

Czechoslovak Economic Relations with the People's Republic of China during the Ideological Schism from 1960 to 1979:

A Study from the Czechoslovak Point of View

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Introduction¹

The establishment of the communist regimes in Czechoslovakia and China gave rise to generally favorable conditions for the strengthening of economic ties between the two countries. Naturally, purely political and ideological factors, as well as a very limited number of the PRC's potential business partners, played an important role in the expansion of mutual economic relations. In comparison with the interwar period, the Czechoslovak-Chinese trade of the 1950s exhibited a wider diversification in the range of commodities, with a rise in the number of producers involved in mutual trade. The 1950s was a period of considerable expansion of Czechoslovak-Chinese trade. The PRC's share of the total Czechoslovak export grew rapidly, from negligible figures to 4.4 per cent in 1951 and 6.4 per cent in 1954² and the status of Communist China in Czechoslovak import changed very similarly. The main boom period in mutual trade took place in the second half of the 1950s,³ at the time when the first stage of the stabilization of the Chinese economy ended and when the Chinese started to consider the long-term perspective in an effort to overcome the general underdevelopment of the Chinese economy.

However, when assessing this expansion of trade, it is necessary to consider certain circumstances that cast doubt on the positive aspects of this phenomenon. The decision of some producers to produce and become involved in the rapidly developing Czechoslovak-Chinese trade (or other forms of economic co-operation) was not primarily the outcome of any rational economic consideration, but was rather a step influenced primarily by political circumstances. Mutual trade also had to cope with many problems that were usually not reflected in the official propaganda. Repeatedly, there were considerable disagreements when negotiating trade contracts, while the PRC often complained about technical problems associated with the goods supplied or about delays in receiving them.⁴

1. The Impact of the Sino-Soviet Split

This first relatively successful stage of economic relations between communist China and Czechoslovakia came to an end in the late 1950s and the early 1960s,

when mutual trade conditions significantly worsened. The main reason for this sudden cooling in Czechoslovak-Chinese economic relations was undoubtedly the political-ideological disagreements between Beijing and Moscow, which carried over into relations between the Soviet satellites and China.⁵ Another factor was the difficult economic situation that the PRC found itself in as a result of economic experiments and crop failures, which hampered the development of Chinese foreign trade.

For the Czechoslovak communist elite, this conflict between the Soviet bloc and the PRC was to some extent an unexpected and a somewhat extraordinary event. Long before the beginning of the Sino-Soviet split, it was obvious that the behavior of the Chinese communists would differ considerably in the long term from the “Eastern-European standard” – this was partly as a result of huge cultural differences, but also due to Mao’s specific ideological doctrine and the power status of the PRC, which was beyond any comparison with that of the Soviet Union’s Eastern-European satellites. However, the belief that some factors, such as ideological affinity and a common enemy, would make both sides forget their differences and avoid fundamental controversies, was apparently also prevalent among the Czechoslovak communists.

The extent and gravity of the Sino-Soviet controversy apparently caught the leaders of the Czechoslovak Communist Party off-guard. Contemporary sources clearly indicate that the communist elite paid great attention to this problem. In 1960, there was intensive communication between the Central Committee of the Communist Party of Czechoslovakia (CC CPCz) and the Chinese authorities, along with the instigation of regular consultations concerning this problem with the representatives of other East-European communist parties, who were also rather confused by this sudden shift in Sino-Soviet relations and found it difficult, at least at the beginning, to cope with the new situation.⁶ Gradually, as it became increasingly clear that this was not a temporary complication in Sino-Soviet relations, but rather a substantial shift with long-term consequences, communication between Czechoslovakia and the PRC underwent changes since it was becoming increasingly difficult with the escalation of mutual accusations and attacks. Nevertheless, the Czechoslovak leadership carefully followed developments in the PRC and, among other things, monitored the activities of the Chinese reformist communists, who were to a certain extent in opposition to Mao Zedong⁷ and who partially managed to put their ideas into practice during the “adjustment period” (1962–65).⁸

The sharp chill in Czechoslovak-Chinese relations was naturally reflected not only in the economic sphere, but also in other areas, including scientific and technological co-operation. In the 1950s, communist Czechoslovakia willingly provided production technologies to the PRC, viewing this as a duty. In 1960, Czechoslovak scientific and technological aid to the PRC was, to a considerable extent, still in place and provided in a variety of forms. In that year, Czechoslovakia provided the PRC with documentation on the production of machinery for the textile industry, some construction materials, as well as technologies in the glass

and chemical industries. The PRC also acquired research reports, including several reports which were particularly useful in the power and textile industries.⁹ 1961 was a turning point as, on the one hand, a bilateral committee agreed to a record number of particular cases of scientific and technological co-operation (a total of 153), while on the other hand the extremely obliging attitude on the Czechoslovak side gradually changed during that year, which was reflected, for example, in investigations into Chinese industrial espionage.¹⁰ In the ensuing years, scientific and technological co-operation between the two countries weakened considerably – mainly due to the continuing unfavorable political circumstances and the markedly reduced willingness of Czechoslovakia to help communist China.¹¹

By the latter part of the 1960s, during the time of the Chinese Cultural Revolution and a dramatic escalation in Sino-Soviet tensions, Chinese-Czechoslovak relations had reached their nadir. The ideological madness of the Cultural Revolution carried over into the activities of the Chinese Embassy in Prague, which organized meetings with university students trying to convince them of the legitimacy and meaning of the Cultural Revolution. According to the Ministry of the Interior's reports, the content of printed propaganda materials, technical and other periodicals, which were sent to the Prague embassy from Beijing and which were often redistributed among different Czechoslovak institutions and private bodies, changed considerably and became much more radical.¹² Chinese diplomats were regularly summoned to the Ministry of Foreign Affairs in Prague to hear criticism in relation to inappropriate propaganda (including the information bulletin published by the Chinese Embassy), for breaching regulations limiting the movement of Chinese diplomats in Czechoslovakia, as well as for jeopardizing the safety of Czechoslovak diplomats, whose work in the PRC was generally fraught with many complications.¹³ The parties disagreed on many issues – quite naturally their attitude to the USSR was radically different, as was their attitude to resolving the Vietnam conflict. In some cases, the Czechoslovak-Chinese controversies took on peculiar forms. Threats from the Chinese party and the terminology used by the Chinese when communicating with Czechoslovak bodies were somewhat absurd, even bordering on the comical.¹⁴ In 1968, the PRC strongly opposed the occupation of Czechoslovakia by Warsaw Pact armies. For the government in Beijing, this event was clear proof of "Soviet imperialism" and a dangerous precedent which indicated how far the Soviet Union was willing to go when dealing with Sino-Soviet controversies.¹⁵

2. The Collapse of Sino-Czechoslovak Trade

1960 was a turning point in Czechoslovak-Chinese trade as the value of Czechoslovak export to the PRC, as well as the general turnover of Czechoslovak-Chinese trade, reached its highest point. Nevertheless, political controversies, a general tension in relations between the two countries and the worsening economic situation in the PRC had had an evident impact on trade relations, which was manifested in the Chinese party's refusal to supply some contracted commodities. What followed

was a radical drop in mutual trade, which continued until the mid-1960s. As a result of the aggravation in mutual relations, the idea of conducting long-term trade contracts was, in the early 1960s, no longer relevant and from 1963 only one-year contracts would be drawn up. It was the Czechoslovak party that manifested more willingness to keep the trade turnover on the previously agreed level – among other things it offered the Chinese party very generous payment conditions and even loans. The Beijing government, however, accepted these proposals only to a limited degree and thus the new Czechoslovak initiative did not manage to prevent a rapid drop in mutual trade.¹⁶

Table I: Czechoslovak Trade with the PRC in 1960–1979
(in millions of Czechoslovak crowns)

Year	Import	Export	Balance	Year	Import	Export	Balance
1960	672	787	115	1970	181	223	42
1961	302	245	-57	1971	180	246	66
1962	184	86	-98	1972	184	192	8
1963	209	67	-142	1973	238	211	-27
1964	148	67	-81	1974	341	267	-74
1965	96	138	42	1975	321	389	68
1966	171	160	-11	1976	324	403	79
1967	100	136	36	1977	503	414	-89
1968	146	173	27	1978	741	687	-54
1969	234	186	-48	1979	727	780	53

Source: *Historická statistická ročenka ČSSR* [Historical statistical yearbook of the CzSSR] (Prague: Federal Statistical Office, 1985), 322–323.

As a result of the Beijing government's markedly negative approach to the further purchasing of Czechoslovak products and the rejection of many previously planned supplies, Czechoslovak exports to the PRC declined at a noticeably faster pace than the value of supplies going in the other direction, which logically led to a recurrent deficit in the mutual trade to the disadvantage of Czechoslovakia (Table I). In the same period, the PRC's share of total Czechoslovak exports dropped from about 5.7 to less than 0.4 per cent.¹⁷ The radical decrease in exports to the PRC had a negative impact on Czechoslovak industry, particularly on engineering. One of the most important negotiated supplies rejected by the Chinese side was equipment for power plants and the chemical industry – with the rare exception of supplies for the power plant commonly known as Pao Gee II.¹⁸ Naturally, Czechoslovak

companies did not expect such a sudden change, as in many cases the production of supplies was already in progress or nearing completion, which meant that selling them to another country, or using them in Czechoslovakia, was, considering their specific nature, very complicated, to say the least.¹⁹ The trade problems with the PRC were particularly unpleasant as they arose at a time when the economic situation in Czechoslovakia was generally deteriorating. According to a report by the State Committee for Economic, Scientific and Technological Co-operation, which was intended neither for publication nor propaganda purposes but rather for internal use by the CC CPCz, the losses “caused by plant equipment already in production which were accommodated to Chinese conditions and which could not be used elsewhere, reached CSK 550 million.”²⁰

In a very short period of time, one of the most important markets for Czechoslovak companies became a destination of secondary importance. Before the mid-1960s, in a list of the most important customers for Czechoslovak products, communist China was surpassed by many capitalist countries, including the U.S.A. In 1964, Czechoslovak exports to the PRC even fell below exports to the until-then territories of marginal significance, such as Norway and Lebanon.²¹ Naturally, other Soviet bloc countries also struggled to cope with the drop in trade with the PRC. As is apparent from Table II, the collapse of Czechoslovak-Chinese trade was somewhat exceptional even within the Council for Mutual Economic Assistance (Comecon). The negative trend was halted in the middle of the decade and the following years again witnessed a growth in trade between Czechoslovakia and the PRC. Nevertheless, this growth in no way led to a new boom. During the Cultural Revolution, the increase in Czechoslovak exports to, as well as the general turnover of trade with the PRC suffered from marked fluctuations, with annual results being far below those witnessed at the turn of the 1950s and 1960s (for more information, see Table I).²² The mutual trade balance was in fact equal, which corresponded to the agreed strategy.

The first half of the 1960s also witnessed visible shifts in the commodity structure of Czechoslovak export to the PRC. The economic catastrophe of the early 1960s resulted in a preference for agricultural imports and a deterioration in the PRC's export performance. In the new situation, the PRC was forced to limit the purchase of foreign machinery, including complete plant equipment, which within a few years completely disappeared from Czechoslovak exports. Around the time of the mid-1960s, demand for complete plant equipment from the PRC partially revived, although in an atmosphere of near-permanent tension in relations with the Soviet bloc countries, the Beijing government turned to the western world and to Japan in particular for these items. In the period 1960–65, the Czechoslovak export share of the machinery and means of transport commodity group to the PRC decreased from 92 to 74 per cent, with items such as trucks, machine tools, and gensets (or the spare parts for them) showing a relatively smaller drop in interest on the Chinese side. During the same period, the share of semi-finished products (mainly from the metallurgical industry) showed a relative increase, while the share

of the commodity group including semi-finished products as well as fuel, metals and mineral raw materials grew from 6 to 26 per cent.²³

Table II: Index of the Total Trade Turnover of Selected Comecon Countries with the PRC (1959=100)

	1963	1964	1965
Poland	36	40	44
Romania	47	57	82
Czechoslovakia	20	15	16
USSR	29	22	20
Comecon total	29	22	23
Comecon without USSR	27	24	30

Source: NA, CC CPCZ, Antonín Novotný, part II, folder 83, A Report on the Development and Prospects of Economic Relations of the CzSSR with the People's Republic of China, approved by the State Committee for Economic, Scientific and Technological Co-operation on April 14, 1966, 10.

Note: Calculated from the value in roubles at current prices.

The structure of imports from the PRC was also not very favorable. The Beijing government obviously intended to reduce supplies of mineral raw materials, whose share of the total Chinese exports to Czechoslovakia reduced from 49 per cent in 1962 to 23 per cent in 1965. Considering the total volume of mineral raw material supplies coming into Czechoslovakia from abroad, these were neither marked nor drastic changes. Nevertheless, Czechoslovakia perceived this trend as injurious, as the Chinese supplies consisted of important items such as antimony, mercury, tungsten concentrate and tin, which were difficult or impossible to replace from alternative sources. In a way, the Beijing government strove to replace mineral raw materials in its exports to Czechoslovakia with consumer goods and, having overcome the situation in the early 1960s, with agricultural commodities.²⁴

3. A Controversial Revitalization

On June 16, 1970, "An Agreement Between the Government of the Czechoslovak Socialist Republic and the Government of the People's Republic of China Concerning Goods Exchange and Payments in 1970," which considerably affected the conditions of Czechoslovak-Chinese trade, was signed in Beijing. In fact, several years before this agreement was signed, the Chinese had tried to enforce a marked modification to the basic contract terms governing mutual trade – such as a different clearing unit, price mechanism and provisions concerning marginal credit. After engaging in

rather complicated negotiations and the search for a compromise, Czechoslovakia acceded to only a small number of the original Chinese suggestions.²⁵ Among the most important provisions of the agreement was the change in the clearing unit (article 3), and as of August 1, 1970, the rouble was replaced with the Swiss franc. All conversions were based on gold parity: 100 roubles for 485.86941 Swiss francs.²⁶ The method of calculating the price of the commodities traded was also changed: this calculation was based on the prices in the main world markets (article 3). As became apparent later, this article was one of the agreement's most controversial points. The new definition of price setting caused problems over the following years when the Chinese and Czechoslovak parties argued about which prices in the world market were decisive for mutual trade. The existing article concerning marginal credit and the interest rate should it be exceeded, as well as compensation for a negative balance in the form of goods, remained essentially the same. The marginal interest-free credit was set at 7.3 million Swiss francs with the amount exceeding this limit subject to an annual interest rate of 2 per cent (article 4).²⁷

Table III: Commodity Structure of Czechoslovak Exports to the PRC in 1975 and 1976 (value in thousands of Czechoslovak crowns, share as a percentage)

	1975		1976	
	<i>value</i>	<i>share</i>	<i>value</i>	<i>share</i>
Chemicals and related products	5,037	1.29	0	0.00
Industrial products classified according to material	146,146	37.54	123,387	30.58
bar and profiled steel	34,953	8.98	31,390	7.78
sheet steel and plates	59,593	15.31	54,541	13.52
pipes and pipe fittings	44,495	11.43	20,757	5.14
iron and steel structures and parts	7,105	1.82	16,676	4.13
Machines and means of transport	235,210	60.41	277,393	68.75
motor vehicles	133,880	34.39	132,219	32.77
metal-working machines	36,836	9.46	50,227	12.45
Various finished products	2,959	0.76	2,680	0.66
Total Czechoslovak exports to the PRCR	389,352		403,460	

Source: *Jahrbuch des Aussenhandels der Tschechoslowakei 1977* (Prague: Czechoslovak Chamber of Commerce 1977), 159.

As is clear from Table I, in the 1970s the value of Czechoslovak exports to the PRC, expressed in current prices, grew on average by 18 per cent year on year and in 1979 it almost matched the 1960 figure (as did the total turnover value of Czechoslovak-Chinese trade). However, this comparison is naturally slightly misleading. Unlike the previous decade, in the 1970s the increments in current and constant prices started to differ radically. Relatively high increments in values of Czechoslovak exports to the PRC differed considerably from the growth in real volume. Moreover, Czechoslovak-Chinese trade expressed in current prices was also influenced by the change in the price calculation in mutual trade, as set out in the agreement of June 1970.

Regarding the lack of detailed, relevant information, an exact comparison of the real volume of Czechoslovak exports to the PRC in the record year of 1960 with the data from the 1970s is difficult, if not impossible. Using available data on the development of total Czechoslovak exports in current and constant prices, and considering other factors – primarily the similarities and differences in the development of the commodity structure of total Czechoslovak exports and exports to the PRC – I have been able to calculate an approximate estimate of the development of the real export volume to the PRC. Based on this somewhat simplified method, I came to the conclusion that the real volume of Czechoslovak exports to the PRC in 1970 amounted to approximately one quarter, and in 1979 almost two thirds, of the real volume of that in 1960.²⁸ Slight changes in the PRC's share of Czechoslovak exports in the 1970s also suggest that Czechoslovak exports to the PRC did not experience any marked boom in this decade. Despite regular fluctuations, the share of the PRC in the total amount of Czechoslovak exports did indeed show a tendency towards moderate growth; nevertheless, in 1979 it amounted to merely 1.11 per cent, thus lagging behind the figures from the end of the 1950s and the beginning of the 1960s.²⁹

From the Czechoslovak standpoint, the commodity structure of trade with the PRC in the 1970s showed negative tendencies. In the first half of the 1970s, the share of machines and means of transport in Czechoslovak exports to the PRC decreased to approximately 60 per cent by 1975, while the representation of semi-finished products was generally increasing. Machine tools and trucks were still among the most important items of Czechoslovak supplies to the PRC. The share of metallurgical industry products increased relatively rapidly; in the mid-1970s they amounted to approximately one third of the total value of Czechoslovak supplies to the PRC (for more information, see Table III). The percentage of machines in Czechoslovak exports to the PRC grew again (to approximately 85 per cent) in the period between Mao Zedong's death and the new reform leadership (1976–78), partly in connection with the modernization, with Czechoslovak help, of factories built in the 1950s.³⁰ On the other hand, the commodity structure of Chinese exports to Czechoslovakia in the 1970s did not considerably change when compared to the second half of the 1960s. Foodstuffs were the prevalent commodity, amounting to 50–60 per cent of the total value of Chinese exports to Czechoslovakia.³¹

In the first half of the 1970s, supplies of power plant equipment to the PRC were renewed, as a result of the signing of a contract to supply three turbo generators (each of 110MW) and other related equipment for power plants in Nanjing and Anshan.³² This was a relatively important event, which sparked hopes for a revitalization in demand for complete plant equipment supplies and could indirectly lead to a rapid expansion of exports to communist China. However, it soon became clear that such expectations were based on wishful thinking rather than on the reality of the actual situation. Naturally, the general conditions of Czechoslovak-Chinese trade differed considerably from the boom period of the second half of the 1950s, when the PRC was largely dependent on supplies from Socialist bloc countries. The foreign economic strategy of communist China gradually changed with a weakening of rational reasons for and advantages of importing industrial goods from East-European countries – considering, for example, consistent problems when trading with communist parties (failing to meet the deadlines, lower quality, etc.).³³ This trend was also apparent in “scientific and technical co-operation.” The Beijing government was well aware that the western world not only offered obviously more advanced technologies than the Soviet bloc, but the West’s willingness to provide some of these technologies to the PRC grew in the new environment, characterized by the general calming of relations between communist China and the democratic world. It was only logical that given these and other factors, the PRC was more interested in supplies of modern machinery, including complete plant equipment, from developed capitalist countries. Available materials show that the Czechoslovak side was well aware of this change and considered the growing competition from developed democratic countries as an increasingly difficult challenge faced by Czechoslovak companies in the Chinese market.³⁴

An important factor, which hampered more than the development of economic ties between the countries, was the sustained political tension in mutual relations. After the dramatic escalation of disagreements between the Soviet Union and the PRC in the late 1960s, the situation was relatively calm, though this nevertheless did not lead to any real improvement in political relations between the Soviet satellites and communist China. Moreover, after Nixon’s visit to Beijing and the genuine American-Chinese rapprochement, the role of the Soviet Union as communist China’s arch enemy was confirmed, something which was also reflected in relations between the PRC and the Soviet Union’s closest allies. Naturally, Czechoslovakia viewed the continuing anti-Soviet propaganda in the PRC (including in the Chinese press) with negative sentiments and closely followed the changing relations between the PRC and important democratic countries, especially the U.S.A. and Japan.³⁵ An evident shift in Chinese foreign policy was also apparent from reports by the Czechoslovak Embassy in Beijing, which among other things stated that the PRC in fact:

“gave up its appeals for the necessary crushing of imperialism, with the U.S.A. as the chief target, and the official statesmen’s speeches rarely contain any critical remarks concerning the U.S.A. ...”³⁶

The Chinese authorities, on the other hand, ostentatiously showed that political goals and political controversies continuously and considerably affected Czechoslovak-Chinese trade. For instance, when the Czechoslovak press escalated its criticism of the PRC, the Chinese reaction was a suspension of business dealings and changes in original commitments. The occupation of Czechoslovakia in 1968 was also a delicate issue in mutual relations.³⁷ The PRC made no secret of having differing attitudes towards each communist state and, whenever objective circumstances allowed, it favored co-operation with allied countries (Albania) or with communist countries that had far weaker ties with Moscow (such as the DPRK and Romania).³⁸

Another factor, which had a greatly negative impact on trade with communist China were the sharp world price fluctuations in the 1970s. As a result of the global raw material and fuel crisis, the Czechoslovak terms of trade in mutual trade deteriorated. Czechoslovak exports, which were still dominated by machines and equipment, saw prices drop in comparison with the prices of mineral raw materials – as well as with the prices of foodstuffs and agricultural products – which represented a majority of Chinese supplies to Czechoslovakia. In an effort to keep an equal trade balance, the Beijing government reduced the planned export of foodstuffs and textile goods to Czechoslovakia, while accepting some additional supplies – such as mobile cranes and diesel engines.³⁹ Despite these measures, the mutual trade balance results in the 1970s continued to change in direct response to the impact of increases in prices covering mutual trade, the ability to meet contractual requirements and the willingness of the Chinese to accept additional supplies from Czechoslovakia at any one time (for more information on mutual trade balance developments, see Table I).

The development of Czechoslovak-Chinese economic relations in the 1970s essentially showed that a politically-stimulated boom in mutual trade and other forms of economic co-operation, as had been carried out in the 1950s, was basically an exceptional and once-in-a-lifetime phenomenon. In mutual economic relations, Czechoslovakia increasingly played the role of the weaker partner with limited powers of negotiation. This trend further intensified in the 1980s – at a time of growing competition in the Chinese market, the changing economic priorities of the Chinese government and a new quantitative expansion of Czechoslovak-Chinese trade, which, from a purely economic point of view, was somewhat controversial.

Notes

¹ This text is one of the results of the grant *Analyza československého vývozu do Čínské lidové republiky* [An analysis of Czechoslovak exports to the People's Republic of China] from the Czech Science Foundation (GA 409/07/P016).

² For more information, see *Historická statistická ročenka ČSSR*, 320 and 322

³ *Ibid.*, 322–323. Cf. with values in roubles Aleš Skřivan Jr., *Československý vývoz do Číny 1918–1992*, table VIII in appendix II, 435.

⁴ For more details on economic relations between Czechoslovakia and the PRC in the 1950s,

see Aleš Skřivan Jr., “Vývoj československého vývozu do Číny po druhé světové válce, 1945–1959,” 267–274. Cf. Sr. Bydžovský, Zdeněk. *Čínská lidová republika*, 261–263.

- ⁵ The Sino-Soviet controversy was, naturally, also reflected in the biased and ideologized way some analyses of Czechoslovak-Chinese relations were written. Cf. Miroslav Nikl, and Josef Kubánek, *Studie o maoismu I*, 125–142.
- ⁶ In relation to this matter, it was only the Albanian Workers' Party, led by Enver Hoxha, which refused to denounce the PRC and tried to defend the Beijing Government. National Archive, Prague (hereafter referred to as NA), collection No. 1261/0/44, Communist Party of Czechoslovakia – Central Committee, Office of the First Secretary of the CC CPCz Antonín Novotný, Part II – foreign relations (CC CPCz, Antonín Novotný, Part II) folder 89, part China 176 – Correspondence between the Central Committee of the Communist Party of China and other communist and workers parties in 1960. Cf. The development of Chinese-Albanian relations, Ivana Bakešová and Pavel Hradečný, *Čínsko-albánské vztahy 1949–1978*.
- ⁷ The official pinyin is used throughout the entire text.
- ⁸ It is interesting to read, for example, reports by the 2nd Department of the Ministry of the Interior (secret service) on the situation in the PRC, which even feature Deng Xiaoping, one of the members of the reform wing and, after 1978, the most influential politician in the PRC. NA, CC CPCz, Antonín Novotný, Part II, folder 90, reports by the 2nd Department of the Ministry of the Interior (secret service) for the Minister of the Interior, Rudolf Barák, from 1961. For more information on the role of Deng Xiaoping, see Aleš Skřivan Jr., *Teng Siao-pching. První muž Říše středu*.
- ⁹ For a detailed overview of cases, see NA, CC CPCz, Antonín Novotný, part II, folder 85, Report by the State Planning Commission (ref. No. 007371/60) on the current state and future development of scientific and technological co-operation between the Czechoslovak Socialist Republic and the People's Republic of China (material for the 8th meeting of the Czechoslovak-Chinese Committee for Scientific and Technological Co-operation).
- ¹⁰ For more information, see, for example, the case of the student Song Fuzhuan, who managed to obtain the documentation for new technology used in the construction of the cooling power plant towers from the Research Institute of Thermal Technology in Prague. NA, CC CPCz, Antonín Novotný, Part II, folder 90, a report by the 2nd Department of the Ministry of the Interior (secret service) for the Minister of the Interior, Rudolf Barák, dated March 16, 1961.
- ¹¹ For more information on Czechoslovak-Chinese Scientific and Technological Co-operation in the 1960s, see Zdeněk Trhлік, *Československo-čínské vztahy*, part II, 234.
- ¹² Among others, they contained increasingly sharp assaults against the Soviet Union. NA, CC CPCz, Antonín Novotný, Part II, folder 90, Information on Further Contacts between University Students and the Embassy of the People's Republic of China and Printed Materials Sent from the PRC to the CzSSR, a report by the Ministry of the Interior, dated December 19, 1966.
- ¹³ NA, CC CPCz, Antonín Novotný, Part II, folder 84, A Record of the Visit of the Chargé d'Affaires of the Embassy of the People's Republic of China in Prague to the head of the 3rd Territorial Department (hereafter referred to as T.D.) comr. Č. Herold, dated February 3, 1967.
- ¹⁴ For instance, the Chinese party repeatedly referred to the behavior of Czechoslovakia as: “lifting a stone they will drop on their own foot,” NA, CC CPCz, Antonín Novotný, Part II, folder 84, A Record of the Visit of the Chargé d'Affaires of the Representative Office (hereafter referred to as RO) of the PRC in Prague, comrade Yang Honghao, to the deputy head of the 3rd T. D. comr. V. Moravec, dated July 27, 1967. A hysterical reaction to the destruction of the Chinese Embassy's promotion box was rather absurd. Among other comments, it stated that this act: “offended the dignity of the Chinese People's Liberation Army, which is invincible

- in the entire world.” A Record of the Visit of the Councilor of the RO of the PRC in Prague, Hu Chenfang, to the deputy head of the 3rd T.D. M. Holub, dated August 8, 1966.
- ¹⁵ For the Chinese reaction to the occupation of Czechoslovakia, see the Archive of the Ministry of Foreign Affairs of the Czech Republic, Prague (hereafter referred to as AMFA), Territorial Department – secret (hereafter referred to as TD-S) 1965–69, China, folder 2; A Stand by the PRC on the Occupation of the CzSSR, Reactions in the Chinese Press and Steps Taken by the Chinese Authorities Against Our RO in Beijing, a report by the Czechoslovak Embassy in Beijing for the 3rd Territorial Department of the Ministry of Foreign Affairs, dated September 7, 1968.
- ¹⁶ In 1961, Czechoslovakia provided the PRC with an interest-free loan of 226 million crowns with the intention of forcing the Chinese party to purchase at least some of the originally planned supplies. The loan was repaid gradually, with the last payment being made in 1964, about a year earlier than planned. NA, CC CPCz Antonín Novotný, Part II, folder 83; A Report on the Development and Prospects of Economic Relations between the CzSSR and the People’s Republic of China, approved by the State Committee for Economic, Scientific and Technological Co-operation, dated April 14, 1966, 19–20.
- ¹⁷ For more information, see Aleš Skřivan Jr., *Československý vývoz do Číny 1918–1992*, 436.
- ¹⁸ For details on supplies for the Chinese power plants, see the Škoda Archive, Plzeň (hereafter referred to as ŠA), collection: V. I. Lenin Works (hereafter referred to as VILW collection), box 707, inv. no. T804; VILW letter to the Ministry of Heavy Machinery of January 20, 1962.
- ¹⁹ Some supplies originally intended for the PRC were purchased by the Soviet Union (such as some equipment for chemical factories and mobile power stations); others were, however, given their specific character, regarded as being inappropriate for alternative customers (such as some equipment for the power plants Illi Cho IV and Tang Shan III and IV). NA, CC CPCz, Antonín Novotný, Part II, folder 85; A Proposal for Using Contracted Plant Equipment Originally Intended for the People’s Republic of China and Later Rejected by the Chinese Party, in 1961 and 1962; a report by the Political Executive Committee of the CC CPCz, dated June 27, 1961; *Ibid.*, Examination of Problems of Equipment Rejected by the People’s Republic of China; a report by the Political Executive Committee of the CC CPCz, dated September 15, 1961.
- ²⁰ NA, CC CPCz, Antonín Novotný, Part II, folder 83, A Report on the Development and Prospects of Economic Relations between the CzSSR and the People’s Republic of China, approved by the State Committee for Economic, Scientific and Technological Co-operation, dated April 14, 1966, p. 17. For more information on these losses, see ŠA, VILW, box 451, inv. no. ZR142, Claim Handling from the Cancellation of Orders for the PRC, a VILW report for the Ministry of Heavy Machinery from November 17, 1962.
- ²¹ For a comparison of Czechoslovak trade with the PRC and other countries, see *Statistická ročenka ČSSR 1971*, 425–427. For other interesting details, see ŠA, VILW, box 1474, inv. no. ZR194; Report from the Business Trip to the PRC from December 16, 1966 (the report was written by Václav Rouček), *passim*.
- ²² Cf. the development of Czechoslovak-Chinese trade expressed in roubles in Aleš Skřivan Jr., *Československý vývoz do Číny 1918–1992*, 435–436.
- ²³ NA, CC CPCz, Antonín Novotný, Part II, folder 83, A Report on the Development and Prospects of Economic Relations between the CzSSR and the People’s Republic of China, approved by the State Committee for Economic, Scientific and Technological Co-operation, dated April 14, 1966, 19–20.
- ²⁴ *Ibid.*
- ²⁵ For more information on the discussions preceding the signing of the contract, see Zdeněk Trhлік, *Československo-čínské vztahy*, part II, 319–324.

- ²⁶ AMFA, TD-S 1970–74, China, folder 2, A letter from the Deputy Minister of Foreign Trade, Ing. Milan Honusek, to the Deputy Minister of Foreign Trade of the PRC, Zhou Huanmin, dated June 16, 1970. This letter was an integral part of the agreement concerning goods exchange and payments signed by the above representatives on the same day.
- ²⁷ For the complete agreement text, see AMFA, TD-S 1970–74, China, folder 2, An Agreement between the Government of the Czechoslovak Socialist Republic and the Government of the People's Republic of China Concerning Goods Exchange and Payments in 1970, signed in Beijing on June 16, 1970.
- ²⁸ Calculations based on the data published in the *Historická statistická ročenka ČSSR*, 320–334; *Statistická ročenka Československé socialistické republiky 1981*, 459–463; NA, CC CPCz, Antonín Novotný, Part II, folder 85, An Overview of the Current Total Development of Economic Relations Between the CzSSR and the People's Republic of China and the People's Republic of Albania, supplement No. 4: Effecting Important Goods Items, China – Exports (supplement, dated May 17, 1962); AMFA, TD-S 1970–74, China, folder 2, An Agreement Between the Government of the Czechoslovak Socialist Republic and the Government of the People's Republic of China Concerning Goods Exchange and Payments in 1970, signed in Beijing on June, 16, 1970; AMFA, TD-S 1970–74, China, folder 3, Czechoslovak-Chinese Relations in 1973; a report by the Embassy of the Czechoslovak Socialist Republic in the PRC for the 3rd Territorial Department of the Federal Ministry of Foreign Affairs (hereafter referred to as 3rd TD FMFA), dated January 26, 1974, 6.
- ²⁹ For more information, see Aleš Skřivan Jr., *Československý vývoz do Číny 1918–1992*, Table X in Supplement II, 436.
- ³⁰ For more information, see Zdeněk Trhlík, *Československo-čínské vztahy*, part II, 372–373.
- ³¹ For more information on the commodity structure of Chinese supplies to Czechoslovakia, see AMFA, TD-S 1970–74, China, folder 3, Czechoslovak-Chinese Relationships in 1973; a report by the Embassy of the Czechoslovak Socialist Republic in the PRC for 3rd TD FMFA, dated January 1, 1974, 5–6; *Jahrbuch des Aussenhandels der Tschechoslowakei 1977*, 159.
- ³² The first two units were delivered to the PRC in 1973, while the third one in 1974. AMFA TD-S 1970–74, China, folder 2, An Agreement Between the Government of the Czechoslovak Socialist Republic and the Government of the People's Republic of China Concerning Goods Exchange and Payments in 1973; A List of Goods Supplied in 1973 by the Czechoslovak Socialist Republic; *Ibid.*, An Agreement Between the Government of the Czechoslovak Socialist Republic and the Government of the People's Republic of China Concerning Goods Exchange and Payments in 1974; A List of Goods Supplied in 1974 by the Czechoslovak Socialist Republic. For details on technological co-operation in this field, see ŠA, VILW, box 1429, inv. no. A866, Report from a Business Trip to the PRC (Shanghai) of January 17, 1974 (the report was written by Zdeněk Beneš and Karel Hodan).
- ³³ As an example, consider the problems in the delivery of the above-mentioned turbo generators and belated supplies of lathes from the Škoda Works in Plzeň. For more information, see AMFA, TD-S 1970–74, China, folder 3, Czechoslovak-Chinese Relations in 1973; a report by the Embassy of the Czechoslovak Socialist Republic in the PRC for the 3rd TD FMFA, dated January 26, 1974, 4.
- ³⁴ On the changing attitude of the PRC to the Comecon countries and problems in their mutual trade, see AMFA TD-S 1970–74, China, folder 2, Business Negotiations Between the PRC and Allied Socialist Countries (except for RSR); a report by the Embassy of the Czechoslovak Socialist Republic for the 3rd TD FMFA, dated May 2, 1974.
- ³⁵ AMFA, TD-S 1970–74, China, folder 3, Chinese-American Relations and President Nixon's Visit to the PRC; a report by the Embassy of the Czechoslovak Socialist Republic in the PRC for the 3rd TD FMFA, dated March 17, 1972; *Ibid.*, Japan's Prime Minister K. Tanaka's Visit

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