

China



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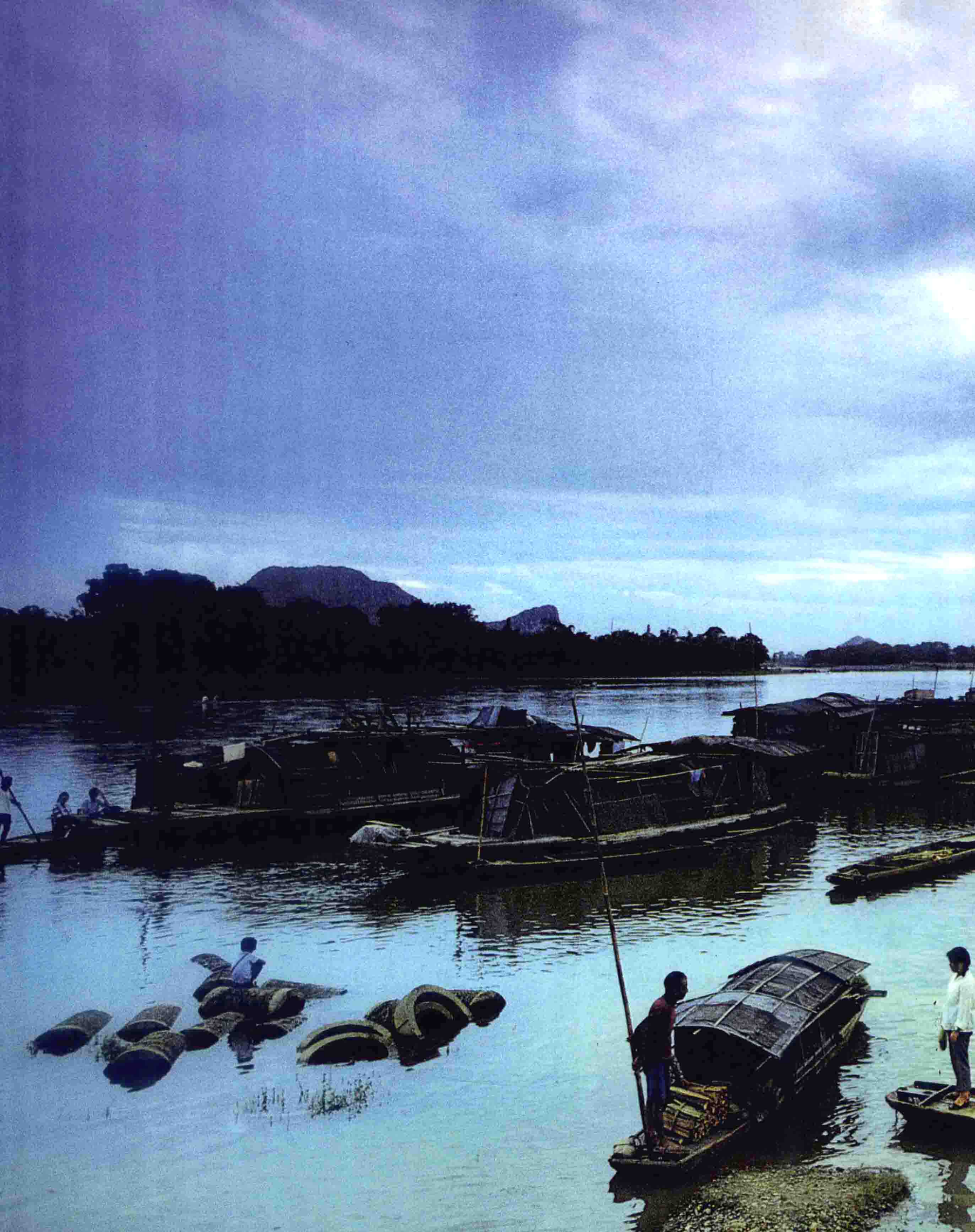
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Preface

by Lord Chalfont

China is one of the giants of civilisation. It covers nearly 10 million square kilometres of the earth's surface; and it has a population of over a billion – twice that of the United States and the Soviet Union combined. As Michael Yahuda points out in the historical introduction to this book, China, alone among the great nations of the world, has a continuous history of statehood and culture stretching back into distant antiquity. No western visitor of average sensibility can fail to be overwhelmed by this sense of history, by the traditions and culture of a people whose civilisation has been developing for over 3,000 years. The giant, however, has been sleeping for many centuries. It began to stir in 1949, when Mao Zedong established the People's Republic of China. Now, at last, it has begun to awaken; and its awakening will change, irreversibly, the calculus of power in the world.

With its enormous geographical area and massive population now being developed by a pragmatic and dynamic leadership China is emerging as one of the great powers of the world. It has set itself the task of quadrupling the value of its annual industrial and agricultural output by the end of the 20th century. It is planning to bring about in less than 20 years what it has taken 200 years for the industrial West to achieve. In pursuit of this staggeringly ambitious aim, the Third Plenum of the 12th National Party Congress recently endorsed plans to revitalise Chinese industry and to accelerate the process of modernisation in such areas as industry, agriculture, science and technology.

Recent developments in Chinese government thinking have given rise to a belief in certain sections of the western press that China is 'going capitalist'. This is, to say the very least, something of an oversimplification. It is probably more accurate to say that what is happening in China is that the Chinese are positioning themselves to live on equal terms in the international community with the great capitalist economies of the West.

For this reason alone, it is essential that the West should nourish and develop its relations with the People's Republic. But there is a more specific motivation as well – the imperatives of common interests in the geo-political and strategic sphere. This is not the place to rehearse the familiar and convincing evidence of the global threat to western security. The growing strength of Soviet military power and the persistent readiness of the USSR to use it in pursuit of expansionist foreign policies are now accepted by everyone except the unilateralist, neutralist and anti-American elements in our political and public life.

It is, however, relevant in the context of China's

strategic position to underline one aspect of Russian military policy, and its growing strength in North-East Asia. The Soviet Union has decided, in common with many western strategists and economists, that the centre of gravity of global power is moving progressively from the European-Atlantic area to the Pacific Basin; and the Russians, who understand as well as anyone the role of military power in foreign policy, have laid their plans accordingly. The Chinese role in this metamorphosis will be crucial. In general the Chinese analysis of Russian global strategy is remarkably similar to the consensus among western strategists. It postulates the ultimate Soviet aim of world supremacy, by way of the progressive separation of Western Europe from the United States, the neutralisation of America, the 'Finlandisation' of Europe and the eventual drive to the East. Yet the Chinese would be the first to admit that their own armed forces have certain limitations. Their equipment is in need of modernisation; their defensive strategy is still based on the concept of the 'People's War', envisaging the swallowing up of invasion forces in the vast areas of the Chinese heartland; and it has a long standing and recently reiterated policy of 'no first use' of nuclear weapons.

The conclusion from this analysis must be that the West has a clear interest in the emergence of a defensively strong China. This is not to suggest anything so simplistic as a military alliance, which, in present circumstances would be unwelcome to the Chinese anyway. There is, however, a strong case for increasing collaboration at the diplomatic and military staff level; and it would certainly make sense for the West to give every assistance to China in building up modern, highly trained defence forces, equipped with the kind of modern weapons and military technology which it needs to deter the Soviet Union from any military adventures in Asia.

It is in this general politico-strategic context that we have to consider future relations between the West and the People's Republic. There is an appropriate point of departure in the agreement recently arrived at between the United Kingdom and China on the future of Hong Kong. It is an agreement which has produced reactions ranging from something approaching euphoria in some quarters, through the equivocal judgement that it is 'the best of a bad job' to the disenchanting assessment that it is an almost unmitigated abdication of British responsibility.

The agreement provided for the return to the Chinese not only sovereignty of territories ceded to Britain for 99 years in 1898, but of the island of Hong Kong (granted to Britain in perpetuity in 1842 by the Treaty of Nanking) and certain territories on the mainland, also granted in perpetuity by the Convention of Peking in 1860. The People's Republic has never regarded these treaties as

**(Preceding pages) River people at Guilin (Kweilin)
in Guangxi Province**

just and, after intensive negotiations it was agreed in 1984 that, from 1 July 1997, the Chinese would resume sovereignty over all these territories.

From that date, Hong Kong will become a Special Administrative Region under Article 31 of the Chinese constitution. The Hong Kong SAR will enjoy a high degree of autonomy in its domestic affairs, while foreign policy and defence matters will be the responsibility of China. Hong Kong will be vested with executive, legislative and independent judicial power, including that of jural adjudication. The laws currently in force will remain basically unchanged. The present social and economic system will continue. Rights and freedoms, including those of the person, of speech, of the press, of assembly, of association, of travel, of movement, of correspondence, of academic research and religious belief will be preserved.

Hong Kong is to retain the status of a free port, a separate customs territory and an international financial centre. Foreign exchange, gold, securities and futures markets will continue. The Hong Kong dollar will continue to circulate and remain freely convertible. There will be no exchange controls and free flow of capital will be protected. Hong Kong will manage its own finances; China has undertaken to levy no taxes in the Hong Kong SAR. Furthermore, Hong Kong will be allowed to maintain and develop its own economic and cultural relations and to conclude relevant agreements with other foreign countries and international organisations. There are, of course, many people both in the United Kingdom and in Hong Kong who simply refuse to believe that such an agreement can possibly survive the handover in 1997.

It is beyond doubt that the agreement is the highest form of binding commitment between two sovereign states; and the record of China in honouring its international commitments will bear comparison with that of the rest of the international community. There is a limit to which, in practice as opposed to theory, a government can bind its successors; and there are those who point to a recent history of turbulence and unpredictability in the Chinese political structure; others express doubts about the Chinese ability to manage a capitalist economy, of which few Chinese leaders have much experience; still others fear that after 1997 mainland Chinese will resent the special status of Hong Kong SAR and press for restrictions on its free market economy. For many it is simply impossible to conceive of half a century of viability for a free-wheeling, brash and extravagant capitalist enclave within the collectivist system of the People's Republic.

The resolution of these problems will depend to a large measure on relations between China and the West. It is those relations which will, in the long run, dictate the international power structure of the 21st century. In the present climate, China has no conceivable interest in damaging the prosperity and stability of the West. It must be the aim of western foreign policy to ensure that this state of affairs persists. Britain, together with its allies in the United States and the EEC must collaborate with China in such a way that the People's Republic becomes so involved in the geo-political and strategic concerns of the outside world that it is never again driven, or tempted, back into isolation.

It is equally important to ensure that the pattern of China's commercial and economic relations with the West continues to develop and expand. In 1984 the foreign trade of the People's Republic had grown to a record value of US\$50 billion (although this still represents only 1.5 per cent of total world trade). This increased involvement in the world trading system can be traced back to the late 1970s, when, between 1978 and 1981, the dollar value of China's trade doubled, and many experienced observers believe that it could double again by 1990. China is a significant supplier of oil products, textiles, clothing and pharmaceuticals, light manufactured goods (including cameras and watches); and a major purchaser of grain, chemical fertilizer, metals, machinery and equipment. The largest export item is oil, of which the People's Republic is now a net exporter.

China's sales to the industrialised countries represent just over 40 per cent of its total exports, but less than 1 per cent of those countries' imports. Exports to the non oil-producing developing countries have grown considerably in recent years and now account for nearly half the total. By contrast the industrial countries provide more than two-thirds of China's imports. Only 20 per cent come from the non-oil developing countries, and of this more than a third comes from Hong Kong. China's principal trading partners are Japan, Hong Kong and the EEC countries. There has been some recent growth in trade with the Soviet Union, but it was from a very small base, and even now exports to the Soviet bloc account for less than 5 per cent of the total.

Direct foreign investment was reintroduced in 1979 after a ban lasting 30 years. Four areas in the Guangdong and Fujian provinces were designated as Special Economic Zones (SEZs) for the establishment of joint ventures to promote export-orientated industries. In 1984 and 1985, 14 major coastal cities and several other coastal areas were opened up to foreign businessmen and investors, with discretion to offer tax incentives to firms bringing modern technology into China. At the end of 1984, China claimed that planned investment in the country amounted to US\$10 billion, with more than half allotted to the SEZs. Potential western investors have, however, been deterred by failures of communication which have led to confusion about the regulations governing the zones.

Meanwhile, in May 1985, China announced an unexpected tax on foreign companies, back-dated to the beginning of the year. It involved a 15 per cent 'enterprise income tax' to be levied on foreign firms earning money from services and consultation and a 5 per cent 'industrial and commercial tax' on other foreign enterprises. These developments have demonstrated once again the somewhat unpredictable nature of Chinese economic policy. Chinese leaders, however, continue to insist that the open-door policy would remain unchanged.

The countries of the West thus have a special role and a special opportunity. If it is to achieve its goal of an economic and industrial revolution in 15 years, China needs the cooperation of the United States, Japan and Western Europe which have special skills and talents to offer. One of the basic engines of the Chinese modernisation programme will be energy supply. China will need

to develop its coal and oil resources; to expand its supplies of natural gas; to develop hydro-electric and alternative energy sources; and to engage in an ambitious programme of nuclear energy generation. The United Kingdom is already involved in the construction of a nuclear plant with two 900 megaton pressurised water reactors in Guangdong Province in collaboration with Hong Kong; and this is only one example of the opportunities which will exist in the future for western industry, science and technology.

There is an almost unique opportunity, in the current political and economic climate, for western countries to develop and expand a series of special relationships with China, not only in the industrial field but in the spheres of diplomacy and grand strategy.

It is essential therefore that we should now move into a new phase of relations between China and the West based upon a realisation of the changing geo-political environment in which the global centre of gravity is shifting towards the Pacific; upon a shared appreciation of our common strategic and economic concerns; and upon the foundation of trust and civilised communication typified by the Hong Kong Agreement.

In the commercial context, however, a word of caution

might be in order. Too often businessmen and industrialists have hustled off to China, expecting to conclude great deals and finalise mammoth projects in a few weeks or even days. The Chinese are a careful, austere and thrifty people. They are tough negotiators and they have a number of idiosyncracies which western businessmen find unfamiliar. For example, they believe you should not borrow money unless you have a reasonable certainty of paying it back; and the Chinese simply do not understand our obsessive desire to conclude negotiations, however complicated the issue, in a few days of hectic bargaining. They have, after all, an historic time-frame which is somewhat different from our own.

Yet, with patience and imagination on both sides, cooperation and friendship between China and the West can enter a new dimension and exert a substantial influence on the way the world will look in the next century. One of the principal obstacles in the way of that new relationship is the sheer lack of knowledge in the West about China, its economy, its political institutions, its legal systems, its fiscal arrangements and its cultural traditions. The aim of this book is to make a modest but substantial contribution towards remedying that deficiency.

25 November 1985
London

Historical introduction

by Michael B. Yahuda

China alone of the major states has a continuous history of statehood and culture stretching back into distant antiquity. The Chinese civilisation may not be the oldest in the world – those of Egypt and Mesopotamia, for example, precede it by more than 1,500 years – but nowhere else are the lines of continuity from ancient to contemporary times more significant. Despite the impact of the modern world and the Nationalist and Communist revolutions, the legacy of traditional China is still evident in social attitudes, especially in the countryside, in styles of politics, and in culture and the arts.

Contemporary Marxist Chinese historians describe traditional China as feudal. They reject the theory of the Asiatic Mode of Production as inapplicable to China. The preference for feudalism can be seen as a nationalistic desire to place China in the mainstream of historical development as outlined by Marx. If traditional China can be described as feudal, it was of a kind significantly different from that of Western Europe or Japan. Indeed, one of the reasons why China, unlike Japan, was unable to adapt its traditional system and begin a process of modernisation in the latter part of the 19th century was the nature of the difference of the system. As in medieval Europe, rigid social positions prevailed in Japan even though the economic situation of the Samurai warrior caste had been undermined and a more independent mercantile class had emerged in the cities. Thus it became possible for hereditary authority to prevail in the initial stages of the transition to modernity during the Meiji Restoration begun in 1868. In China, by contrast, where social positions were less determined by birth and where authority was more clearly linked to the traditional values, the traditional system proved to be less adaptable, and it took two revolutions in the 20th century to put China on the path to modernity.

The origins of the Chinese traditional system

The beginnings of Chinese civilisation were located deep inland along a tributary of the Huang He (Yellow River). Not much is known about the legendary Xia (Hsia) Dynasty that preceded the Shang (1766–1122 BC). However, the Shang, as ancient rulers elsewhere, claimed divine authority for their rule. The Emperor was the Son of Heaven who received a mandate to rule over all that was below Heaven. When the Shang were overrun by the less civilised Zhou, the latter took over the system of government and culture of the former. The Shang, it was claimed towards the end, proved themselves unworthy of the mandate. The crops failed in the fields while Court behaviour became dissolute, so the Heavenly mandate shifted to the Zhou. The Heavenly preference had been proved by the defeat of the Shang

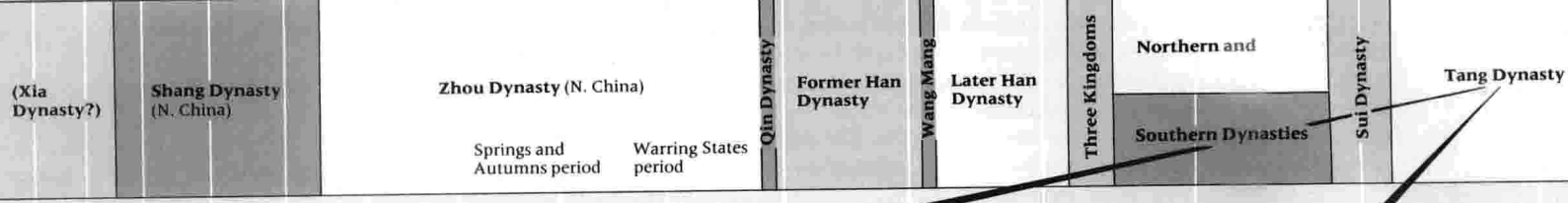
by the Zhou. This set the precedent for the divorce of dynastic succession from strict hereditary principles. In later Chinese historiography dynasties were depicted in cyclical terms. Typically, a new dynasty would begin with capable rulers carrying out vigorous reforms and extending the boundaries of Chinese administration. These would be followed by a golden age of stability, prosperity and cultural achievement. But as patterns became established, corruption and decay would set in and finally the dynasty would fall because of internal rebellion or external invasion, only for a new dynasty to be established and the pattern to repeat itself.

The reverence for the past and the view of history as repetitive cycles no doubt played a part in impressing the Europeans with a view of an eternal and unchanging China. While understandable, the view is highly misleading. Chinese history is in fact marked by considerable change and economic development. As the territorial influence of the early Chinese empire spread eastwards for some 1,500 miles to the sea and southwards for more than a 1,000 miles to the Chang Jiang (Yangtze River), the Zhou administration found its effective power increasingly reduced as regional principalities asserted their independence. The Zhou became emperors in name only as the states fought among themselves for power and influence. This was the period of the early founders of Chinese philosophy: Lao Ze (Lao Tse, b. 604 BC) who shaped Daoist (Taoist) thought, and Confucius (551–478 BC) whose sayings – together with the commentaries on them – were to become the official basis for Chinese government for 2,000 years, have both become widely known throughout the world. But mention should also be made of Zhuangzi (Chuang Tse, 4th century BC) who was the earliest best-known exponent of Daoism, of Mozi (Mo Tzu, 5th to 4th century BC) the proclaimer of universal love for mankind, and of Mencius who developed still further the philosophy of Confucius. Arguably, Xunzi (Hsun Tzu, 3rd century BC) and the Lord of Shang of the previous century were of more immediate influence. The Confucianist Xunzi held, in contrast to Mencius, that human nature was innately bad requiring both correction and education, while the Lord of Shang was the first spokesman of the Legalist School calling for strict laws and their severe implementation.

This was the period known in Chinese history as the 'Warring States' (c. 481–221 BC). Feudal principalities nominally owing allegiance to the Zhou emperor vied and fought among themselves nominally to re-establish a unified empire. Among their knightly warriors were also strategists and thinkers who sought to advise them not only on warfare but also on the principles of good government. This was the age when the Hundred Flowers of Thought bloomed and the Hundred Schools of

The legacy of traditional China

-2000 -1600 -1200 -1000 -800 -600 -400 -200 BC 0 AD 200 400 600 800



The dynasties and their culture

Typically, a new dynasty would begin with capable rulers carrying out vigorous reforms and extending the boundaries of Chinese administration. These would be followed by a golden age of stability, prosperity and cultural achievement. But as patterns became established corruption and decay would set in and finally the dynasty would fall because of internal rebellion or external invasion only for a new dynasty to be established and the pattern repeat itself.

The first part of what was later to become the Great Wall of China was built with peasant labour in the period known as the Warring States (c.481-221 BC). Feudal princedoms vied and fought amongst themselves. Among their knightly warriors were also strategists and thinkers who

sought to advise them not only on warfare but also on the principles of good government. This was the age when the Hundred Flowers of Thought bloomed and the Hundred Schools of Thought contended.

The Tang Dynasty was an era when China came as close to enjoying a cosmopolitan culture as at any stage in its history before or since. Ceramics, printing, literature and poetry flourished.

The Tang were succeeded by the Song who fell to the Mongols, best known culturally for their drama.

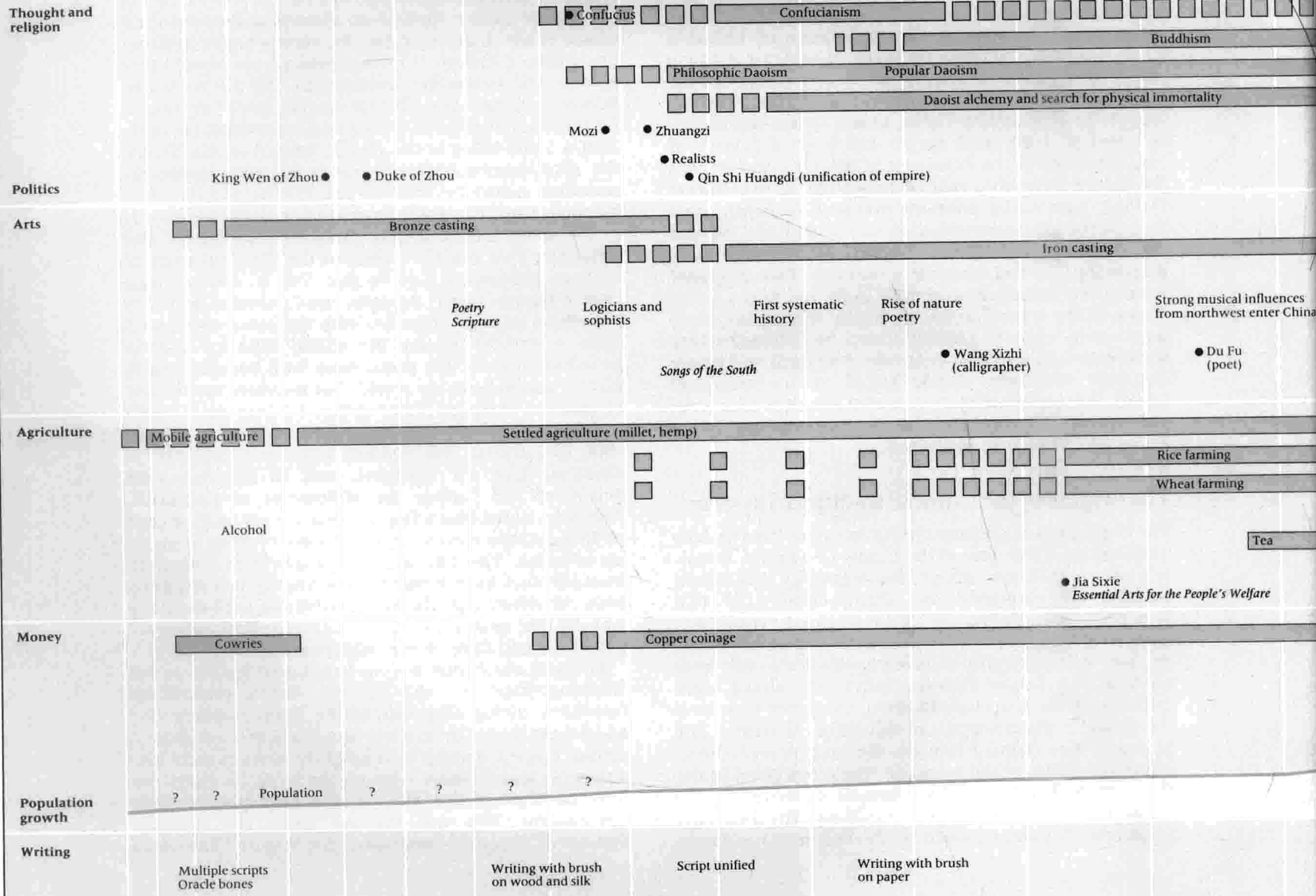
The Ming Dynasty followed, consciously seeking to restore the styles of the Tang. Trade boomed, prosperity was restored, technology developed and art and culture flourished.



Painted pottery figure of a horseman from the tomb of Princess Yung Tai, dating from the Tang Dynasty, 706 AD

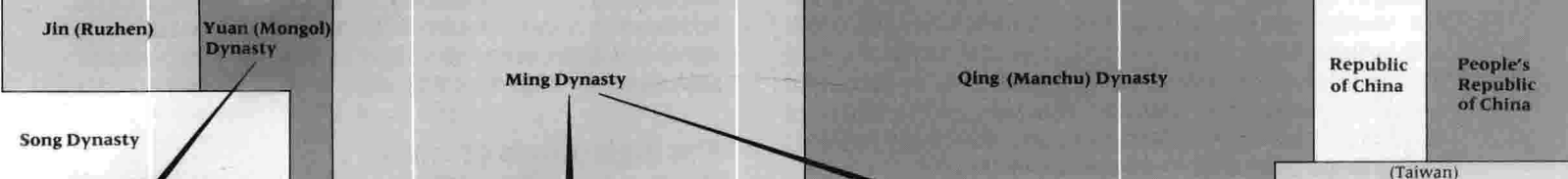


Pottery figure of a guardian excavated from near Xian, Tang Dynasty, early 8th century AD

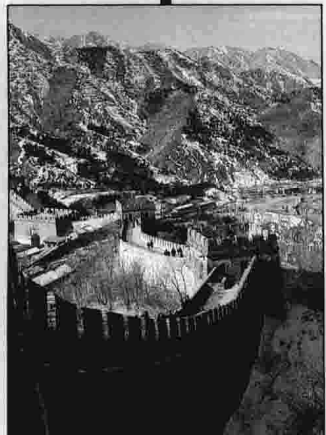


Source: 'Cultural Atlas of China', Phaidon Press Ltd

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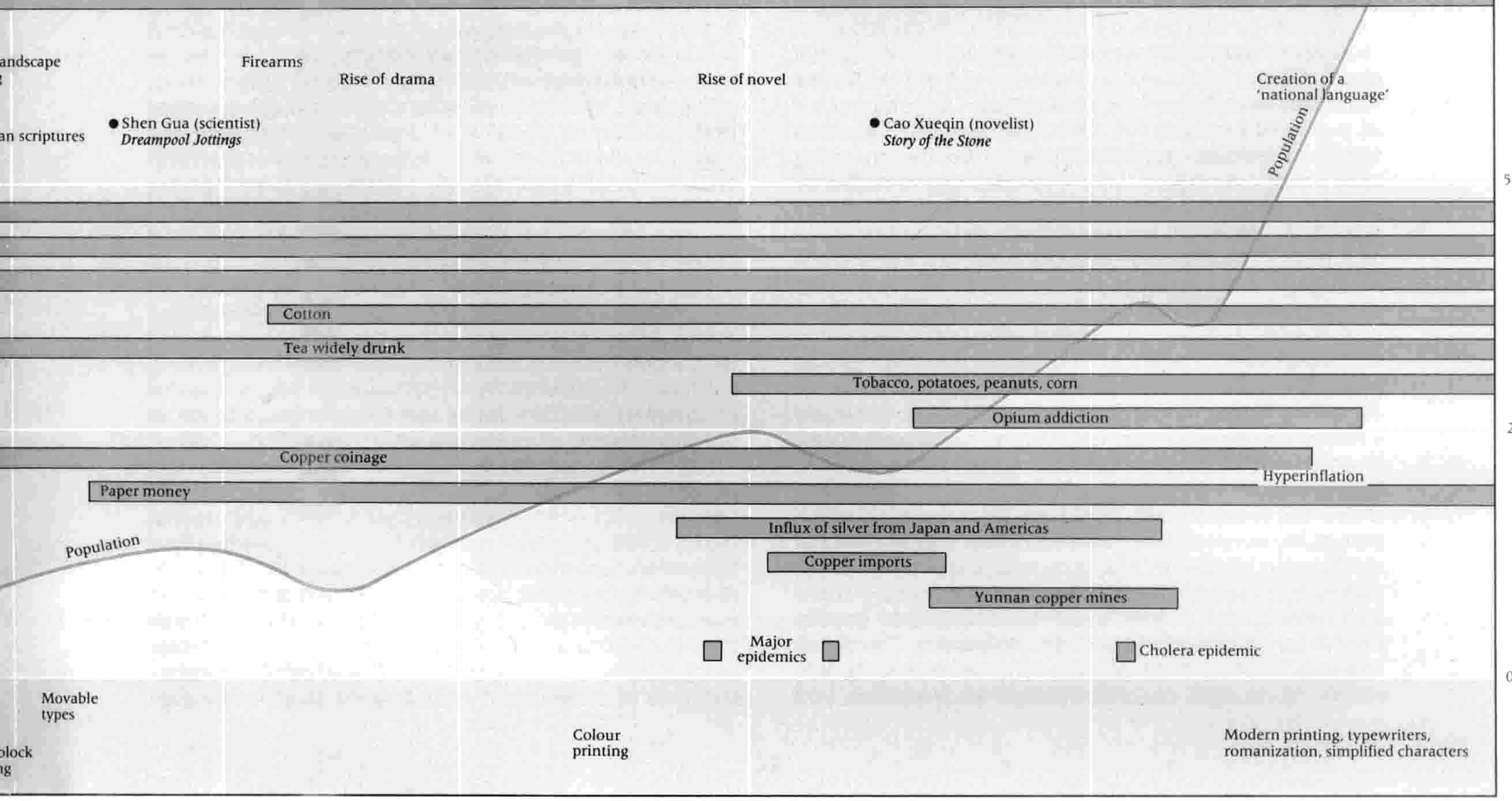
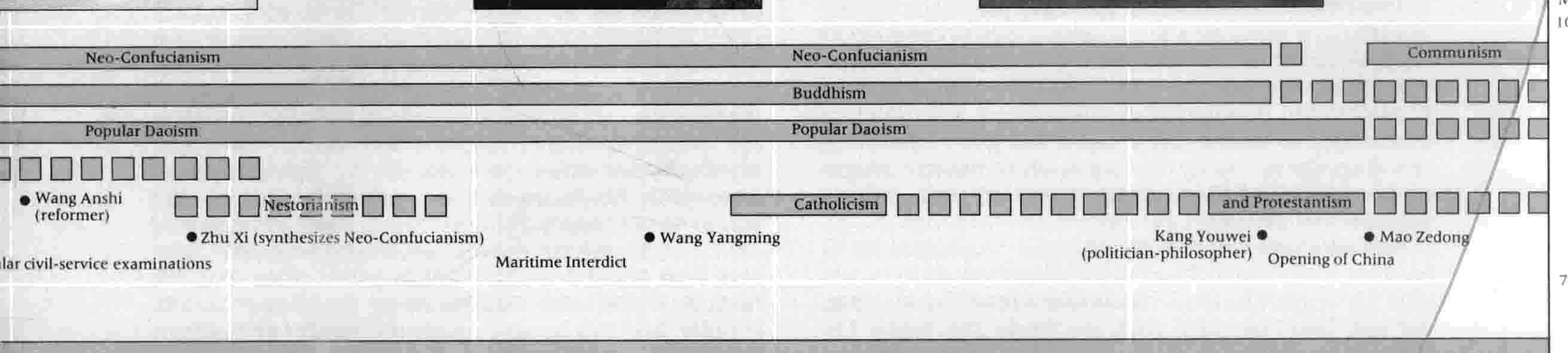
Eight-faceted porcelain vase dating from the Yuan (Mongol) Dynasty, 14th century AD



The Great Wall of China, built during the Ming Dynasty



A lacquer plate dating from the Ming Dynasty, 15th century AD



Thought contended. It was also the period of feudalism in the Western European sense of the term. Greater lords and princes held territory as fiefs of the emperor, and they in turn enfeoffed lesser lords and knights in return for service with their retinue, and peasants in times of war. Parts of what was to become the Great Wall of China were built with forced peasant labour.

This feudal period came to an end as the State of Qin (Ch'in) finally completed the conquest of the other states and unified China to set up the Qin (Ch'in) Dynasty in 221 BC. The first emperor, Shi Huangdi (221–209BC), revolutionised China. He ruthlessly set about destroying the old feudal centres, unified the currency, weights and measures, established new armies and imposed a dictatorship based on harsh laws. He improved transport and irrigation and linked together many of the separate walls built to protect China's cultivated lands from the marauding nomads to the north. He carried out military expeditions against them and achieved widespread renown. The European name for China is derived from his dynasty. However, Shi Huangdi is notorious in Chinese history as the man who 'burnt the books and buried the scholars alive'. In order to enforce his dominion he ordered the destruction of all past heterodox writings and the killing of those who propagated principles of government opposed to his. Interestingly, more than 2,000 years later, towards the end of his life, Mao compared himself to Shi Huangdi as a revolutionary who was also determined to change the system. The grave of the first Qin emperor including the thousands of life-size images of his warriors was recently excavated near the old imperial city of Xian.

Far from lasting for 10,000 years as prophesied by its founder, the Qin Dynasty was overthrown three years after his death. The feudal remnants whose victory it was did not, however, turn back the clock. The leader Liu Bang who was of peasant origins proclaimed himself founder of the Han Dynasty. This was to last for 400 years (206 BC–AD 220) and it set the pattern for the social and political order for China until the breakdown under the European onslaught in the 19th century. Softening some of the harsher aspects of Qin rule, the Han emperors adopted Confucian paternalistic principles for governing their extensive empire. A new administration staffed by educated men recommended by patrons carried out the tasks of government. Free tenure of land led to a landlord and tenant system that persisted until the Communist revolution. The empire expanded southward to Guangzhou (Canton) and into Central Asia as far as the Caspian Sea, making some contact with the Roman empire. The writing of history and the keeping of accurate records reached a high level and set the standard for subsequent dynasties. Paper and ink replaced bamboo strips for writing. So emphatic was the mark of the Han Dynasty that to this day Chinese describe themselves ethnically as Han people.

The 400 years of unity under the Han was followed by an equally long period of confusion and division known as the Six Dynasties. The great popular novel about power and intrigue 'The Three Kingdoms' was written about this period. A brief unity was imposed by the Jin only to lose northern China to Tartar invaders. The south was held by short-lived Chinese dynasties. However, this was no 'Dark Age'. Literature flourished, Buddhism and

Buddhist art forms reached China from India and spread widely, but quickly acquired Chinese characteristics. The Tartar invaders were absorbed to become indistinguishable from the majority Chinese.

The high points of empire: the Tang and Song Dynasties

The empire was reunited in 581 by a short-lived vigorous and martial Sui Dynasty, to be replaced in 618 by the Tang Dynasty which lasted until 906. Positions in the administrative bureaucracy became dependent on performance in competitive examinations, based on the Confucian classics and approved commentaries. Apart from the Court, the old administrative military class had virtually ceased to exist, to be replaced by what is loosely called the gentry – mainly well-to-do families with land and highly educated members who had passed at least the lower levels of the imperial examination.

The administration of government was developed to levels that were not to be known elsewhere for several centuries. This was an age of trade and prosperity with the population reaching 60 million as recorded by an accurate census in 754. It was an era in which China came as close to enjoying a cosmopolitan culture as at any stage in its history before or since. The great trade routes through Central Asia flourished, bringing with them extensive cultural influences. The great religions of the Mediterranean world reached China. Nestorian Christians established themselves in the capital; a Jewish community flourished in Kaifeng in Central China that was to last for nearly a thousand years; and Islam gained adherents in the south-west while Turkic peoples converted to Islam settled in the far west. Han Chinese, however, was more influenced by Buddhism. At the popular level this became mixed with traditional animist and Daoist practices.

This period was also the high point of Chinese cultural influence on its East Asian neighbours, due less to Chinese proselytising than to their visits to Chinese seats of learning. The Japanese Court, for example, modelled itself on that of China, and Japanese Buddhists spent lengthy periods of study in Chinese centres of learning. Within China itself ceramics, painting, literature and especially poetry flourished. This was the time of Li Bo (Li Po) and Du Fu (Tu Fu), perhaps the greatest of China's poets.

The Song Dynasty (960–1279), which succeeded the Tang after a brief interlude, lacked the martial and cosmopolitan vigour of the former. The north-eastern territories lost to nomadic invasions at the fall of the Tang were never recovered. In 1127 northern China was lost to Tartar invaders confining the Song to China south of the Chang Jiang (Yangtze River).

Under the Song the civil service administration was refined further. The Buddhist high tide among China's élite receded as officials and scholars developed a more intricate metaphysical and spiritual Confucian doctrine known as neo-Confucianism. As much of the trade through Central Asia declined, trade with the outside world fell more into non-Chinese hands in the south. But this was also a period of considerable cultural vitality. Song painting is among the most highly prized. Technology was of a high order including the further develop-

ment of printing (invented during the Tang Dynasty) the invention of the magnetic compass, gun powder and the cannon, and advances in silk spinning and porcelain manufacture. Maritime trade extended to Southeast Asia and to areas covered by Arab traders.

The middle and late empires

The remainder of the Song fell to the Mongols who established the Yuan Dynasty (1280–1368). Their conquest was especially destructive in the north, where vast fertile areas were transformed into wilderness and denuded of population. The Mongols sought to rule through their military armies divided into banners and the use of officials drawn from Central Asia. Although hated by the Chinese élite, the Mongols still ruled over a prosperous country with large cities of a sophistication which astounded the Venetian Marco Polo. As for culture, the Mongol period is best known for the development of drama (for example, the celebrated Peking Opera) by unemployed scholars.

In less than 100 years the hated Mongols were overthrown by a peasant revolt leading to the establishment of the Ming Dynasty (1368–1644), which consciously sought to restore the styles of the Tang and Song. Although Ming rule was autocratic it restored stability and prosperity.

The introduction of new crops such as the sweet potato from the Americas led to the beginning of a growth of the population which laid the foundation for the huge population spread that took shape in the 19th, and especially in the 20th century. The restoration of the great canals and irrigation works accompanied by refinement of the existing technology of farming and pre-industrial skills in urban centres also led to a great expansion of internal trade.

One of the great questions of history is why China during the Ming Dynasty did not go on to make a breakthrough into an industrial revolution. Many of the technological inventions thought necessary for this had been made in China; mercantile capital had been accumulated in many huge fortunes. Moreover, it was in the early Ming period (1405–33) that huge naval expeditions were sent to Southeast Asia, India, the Persian Gulf, the Red Sea and even to East Africa. These were stopped abruptly to meet the pressing threat from the north, only a couple of decades before the Portuguese appeared in those waters.

Many theories have been advanced to explain the failure to develop an industrial breakthrough. These include the suggestion that the existing technology in agriculture was so efficient that there were disincentives to moving towards a more capital-intensive technology. A more widely accepted explanation focuses on the absence of a socially independent urban middle class and the operation of an officialdom that both preyed upon and recruited from the richer merchants. Whatever the best explanation, the Ming responded positively to the increased contact with Europeans. Catholic missionaries headed by the famous Matteo Ricci were well received in Beijing where they taught the élite mathematics and astronomy. Their astronomical instruments may still be seen in Beijing. However, their notion of converting the high Chinese élite fell foul of a clash of authority between

the Son of Heaven in Peking and the Vicar of Christ in Rome. The Ming fell in 1644 to an internal rebellion that gave the Manzhou from the north-east (Manchuria) the opportunity to conquer the country.

The Manzhou (Manchu) took the dynastic title of Qing (1644–1911). Although the Manzhou administered the country through the traditional civil service, the imperial troops were primarily Manzhou and the Court imposed its racial superiority by forcing ethnic male Chinese to shave the front of their heads and to wear their hair in a queue (pigtail) at the back. They imposed a strict literary censorship. The most notable scholarly achievements of the period were in philosophy and textual criticism.

Under three highly capable emperors the first 150 years witnessed prosperity and stability in an expanded empire that reached deep into Central Asia. The population continued to grow, reaching approximately 400 million by the year 1800. The growth of trade with Europeans, primarily the British operating by extension from India, was initially very profitable to China, but the Manzhou distrusted the foreign traders and confined them under highly restricted conditions to operating from outside Guangzhou (Canton) in the far south. The pattern changed with the illegal export of opium to China from fields in India. By this stage the dynasty had begun to decay. The Manzhou armies lost their effectiveness and had great difficulty in suppressing peasant rebellions.

The costs of empire were high and official positions could be gained for money rather than through performance in the examinations. Corruption became widespread and effective government declined. This was the China that in the following century collapsed under the impact of the Europeans and the challenge of the modern world they brought with them.

The Western impact

By the 19th century the European traders were no longer content to be confined to the far south, restricted and hampered in a variety of ways. Denied access to what they regarded as a market of 400 million by what they saw as a venal and xenophobic bureaucracy and by a corrupt and alien legal system, the British in particular put pressure on the government in London to open China to free trade. Opium became the *casus belli*. By the 1830s it was being smuggled into China in such vast quantities that it was undermining society in the far south and draining silver from the Chinese economy, thereby undermining the taxation system which was calculated in silver but paid in copper cash. When the Imperial Commissioner Lin Zexu confiscated and burnt huge amounts of opium in 1839 the British government found this intolerable. Lord Palmerston sent a military expedition to 'bring China into the Community of Nations'.

The Chinese were unable to match the British fleet, and following a series of defeats they were forced to sign the Treaty of Nanjing in 1842, by which Hong Kong island was ceded 'in perpetuity' and five ports were opened for Western trade establishing the Treaty Port system. This involved the concession of areas where foreigners exercised the right of extraterritorial jurisdiction. Among these was the fishing village of Shanghai,

which soon grew into a major city with an International Settlement protected by its own armed forces drawn from several nations. The Treaty of Nanjing set the precedent for a number of others, all of which were to be described later by the Chinese as 'unequal treaties'. The Chinese Court at first refused to recognise the nature of the Western challenge. Only after Britain and France inflicted another major military defeat in wars between 1858 and 1860, in the course of which they occupied Beijing, did the Court finally accept the diplomatic equality of the Europeans.

Meanwhile the Russians took advantage of the situation to compel the ceding of vast territories in the north. Internally, the dynasty was fatally weakened by the unprecedented Taiping rebellion of the 1850s which was fired by a heady mixture of Christian and nativistic revolutionary precepts. The rebels, who at one point were on the verge of toppling the dynasty, ravaged central China for more than a decade, leading to the death of more than 20 million people. The defeat of the Taipings was engineered by regional armies specially recruited by high-minded provincial governors.

The new breed of governors together with a few like-minded Manzhou princes at Court sought in the 1860s to meet the challenge of the Europeans through a process of self-strengthening. Recognising that the Europeans were qualitatively different from any previous 'barbarian' threat to Chinese history, they aimed at copying the European superior technology in armaments and ships so as to expel the Europeans and re-establish the traditional system and its values. They coined the slogan 'Chinese learning for substance and Western learning for practical utility'. The attempt failed partly because of resistance from the more conservative entrenched officialdom amid continual encroachments from the European powers in a context of xenophobic reactions by a displaced Chinese peasantry, and partly because of the inherent difficulties of the exercise of trying to introduce Western-style armament factories to the unwelcoming and unprepared Chinese environment. The comparison with the contemporary attempt to modernise by drawing on the capitalist West while preserving the Chinese socialist system is instructive. Although the two situations are very different, the 19th-century experience points up some of the great difficulties inherent in the ambitious exercise.

The ultimate failure of the Chinese response was brought home by China's defeat at the hands of the hitherto despised Japanese in 1894-95. It was one thing to lose suzerainty of Indo-China to the French in 1885, but it was altogether different to lose that of Korea and to cede Taiwan to Japan. The defeat spelt the end of China's traditional system. A brief attempt at reform from above was scotched by the redoubtable and reactionary Empress Dowager in 1898. After the failure of the Boxer uprising even she was compelled to recognise the need for change, but by then it was too late.

Republican China

The defeat by Japan swelled the numbers of young Chinese intellectuals who sought a Western education and found inspiration in Western ideas. The first leader of the Republican movement did not come from among

these. Sun Yixian (Sun Yat-sen), a native of Guangzhou, had been educated as a youngster in Hawaii and graduated in medicine in Hong Kong. His world was that of the overseas Chinese which was much influenced by the West. Finding radical reform blocked by Chinese officialdom he became a revolutionary republican. After years of tireless activity to raise funds and build an organisation among the overseas Chinese his influence grew among young Chinese studying in America and especially in Japan. His followers also penetrated the new model army being trained in China.

Eventually, when yet another revolutionary plot in China was on the point of failure, the revolutionaries were able to compel the local commander to side with them. Others in the south rallied to their side. The emperor abdicated. This was the 1911 revolution. Sun Yixian was proclaimed the first President of the Republic of China established in 1912, but he soon withdrew in favour of the strongest military leader. The latter overestimated his strength and tried to set up a new dynasty with himself as emperor, only to collapse in ignominy in 1916, leading to a decade of strife which was marked by manoeuvring between rival warlords to gain control of revenues and access to foreign loans and military purchases. The country fell into ever greater chaos, banditry and rural distress. The seeds of revolution were germinating.

Meanwhile, since the fall of the empire a generation of Chinese had grown up many of whom were strongly influenced by Western education and Western political values. Highly nationalistic, they were swayed by the promises of President Wilson for a just international settlement at the end of the First World War. In May 1919, when the news emerged from Versailles that the warlord government had sold out Chinese interests to Japan, the students from the new Western-style University of Peking rioted and unleashed a new intellectual movement, known as the May 4th Movement, with a great following in the cities. The intellectual and social ferment of the time set the political agenda for the remainder of the century. Rejecting the traditional past there was agreement on the need for modernisation and radical social change, but there was disagreement between liberals and socialists, with the tide shifting in favour of the latter.

Influenced by the Bolshevik revolution, which the socialists interpreted in highly nationalist terms, the Chinese Communist Party was formed in 1921. Its two early leaders, Chen Duxiu and Li Dazhao, differed in their emphasis: the former stressing rationality under the slogan of 'Mr. Science and Mr. Democracy', and the latter emphasising a more populist revolutionary approach that called for unleashing the latent energies of the masses. The differences between these strands of Chinese Communism were to become important, especially after 1949.

The Nationalist Party of Sun Yixian languished in Guangzhou, unable to gain the support of any of the Western powers. In 1923 a deal was struck with the Soviet Union which offered arms and advisors. The party was organised along dictatorial Communist lines and a modern army was trained. In 1924 the Nationalists and Communists established a united front and prepared for a northern expedition to defeat the warlord armies; in