb high-technology from the United States and the West through, which assured China to keep good relationships with America.

“By 1981-82, the PRC, in contrast, appears to have concluded that the Soviet threat had diminished in view of their difficulties in Afghanistan and Eastern Europe and economic problems the Soviets were experiencing at home. Thus, the PRC saw a diminished need for strategic cooperation with the West to ensure the regional balance necessary for the PRC’s economic modernization efforts. As a result, the PRC asserted that its security interests were better served by a more independent course in foreign policy. Yet, ‘good relations with the U.S.A. would remain very important, especially if China were to benefit more fully in the areas of economic collaboration and technology transfer.’”<sup>109</sup>

“Beginning in 1982, the Reagan administration began to console the PRC by announcing it would not sell advanced fighter aircraft to Taiwan. And in August that year Washington and Beijing signed a joint communiqué limiting the quality and quantity of U.S. arms sales to Taiwan.”<sup>110</sup>

“Although portrayed by Beijing as independent steps, it was clear that the PRC was moderating demands and threats of retaliation over Taiwan for the sake of improved Sino-US relations—particularly economic relations...During this period, Beijing backed away from previous demands that the U.S.A. must repeal or amend the Taiwan Relations Act, or face a decline in relations...The PRC reduced past criticism of official and unofficial U.S. contacts with Taiwan counterparts. It notably avoided past criticism of U.S. officials being present at Taipei-sponsored functions in Washington. Beijing was even willing to turn a blind eye to almost 30 congressional members who traveled to Taiwan in various delegations in January 1984—coincident with Zhao Ziyang’s trip to Washing. Beijing even welcomed some of the members who traveled to the mainland after visiting in Taiwan.”<sup>111</sup>

Deng’s primary importance of economic development and the compromise China had made in order to ensure the survival of domestic economy by means of trading with the United States and the West caused anger from domestic people. Deng’s open policy toward outside, while the policy oppressed inside China. Scholars criticize Deng’s reform and opening policy sacrificed too much domestic interests for opening the market for investment for the outside. As the oppression intensified, university students organized demonstration in the Tiananmen Square in the spring in 1989 to criticize the reform. At the beginning, the students held hunger strike before

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<sup>109</sup> Pollack cited by William J. Long, “*Economic Incentives and International Cooperation: Technology Transfer to the People’s Republic of China, 1978-86*”, 182-183.

<sup>110</sup> Harding cited by William J. Long, “*Economic Incentives and International Cooperation: Technology Transfer to the People’s Republic of China, 1978-86*”, 183.

<sup>111</sup> Robert Sutter cited by William J. Long, “*Economic Incentives and International Cooperation: Technology Transfer to the People’s Republic of China, 1978-86*”, 183.

the Tiananmen Square. However, as the number of demonstration population increased, the government became to be alert. Finally, in order to evacuate the student-led demonstration protestors, military forces were ordered to stop the protest. The crackdown of the demonstration occurred on June 3<sup>th</sup> and 4<sup>th</sup> 1989, when military troops with rifles and tanks marched on the Tiananmen Square to inflict the student demonstrators, which resulted in thousands of casualties of unarmed civilians trying to block the military's advance. The scale of mobilization of military force was unprecedented in Chinese history. The Chinese authorities condemned the protest as "counterrevolutionary" while the Chinese government was widely condemned internationally to abuse military force toward the unarmed civilian. After the incident, the Chinese government cracked down the rest protestors around China, expelled foreign journalists and strictly controlled the coverage of the incident of the domestic press, so that the genuine number of casualty and wounded was not certain, due to lack of information. However, after the incident, the domestic political reform was halted while economic reform was not resumed until 1992.

Judging from Deng's economic reform, the reform was efficient for the Chinese economic development. Deng once said, "no matter the cat is black or white, as long as it can catch mice, then it is a good cat." Thus, Deng established Special Economic Zones in the cities in the southeast coast of China to allow them become rich first. Then they will lead the whole nation's economy to survive. It did work according to China's situation during Deng's era, and it did let the economy recover more efficiently than during Mao's era. However, Deng focused too much on economic development, which led the Chinese leaders turn a blind eye on some political issues, so that the Chinese authorities didn't insist on their stance as hard as before. At last, the Tiananmen Incident was a product of political reform, which reflected the Chinese government emphasized too much on economic opening while it implemented political oppression at home. It is worth to mention that after the Chinese economic reform, Chinese market became more and more integrated into capitalist market.

## **Conclusion:**

Deng Xiaoping, as a successor of Mao Zedong, implemented another totally different economic reform to save Chinese economy. His economic ideology was not mobilization of massive labor force any more. Deng's reform was quite pragmatic, which privatize gradually Chinese most state-owned sector in order to absorb foreign investment, while some sectors still remained state-owned, like the national banks. And in the same way, Deng also adhered to political reform in order to serve the way for economic reform.

Chinese primary importance was to develop economy. At the beginning the reform worked efficiently, however, when the Chinese government focused on economic development far beyond the way it should, problems occurred. For the outside world, the Chinese government adopted an extremely opened policy. So as to keep good business relationships with the United States and the West, China compromised on Taiwan issues, which was different from the tough stance during Mao's period. However, China opened its gate to absorb advanced technology, while it was harsh toward domestic affairs. Since more and more people criticized the scale of opening policy, at last it turned out to be a student-led demonstration in front of the Tiananmen Square in 1989. The incident turned out to be bloodshed while Chinese military troops were sent out to inflict the unarmed civilians. The Beijing government was condemned internationally. From then on, the political reform was halted while the economic reform was not resumed until 1992.

It was obvious that during Deng's era, economic development was priority for the Chinese leaders. In order to recover national economy rapidly, the Chinese authorities could even sacrifice the stance on Taiwan issue, and at the same time, it was strictly oppressed domestic needs. Meanwhile, the United States was willing to keep good trade relations with China. There were three reasons why America kept better relationships with China in the late 1970's and in the 1980's. Firstly, during this period, the United States suffered an economic crisis so that it needed another new large market to revive its economy. China, which was looking forward to investment from the foreign, needed trade relations with the West. Secondly, Soviet invasion in Afghanistan in 1989 cause rift between the United States and the Soviet Union, which ensured American leaders' decision to approach China. Finally, America's policy of hegemony in world economy led it to restructure its economy in order to regain its position as the only world power.

The primary importance was economic development during Deng's period, while the United States seized the opportunities to be in a dominant position to force China to compromise in several respects in order to remain its hegemony politically and economically. China, as a developing country, had no choice and had to yield to America on some political issues in order to recover its national economy.

## General Conclusion

During the early stage of the Mao Zedong period from 1949 to 1953, the Soviet Union and the PRC established diplomatic relations because of their mutual interests. The Soviet Union offered financial aid to China to help it to develop industrialization with limited conditions attached, while the United States and the West maintained embargoes against China. Therefore, the PRC had to depend on itself, with the help of the Soviet Union, to pave the road to industrialization and develop the national economy. The Communist leaders were committed to learn from the Soviet Union and to follow its example to lead their nation into a socialist society. The economic achievement in China because of the five-year plan confirmed the Chinese leaders' faith that it was efficient to follow the Soviet model to transform Chinese society into a socialist political economy. However, during this period, the United States played a harsh role toward China. The United States and the West maintained their embargoes against the People's Republic of China. The Truman Administration remained hostile toward the Chinese government. The U.S. government not only refused to recognize the PRC as a legitimate government, but also opposed China becoming a member of United Nations Security Council. Moreover, the Truman doctrine was an attempt to quarantine Taiwan in order to restrain the spread of Communism in Asia. Nevertheless, the United States and the PRC didn't have a direct confrontation until the Korean War in 1950.

During the latter stage of Mao's era, between 1953 and 1976, the Sino-Soviet relations began to decline, after the death of Stalin, when Khrushchev took power. Khrushchev's *Secret Speech*, in February 1956, in which he criticized Joseph Stalin, Stalin's ideology on Marxism-Leninism and his cult of personality, was a blasting fuse in the Sino-Soviet dispute. Mao considered Khrushchev as a 'revisionist' and a betrayer of Communism. Meanwhile, Khrushchev opposed Mao's Great Leap Forward concept, adhered to a 'peaceful coexistence' policy toward the United States, and stood on the Indian side in the Sino-Indian disputes over border issues. All of these resulted in Khrushchev's negative opinion of the Chinese Communist leaders which convinced Mao to fight alone against capitalism and American imperialism. Mao's cult of personality and his traditional belief in the revolutionary power of labor led to famine and great economic loss in China. China was in a catastrophic situation after the Cultural Revolution while the

Sino-Soviet relations reached the freezing point. Richard Nixon, different from former President Eisenhower who continued a policy of antagonism against the PRC, seized this opportunity to normalize relationships with the PRC at the same time he brought an end to the Vietnam War. Meanwhile, the Chinese authorities welcomed the opportunity to bargain with the U.S. government on the Taiwan issue and UN issue.

After Nixon resigned over the Watergate scandal, the United States didn't build up a diplomatic relations with the PRC until 1979. Besides, Soviet invasion in Afghanistan encouraged President Carter to approach Beijing instead of Moscow. Meanwhile, Deng Xiaoping, a successor of Mao, implemented his Economic Reform, proclaiming that economy was of primary importance in China. The reform allowed China to open its market to the foreign investment and to privatize its markets. In order to keep good trading relations with the U.S., China compromised even on Taiwan issues. The Chinese government had to blind an eye to official and unofficial U.S. contacts with Taiwan counterparts. The United States invested in the huge Chinese market, while it also constrained the advance of Communism by means of foreign policies.

As a conclusion, it appears that policy makers in the period we have discussed have changed foreign policies according to their national interests or personal needs. During the earlier stage of Mao's era, no matter how hostile the United States was toward China, China held a firm stance toward America, especially on the Taiwan question and the border issues. Besides, the Soviet Union and China were in the same Communist alliance, which enforced China's faith in the fight against American imperialism, which at the same time confirmed China's belief in the road to a socialist society. Meanwhile, Mao's personality cult led him to continue to make mistakes while attempting to adjust domestic policies to new realities. His use of this cult of personalities resulted in economic disaster for the Chinese people, and this was one of the reasons which led him accept rapprochement with the United States. Moreover, when Deng became the chairman of the Chinese Communist Party, he showed that he was more willing to seek better relationships with the United States in order to develop the Chinese economy. The Chinese authorities even sacrificed their traditional national interests and made compromises on the Taiwan issue in order to make sure the economy of China advanced. In this way, America did succeed in compelling the PRC to change politically and economically. However, Deng implemented

economic reform which led China to adapt to the international capitalist system and his policy must be seen as more than simply a reaction to US pressure. It was because China's economic stagnation was a threat, and not because because the US forced China to integrate its economy into the capitalist system, that the Chinese Community Party departed from traditional practices.

In a word, the policy makers of China adjusted their foreign policies according to national interests at the time, rather than the interests of of ordinary people. The cost in human life, appears inescapable under either Capitalism or Communism; both are ideologies adopted by policy makers, which they can change at will in order to protect their political power and their privileges in the global arena of competition and violent exploitation.



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## RÉSUMÉ

Ce mémoire parle des relations diplomatiques entre les Etats-Unis et la Chine. Au travers des différentes politiques étrangères créées par les présidents américains différents, ce mémoire a pour but de trouver les vraies raisons pour lesquelles les affaires étrangères ont changé entre les Etats-Unis et la Chine pendant les différentes périodes et si les changements ont les influences sur l'adaptation de la Chine transférée du système socialiste au système capitaliste économiquement.

Il y a trois parties dans ce mémoire. La première partie est de la fin des années 40 au début des années 50. Ensuite la deuxième partie commence par le début des années 50 jusqu'aux années 70. Et la dernière partie concerne les années 80 aux années 90. Les affaires étrangères entre les Etats-Unis et la Chine seront discutées et comparées pendant les trois périodes différentes.

**Mots-Clés :** Affaires étrangères, relations chinois-américaines, Mao Zedong, Zhou Enlai, Richard Nixon, Henry Kissinger, l'Union soviétique

## ABSTRACT

This paper is to discuss mainly the diplomatic relationships between the United States and China. Through different foreign policies created by different American policy makers, the paper is to try to find out the true reasons why the U.S. changed foreign policy toward China during different periods and whether these policies had something to with China's adaptation into the capitalist economic system.

There are three parts in this paper. The first part ranges from the late 1940's to the early 1950's. The second parts starts from the 1950's to the 1970's while the last part focuses on the 1980's till 1990's. Different American foreign policies toward China will be discussed and compared during these there periods.

**Keywords :** American foreign policy, Sino-American relations, Mao Zedong, Zhou Enlai, Richard Nixon, Henry Kissinger, the Soviet Union























