

# THE CHINESE CONUNDRUM

*Engagement or Conflict*

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# **The Chinese Conundrum**

Engagement or Conflict



## Foreword

There is a vast outpouring of books and papers on China. Why would I want to add to it? I am not a China scholar, do not speak or read the Chinese language and have never lived in China. My direct experience is confined to a modest number of business visits over a thirty-year period.

What motivated me to write this book – and an earlier, shorter pamphlet (*China: Engage! Avoid the New Cold War*) – was the rapid deterioration in the political climate around Britain’s relations with China. I was closely involved, in a ministerial capacity, during the early part of the last decade, in what was called the “Golden Era” of cordial relationships and positive perceptions built around commercial diplomacy.

There is now a growing narrative of China as a “threat”, reflecting more authoritarian and ideological politics within China and assertiveness externally under President Xi; a more confrontational consensus in the USA over technology, trade and human rights; and, to a degree, home-grown doubts. Recent events, such as those in Hong Kong, have reinforced the negativity. That narrative is, at best, one-sided. I felt that I should assemble and analyse the evidence we have, from commentators and analysts coming from different perspectives.

Getting the balance right is important, since China is already, arguably, an economic superpower alongside the USA, and is likely – though not certain – to grow in relative economic and political importance. Since Britain, outside the European Union, is now trying to define itself as “Global Britain” and even as an Asia-Pacific power, it matters that we get the relationship with China right.

My own involvement with China goes back to my membership of Shell’s scenario-planning team and being invited to carry out scenarios specific to China as part of the challenge process

before the company made an irrevocable commitment to large investments in China, especially the Nanhai petrochemicals joint venture in Guangdong province.

This exercise opened my eyes to the extraordinary pace and achievements of Chinese development, but also to its less attractive features (my Shell China counterpart, a young woman with children, was unjustly imprisoned at the behest of an aggrieved commercial party). The project went ahead, is deemed to be a considerable success and has been expanded since. I was left with a great admiration for the Shell scenario process, and make use of it in Chapter 7.

When I spent some time, later, at Chatham House, I embarked upon and published a comparative study of development in China and India, with which I had had more acquaintance.<sup>1</sup> It seemed then, and more so now, that the trajectories of these two populous and remarkable countries – in terms of economic, politics and environmental stewardship particularly – will shape the planet’s future later this century. I believed then that India’s more gradual, decentralized and democratic approach must win out. Now I am not so sure.

It was my role in the Coalition government, as president of the Board of Trade as well as Secretary of State for BIS, that led me into close involvement with Chinese decision-makers, British firms, universities and others who were trying to do business in China and with Chinese firms investing in the UK. It was one of the top priorities of that government to boost commercial and wider relationships with the big emerging economies: China, India, Brazil and Russia.

All the evidence suggested that the UK was, hitherto, seriously underperforming in comparison to other European countries, especially Germany, and we needed to make a major effort of engagement to catch up. In practical terms, that meant a great deal of travelling to those countries – especially China – for promotion and negotiation, as well as welcoming their representatives and investors here. On most metrics, the efforts were productive in realizing trade and investment opportunities beneficial to the UK as well as China. That was the “Golden Era” – a phrase which now invites derision.

Short ministerial visits, hobnobbing with the rich and powerful and communicating with officials through translators do not provide the best vantage point for deepening knowledge of a country. The national and provincial officials with whom I had to deal were clever, polished and open to debate and ideas (at least in private), but represented only the governing elite. I was also fortunate to be able to meet, thanks to the British embassy and consulates, some of the brave people speaking up for labour, women and LGBT rights, or victims of environmental and health scandals, who were under surveillance.

I also had to deal with, and encourage, Chinese companies who were interested in the UK. Among them was Huawei, which was to become a serious source of friction later. Since Huawei was engaged in sensitive communications work, I insisted on comprehensive and honest briefings on the security implications. I was categorically assured by people who ought to know that Huawei presented no security risk to the UK that was not being adequately managed. I was – and am – puzzled by claims made subsequently by Conservative MPs in Parliament that the company was, all along, a security risk. That was the first of a whole series of relationships then regarded by serious and responsible people as innocuous or beneficial, and now deemed to be a “threat”. It is no coincidence that the idea of China as a threat was growing in the USA during the Trump administration.

It was clear all along that there was a politically unattractive side to the China economic “miracle”. My Lib Dem colleagues were exercised about human rights, as in Tibet. The Chair of my departmental board – the CEO of GSK, a British company that has done well in China – was faced with the wrongful imprisonment of one of his senior executives. Getting the balance of engagement and independence right was crucial in dealings with China, as with Britain’s other major commercial and political partners whose misdeeds are serious, such as Saudi Arabia and the Gulf states or Turkey. I fear that that balance is now wrong: hence this book.

In assembling material for the book, I made use as much as possible of the large and growing volume of published material which is, of necessity, from Western (mainly US) sources. I also

sought the views of as many UK-based Chinese and China-based expatriates as I was able to contact. From both exercises it was clear that there are wildly different interpretations of what one might regard as matters of fact, like the size of the Chinese economy or the share of the private sector in economic activity, let alone more contentious issues and events. The recent happenings in Hong Kong, for example, widely and independently reported, have produced wholly different narratives from people with no obvious axe to grind.

Much of the analysis, even in scholarly sources, is steeped in strong biases, which could be characterized as “pro-” or “anti-” China. The anti-China literature can be summarized as follows: the size and performance of the Chinese economy and technology is a good deal less impressive than it is cracked up to be (or so impressive that they will overwhelm us); the politics is even nastier than we thought it was, and deteriorating; the country’s values and interests are incompatible with ours – and it has to be confronted. The “pro-China” material, by contrast, will stress the scale and success of China’s economic renaissance; the flexibility and adaptability of its political model; the scope for constructive engagement. I have tried to be balanced, but have been accused of the latter heresy on the basis of my more prescriptive booklet.<sup>1</sup>

I am concerned that debate has degenerated into partisan invective on both sides. When Australia caused offence by calling for an inquiry into the origins of the pandemic, a Chinese state media boss described Australia as “gum stuck to the bottom of China’s shoe – sometimes you have to find a rock and scrape it off”. At the same time, anyone in the West seen as “pro-Chinese” can also expect a volley of abuse. Martin Jacques’s provocatively titled *When China Rules the World* earned him the following attack from a fellow political scientist: “Embarrassingly starry-eyed, servile and naïve”<sup>2</sup> (though he is one of the few Western authors of serious books on China to have confronted the sensitive issue of Chinese racism).

Such invective has been especially evident in discussion of human rights in Xinjiang and the alleged “genocide” of the Uyghur people. There is an example in an unpublished paper

by anonymous academics which questions the conventional wisdom on the subject. The authors say that they have chosen anonymity since “they do not wish to receive hate mail, letters sent to their employers or additional risks to securing tenure”.<sup>1</sup> Others elsewhere are reported to have been subject to this “cancel culture”. I have no doubt that heterodox views attract far worse in China, but that does not remove the need for critical voices to be heard.

My fundamental objective however is not to be “pro-” or “anti-” China, or to act as an apologist for or denouncer of China, but to try to ensure that the British debate on our relations with China reflects different standpoints and narratives and is open to critical questioning.

In order to avoid the extremes and excessive reliance on anecdotage, visitors’ tales and impressionistic reporting, I try where possible to use recognized, reputable, official international economic sources (the IMF and World Bank), public-opinion analysis from the likes of the Pew Center and Edelman and measures of political freedom or corruption from respected NGOs such as Freedom House and Transparency International – although all of these could be accused of “Western bias”.

I am very indebted to Andrew Caine of RUSI and to Zhenbo Hou of RBC Global Asset Management for detailed comments on a draft of this book. I also wish to thank Alessandro Gallenzi and Elisabetta Minervini of Alma Books, who encouraged and promoted this project. The book would never have been written without the unfailing help and support of my wife Rachel, who indulges my determination to write. Any errors and biases are mine alone.



# Chapter 1

## *Changing Perceptions*

Within a very short period of time, relations between China and the rest of the world, and especially the United States and its Western allies, have deteriorated badly. What was characterized in the UK as a “Golden Era” is now discussed in the language of a new Cold War. Surveys of public attitudes mirror the rhetoric of politicians and chart a sharp decline from “favourable” to “unfavourable” perceptions of China, at least in richer countries.<sup>1</sup> The fact that China was the source of the global pandemic has played a major part in that decline, but it is not the only factor.

Such changes in perception have been sudden, but are not new. Over the two centuries or so in which there has been close interaction between China and Western powers, the West could be broadly described as following a succession of different approaches: curiosity, condescension, plunder, conversion, withdrawal, re-engagement, partnership, competition and, now, disillusion, apprehension and perhaps fear. The Chinese, for their part, have passed from disdain and disinterest to defeatism, deference and humiliation; to revolution and upheaval; to modernization, integration and development; and now to assertiveness and perhaps ascendancy. On both sides there has also been a consistent sense of cultural – and perhaps racial – superiority, which has been the source of much misunderstanding and offence.

These sweeping generalizations do not take account of nuance and particular events and individuals: the emergence of President Xi, who has led China in a more authoritarian manner and more forcefully abroad; the Trump administration, which may or may not prove to have been an aberration; the particular

influence of Japan, aligned with the West but not belonging to it; and the complex and ambiguous relationships with China's other neighbours and the Chinese diaspora. But beneath the shifting sands of changing attitudes and alignments, there is the solid reality of differential growth and economic development. We have witnessed the realization of the oft-quoted prediction attributed to Napoleon: "Let China sleep: when she awakes, she will shake the world." Napoleon himself probably never said anything of the kind, but whoever said it was right.<sup>1</sup>

The predicted awakening has led to specific points of dispute and conflict, as well as opportunities, but also what looks like an existential crisis in the Western world. This sense of crisis is captured in the title of Martin Jacques's influential book – *When China Rules the World*<sup>2</sup> – or in Kishore Mahbubani's *Has China Won?*<sup>3</sup> We do not need to buy fully into the melodramatic message behind the titles to recognize a fundamental shift in economic strength, with its inevitable political consequences.

### *The beginnings*

Most accounts of China's interactions with the West written from the perspective of the Anglosphere tend to start with the visit of Lord Macartney in 1793, at the behest of George III, to initiate a formal trading relationship with Britain. From a Chinese point of view, this represented one episode in a long history of engagement with the global economy and disengagement from it.

Romans were familiar with Chinese products, notably silk, but not their provenance: they arrived in their provinces via a complex sea journey involving Indian and Arab trading networks.<sup>4</sup> In so far as it is possible to tell – and Angus Maddison's epic compilation work of long-term economic statistics adds numbers to anecdote<sup>5</sup> – China was the world's pre-eminent economy and trading nation over the following centuries, with India the only serious rival. The port of Canton (now Guangzhou) became a major trading city, home to a large, cosmopolitan merchant community. As in later centuries, Chinese engagement with the

outside world rested on stable, confident government at home. When there was a period of domestic upheaval, trade and traders were often the casualties. In the ninth century, for example, there was a crisis in the Tang dynasty which led to a scapegoating of foreigners: in 878, a rebel army sacked Canton and massacred tens of thousands of Muslims, Jews and Christians. The practical effect was to displace China's entrepôt centres further north. But trade continued.

Western understanding of China percolated through by means of travellers' tales. The likes of Marco Polo, journeying to China on the land route (the "Belt" in the new version of the Silk Road, the "Belt and Road"), brought back stories of the magnificence of the imperial court and cities in the late thirteenth century, as well as the extent of China's trading operations from Canton.<sup>1</sup> Exploration by way of the sea routes (the "Road") was reported at second hand by Arab traders, and entered Western consciousness via fantastical stories, such as those of Sinbad the Sailor.

Europe appears to have had little awareness of the three centuries of Chinese naval might (from 1132 to 1433), between the establishment of a permanent navy with sophisticated marine engineering, huge vessels and advanced (imported) navigation systems and the last of Admiral Zheng He's "treasure fleet" voyages of exploration to Africa. There followed a period of deliberate introversion. The benefits and costs of early globalization were nonetheless experienced through the spread of high-value goods on the one hand and, on the other, plague carried by fleas along the arms of both the Belt and the Road.

Knowledge of China was built up through early trading encounters following Portuguese maritime penetration of Asia. Jesuit missionaries fed back an essentially positive view of Chinese values, aesthetics and institutions, eulogized by Voltaire among others.<sup>2</sup> Others were less flattering, but there was a fascination with China in the mid-eighteenth century.<sup>3</sup> Well-informed and thoughtful analysts like the economist Adam Smith were able to dissect the strengths and weaknesses of the Chinese economy. In *The Wealth of Nations*, published in 1776, Smith observed that its impressive development had reached a limit: "Long one of the richest, that is most fertile, best cultivated,

most industrious, and most populous countries in the world”, China had “acquired that full complement of riches which the nature of its laws and institutions permits it to acquire”.<sup>1</sup>

Lack of further economic growth combined with a rising population had led him to see what would later be seen as a “Malthusian trap” characterized by hunger: “The poverty of the lower ranks of people in China far surpasses the most beggarly nations in Europe.” He noted the widespread occurrence of infanticide: “Marriage is encouraged in China, not by the profitability of its children, but by the liberty of destroying them.” He saw a solution in trade: “A country which neglects or despises foreign commerce [...] cannot transact the same quantity of business which it might do with different laws and institutions.”<sup>2</sup> Smith was to provide a theoretical framework, which was then used by less scrupulous British trade practitioners to force open the Chinese economy in ways that poisoned future relationships.

There was already a somewhat hostile narrative about China, centring on the frustrations of British traders. In 1741 a representative of the East India Company (EIC), George Anson, found obstructive, bureaucratic and dishonest Chinese officials in Canton sufficiently exasperating to write a widely read pamphlet “helping to build a ground-swell of anti-Chinese feeling in Britain and elsewhere in the West”.<sup>3</sup>

Underlying the complaints about what would now be called non-tariff barriers to trade was a serious imbalance in payments, in ways that are recognizable in disputes today, as between the USA and China. Then, there was a rapidly growing demand in the UK and the USA for tea. Together with exports of silk and porcelain, tea exports led to large Chinese trade surpluses, since China had little interest in imports. The same contemptuous attitude to foreigners and their products that led to the retreat from trade in the Ming dynasty was repeated in the Qing era: foreigners were “culturally inferior and geographically marginal”.<sup>4</sup> As a result, Chinese exports were paid for not in goods, but in silver bullion – which covered around 90% of British imports from China in the eighteenth century.<sup>5</sup> Bullion formed the basis of Chinese money supply, and so boosted the economy (and inflation), with the opposite effect in the West.

*The century of humiliation*

The British response to this imbalance in trade was to send Lord Macartney in 1793 with a large trade mission to open up the Chinese market for imports, of which he carried a sample. The exotic and technologically sophisticated gizmos which he took attracted no interest, and Emperor Qianlong (Ch'ien-lung) sent a polite letter to King George declining the offer to trade in them, and also declining the proposal to station an envoy in Beijing. Macartney rationalized his failure with a prescient metaphor: "The Empire is an old, crazy, first-rate man-of-war which has [...] contrived to stay afloat for these hundred and fifty years past and to overawe its neighbours merely by her bulk and appearance [...] until (with lesser men at the helm will drift) [...] dashed to pieces on the shore."<sup>1</sup>

As it happens, there was a boom in demand in China for Indian cotton, which helped to ease the EIC's payments problems. But it was short-lived and, at any rate, inadequate. An alternative gradually emerged in the form of opium shipped from India. Even before Lord Macartney's visit, the trade had already built up to around 600,000 lbs per year. But it subsequently grew sixfold in the next forty years, despite strong Chinese opposition to drug-dealing. Personal fortunes were built in the opium trade by enterprising pioneers like William Jardine and James Matheson.

Although opium looms large in the present-day litany of Western crimes in China, some historians have cast doubt on the scale, or even the nature, of the problem. Opium had long been consumed in China, as in the West, without much opprobrium. Although it became widely used as a social drug, recreational use was hampered by the price, usually prohibitively high except for the elite. One historian has suggested that later in the nineteenth century, when use was more widespread, "only about one Chinese person in a hundred inhaled enough opium to be even at risk of addiction".<sup>2</sup> One per cent was, however, still a lot of people.

Those who minimize the social consequences of the opium trade suggest that the righteous indignation expressed by the

Chinese court was fuelled by considerations of economic policy. With rising opium imports, the trade surplus disappeared and silver flowed out in growing volumes, depressing the Chinese economy (the crossover point was 1806). There was an argument between legalizers and prohibitionists in the Chinese court about narcotics, much as today in the West. The legalizers argued that a regulated but legal trade could better control the amount of opium coming in and silver flowing out, reduce corruption and raise tax revenue. But the prohibitionists won the argument. Attempts, after 1838, to suppress the trade and destroy opium seizures with renewed vigour led to growing conflict with merchants and British traders.<sup>1</sup>

That conflict in turn led to the first of the (hopelessly one-sided) Opium Wars. Chinese defeat led, under the subsequent Treaty of Nanking (1842), to the cession of Hong Kong island to the British, opening up a new set of ports for trade, together with reparations for damage and the granting to British nationals of “extraterritorial” exemption from Chinese law. There followed a long period of humiliating concessions to Western powers (and later Japan) through what became known as the “Unequal Treaties”, of which there were thirteen until the end of the century (followed by further concessions after the Boxer Uprising, before the Qing dynasty finally collapsed in 1912).

Martin Jacques described China in the late nineteenth century as a “semi-colony with troops free to roam its territory, the treaty ports resembling mini-colonies, missionaries enjoying licence to proselytize Western values wherever they went and foreign companies able to establish subsidiaries with barely any taxation or duties. China was humiliated and impoverished”.<sup>2</sup> That is indeed the Chinese view of their history, reinforced in schools and by official propaganda, and it colours their present perception of the West. There is however a counter-view: “A disproportionate role in China’s troubles would subsequently be attributed to this intervention. Post-imperial guilt exaggerates the responsibility of foreigners for China’s woes.”<sup>3</sup> Such amnesia or self-justification is not merely the preserve of historians, but influences perceptions today: “To this day, the Treaty of Nanking burns in Chinese national consciousness. That not

one American in a hundred has heard of it does not augur well for Sino-American relations in the twenty-first century".<sup>1</sup>

More was involved, however, than retrospective guilt or value judgements refined in a different century. There were mainstream politicians in Britain at the time who were appalled by what was happening in China. William Ewart Gladstone, a future Liberal Prime Minister, campaigned as a young backbencher for the prohibition of the opium trade. Robert Peel, the Tory Prime Minister, whose legislation abolishing the Corn Laws established the principle of "free trade" as central to British economic and foreign policy, led the condemnation – when he was leader of the opposition – of the 1840 attacks on China in the First Opium War.

But it was a Whig (Liberal) Prime Minister, Melbourne, who had dispatched the Fleet in defence of the traders, and another Liberal, Palmerston, who, as Foreign Secretary, condemned the violence and insults directed at British residents and then criticized the seizure of Hong Kong as a woefully inadequate response to Chinese provocation.<sup>2</sup> Victorian liberalism had different facets, the dominant one being of the muscular variety, which argued that there were universal values and standards of political and commercial behaviour – which happened to be British – that should be enforced. Such attitudes persist in Western liberal democracies today, and lie behind some of the continued friction over "human rights".

The Western powers were geographically peripheral in their coastal enclaves. They were, nonetheless, important catalysts in the slow, painful disintegration of the imperial regime. In the mid-nineteenth century, China experienced one of the most extreme paroxysms of violence in history in the form of the Taiping Rebellion.<sup>3</sup> The uprising lasted thirteen years, cost perhaps twenty million lives and included such episodes as the "symbolic" beheading of 100,000 people in Canton to re-establish the authority of a regional governor.<sup>4</sup> Inevitably, the conflict spilt over into the coastal concessions, and the Western powers used the conflict to extend their grip over China's trade.

An army that included Western troops sacked Beijing, and participants such as Charles Gordon (later of Khartoum)

reported back home the sense of Chinese wretchedness: the rabble of disorganized troops, the brutalized population and contemptuous Western soldiers destroying fine historic buildings like the Old Summer Palace.<sup>1</sup> One commentator was Karl Marx, who saw the mid-century upheaval as a symptom of the decay of the old order and an omen of future collapse leading to republican revolution: “Dissolution must surely follow as that of any mummy carefully preserved in a hermetically sealed coffin whenever it is brought into contact with the open air.”<sup>2</sup>

After the rebellion was defeated, there was a period of relative political stability overseen by the court of the Dowager Empress Cixi. There was an attempt by some of her ministers to modernize, making use of Western technology: the period of “self-strengthening”. This opening provided opportunities for Western – mainly British – exporters and investors and for financiers to lubricate the business opportunities. The possibility that China might follow in the footsteps of the progressive Emperor Meiji in Japan proved illusory, however. Indeed, when Chinese and Japanese forces clashed in Korea in a short but brutal war in 1894, the supposedly modernized Chinese armies were humiliated. Attempts to graft Western technology onto a decaying structure were doomed to fail. After yet another demonstration of Chinese weakness, the Western powers, threatening more military intervention, pressed for more concessions – a process called “splitting the melon”.

### *The racial divide*

It had been the habit of the Chinese court, and many Chinese, to dismiss foreigners as of inferior races, and this attitude explained their complacency and the disastrous underestimation of the threat posed by the Western (and Japanese) arrivals. The prejudice was also reciprocated. Perceptions of the Chinese as inferior were reinforced by the endless defeats of Chinese armies in their encounters with foreign forces on land and at sea and the subservient role they were then required to observe.

But another powerful factor came into play from the middle of the nineteenth century: Chinese emigration, especially to the United States. The first big influx came in the wake of the “gold rush” in California in 1848–49, but the migrants spread across America working as shopkeepers and laundrymen, building railways, working in manufacturing, labouring on plantations in the deep South and becoming successful merchants. The Chinese community, almost all of them men, amounted to around 100,000 by 1880, out of a total population of 50 million – a minuscule fraction, but a very conspicuous one, marked out by a distinctive language, diet and appearance that set it apart.

Racial prejudice against the Chinese, by working-class white men who saw them as competition in the workplace (and for women), was rampant and led to widespread acts of violence, such as the Los Angeles riots of 1871, when twenty Chinese men were lynched by a white mob. At least five American presidents were preoccupied with the political problem of how to manage Chinese immigration, and the end result was a Chinese Exclusion Act, justified by the Republican president William Henry Harrison as a “duty to defend our civilization by excluding alien races whose ultimate assimilation with our people is neither possible nor desirable”.<sup>1</sup>

Along with migration, events in China cemented what was becoming a widespread view of the Chinese in the Western world – that they were an inferior race, threatening but also deserving of contempt. Popular literature and political discourse perpetuated the idea of the “Yellow Peril”.<sup>2</sup> These negative stereotypes were reinforced by the Boxer Uprising of 1898–1901, in which strong anti-Western feeling, fuelled by what were seen as pressures and outrages perpetrated by Western powers, was channelled into attacks on missionaries and their Chinese converts. The Boxer Rebellion was only the latest of several violent spasms which racked the failing Qing dynasty in the latter part of the nineteenth century – but, unlike the others, it was not directed at the imperial throne, but specifically at foreigners. What had caused particular indignation in China were the missionaries, around whom swirled many rumours of depraved behaviour, and who often took no account of Chinese sensibilities.<sup>3</sup>

Because the Boxer rebellion was an attack on Westerners and their values, it mobilized public sentiment back home: people were outraged by the murder of Western civilians (around two hundred, including some women and children) and aroused by the relief of the beleaguered legations under siege in Peking. A multinational expeditionary force of 54,000 (of which 21,000 were Japanese) suppressed the uprising with some brutality, on what were facetiously called “punitive picnics”.<sup>1</sup> The military campaign was followed up by penal reparations imposed on the Chinese government, which had given tacit support to the uprising. The reparations amounted to double the annual budget income of the Chinese administration, plus interest charges, and would be paid over half a century. The so-called Boxer Protocol of 1901, incorporating these and other concessions, added to the sense of humiliation and shame, which in turn fuelled Chinese nationalism: “Faced with such a coalition – Britain, France, Russia, Germany, Austria, Italy and Japan – the Chinese could only feel that the whole world was against them.”<sup>2</sup> Such resentments boosted the various political forces which would destroy the dynasty in the 1911 revolution.<sup>3</sup>

The nuances of Chinese politics and the upheavals which followed were mostly lost on Western public opinion, which often managed to conflate, in an unflattering portrait of “Asiatics”, a condescending depiction of the Chinese with alarm about “threats” from the Mongol hordes and the newly assertive Japanese military and industrial machine (which resoundingly defeated Tsarist Russia in a war in 1905). Negative stereotypes of the Chinese, particularly, as undesirable and inferior, were reinforced by racial theorists – not just in Germany, following the scientific fad of eugenics, but by literary figures such as Jack London and by popular stories, films and comics like those depicting the villain Fu Manchu. Popular prejudice and racial stereotyping in turn gave legitimacy to overtly racist policy measures in the USA, South Africa and Australia, whose objectives were widely shared in Europe.

It would be good, but perhaps naive, to think that such racial attitudes have totally vanished over a century later and no longer tinge Western perceptions. It is more realistic to face the fact

that such prejudice lingers. And, moreover, it is reciprocated. Martin Jacques is one of the few authors to probe the politically sensitive and awkward subject of Chinese racism, which almost certainly did not disappear with the imperial court, but continues in a clear sense of hierarchy with Han Chinese at the top, followed by white people (albeit with periods of deference in the past) and others, including non-Han Chinese, seen as inferior: “The fact that the Chinese sense of superiority survived more than a century of being hugely outperformed by the West is testament to its deeply ingrained nature [...]. The fact that there has been virtually no challenge to, or questioning of, widely held racial prejudices in China [...] means that they will continue to exercise a powerful influence.”<sup>1</sup>

### *Revolution and war*

The Chinese revolution of 1911 did, however, create the possibility of recasting relations with the Western powers and revising attitudes. The overthrow of the imperial system brought to the fore a disparate group of reformers – democratic republicans, socialists, Marxists, anarchist terrorist groups – movements which had their counterpart and inspiration in the West. They organized under a Revolutionary Alliance whose figurehead was Sun Yat-sen. If there were unifying threads, they were combined in an attempt to express a sense of Chinese nationalism and an ambition to modernize the Chinese economy using Western technology. After the overthrow of the imperial administration, there was a brief interlude of elected government (chosen by an electorate of forty million property-owning and educated men) in China’s only democratic election. A government was formed under the Kuomintang (KMT), a party born out of the Revolutionary Alliance.<sup>2</sup> That single election earned China, and the KMT, a somewhat tenuous claim to “democracy”.

Within months, however, the democratic regime was subverted by a succession of military coups and rebellions led by regional warlords.<sup>3</sup> The weakened central government was, then, too preoccupied to offer effective resistance to a cynical agreement at