The Richness of Financial Nationalism: The Case of China

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Abstract

Financial nationalism has received little attention in the literature on Chinese nationalism. Nor has China been a focus of the emerging literature on comparative financial nationalism. This is surprising as financial matters were central to modern Chinese nationalism when it began to take shape in the nineteenth and the twentieth centuries, and financial nationalism remains influential in contemporary China, which has undoubtedly become a major actor in the international financial system today. Our exploration of Chinese financial nationalism seeks to begin to fill this gap in both sets of literature. This article examines three areas of concern shared by Chinese financial nationalists past and present: currency, foreign financial institutions in China, and international borrowing/lending. We find that, as China's position in the international power hierarchy has evolved, the nature of financial nationalism has changed, from a largely inward and defensive orientation to an increasingly outward orientation. Our study also reveals diverse strands of thinking among Chinese financial nationalists, both now and in the earlier historical era, according to whether they hold a zero-sum or positive-sum conception of international financial relations. The case of China shows the richness of financial nationalism and highlights the importance of a nuanced understanding of this phenomenon.

Keywords: financial nationalism, nationalism, China, currency, international finance

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Introduction

Nationalism in contemporary China has generated a great deal of scholarly attention in the last two decades or more.[1] The general consensus is that nationalism has been on the rise, making up for the decline of communist ideology as a source of legitimacy for the Chinese Communist Party (CCP). As a recent study points out, "'Rising nationalism' has been a major meme in commentary on the development of China's material power since the early 1990s. Indeed, 'rising' is one of the most common qualifiers used by analysts to modify the term 'Chinese nationalism.'"[2]

From a casual glance at the display in Chinese bookstores these days, it is clear that nationalist thinking is manifesting itself in financial issues. Books entitled "currency wars," "currency politics," "geo-currency," "currency power," "currency power competition," "currency strategy," and "currency empire" are popular among the general public. The rising financial content of Chinese nationalism can also be confirmed by a quantitative analysis of Chinese academic and media publications found in the CNKI (China National Knowledge Infrastructure) database, a large and popular collection of academic articles, conference papers, doctoral dissertations, master's theses, as well as items in major Chinese newspapers and magazines. Searching through the abstracts of all the publications included in the database, we have looked for seven phrases which we believe reflect prominent financial themes in contemporary Chinese nationalism: *meiyuan xianjing* (the dollar trap), *huobi zhuquan* (currency sovereignty), *huobi zhan* (currency war), *jinrong baquan* (financial hegemony), *jinrong zhuquan* (financial sovereignty), *jinrong zhan* (financial war), and *jingrong waijiao* (financial diplomacy). As figures 1 to 7 in the appendix show, the salience of these phrases has grown since the early twenty-first century, spiking in the years following the 2008 global financial crisis (GFC).

To date, this financial content has received very little attention in studies of contemporary Chinese nationalism, which focus heavily on other policy areas relating to issues such as territorial disputes, mainland relations with Taiwan, Sino-Japanese relations, and Sino-American relations. Nor has China

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[1] See, for example, Allen S. Whiting, "Chinese Nationalism and Foreign Policy After Deng," *The China Quarterly* 142 (1995): 295–316; Jonathan Unger, *Chinese Nationalism* (London: Routledge, 1996); Yongnian Zheng, *Discovering Chinese Nationalism in China: Modernization, Identity, and International Relations* (Cambridge: Cambridge University Press, 1999); William A. Callahan, "National Insecurities: Humiliation, Salvation, and Chinese Nationalism," *Alternatives* 29, no. 2 (2004): 199–218; Peter Hays Gries, *China's New Nationalism: Pride, Politics, and Diplomacy* (Berkeley: University of California Press, 2004); Suisheng Zhao, *A Nation-state by Construction: Dynamics of Modern Chinese Nationalism* (Stanford: Stanford University Press, 2004); and Christopher Hughes, *Chinese Nationalism in the Global Era* (London: Routledge, 2006).

[2] Alastair Iain Johnston, "Is Chinese Nationalism Rising? Evidence from Beijing," *International Security* 41, no. 3 (2017): 7–43. Using survey data from the Beijing area, Johnston challenges this meme by showing that there has been a decline in most of the nationalism measures since the early 2000s.

been a focus in the emerging literature on comparative financial nationalism. In a pioneering study, Juliet Johnson and Andrew Barnes define financial nationalism as "a subset of economic nationalism that focuses on using monetary and financial policies as instruments to pursue a nationalist agenda."[3] They and others have shown how this financial nationalism has been on the rise in places such as Russia and Eastern Europe since the GFC.[4] The Chinese case, however, has yet to be explored in this literature—a major lacuna given China's increasingly important role in the international financial system.

The limited scholarly attention devoted to contemporary Chinese financial nationalism is particularly surprising given that financial issues were, in fact, quite central to the origins of Chinese nationalism in the nineteenth and early twentieth centuries. Key pioneers of Chinese nationalism, including Liang Qichao and Sun Yat-sen, were deeply interested in the relationship between financial policy and their nationalist goals. How does the content of contemporary Chinese financial nationalism compare to these older traditions of thought? If there are differences, how can they be explained? And what might this comparison teach us about both Chinese nationalism and financial nationalism more generally? These are the questions we address in this article, with the goal of starting to fill a gap in scholarly literature concerning Chinese nationalism and comparative financial nationalism.

We begin by analyzing the financial ideas of early Chinese nationalist thinkers of the nineteenth and early twentieth centuries. As we show in the first section of the article, they had a strong interest in three financial issues: monetary sovereignty, the role of foreign financial institutions in China, and international borrowing.[5] Their perspective was largely an inward-looking, defensive one, focused on boosting China's sovereignty in a context where it was severely challenged in the international financial realm. Alongside this common orientation was an important division between Chinese financial nationalists who held a zero-sum conception of international financial relations, and those who advocated a more positive-sum conception.

The article then turns to analyze the content of contemporary Chinese financial nationalism across the same three issue areas. This comparison

[3] Juliet Johnson and Andrew Barnes, "Financial Nationalism and Its International Enablers: The Hungarian Experience," *Review of International Political Economy* 22, no. 3 (2015): 535–569. See p. 537.

[4] Johnson and Barnes, "Financial Nationalism"; Juliet Johnson and Seçkin Köstem, "Frustrated Leadership: Russia's Economic Alternative to the West," *Global Policy* 7, no. 2 (2016): 207–216; and Juliet Johnson and Andrew Barnes, "Challenging Global Legitimacy: Financial Nationalism in Post-Communist States," paper presented at the annual meeting of the American Political Science Association, August–September 2017.

[5] For space reasons, we have focused on these three issues, but other financial topics also arose in the context of Chinese nationalists' writings, such as issues relating to public finance and central banking.

reveals that Chinese financial nationalism today is less inward-looking and defensive than that in the nineteenth and early twentieth centuries. In addition to striving for national autonomy, contemporary Chinese financial nationalism seeks to boost China's international influence. This new focus stems from the country's changed position in the international power hierarchy: instead of being one of the weakest states in the international financial system, China is now undoubtedly a major emerging financial power. At the same time, we highlight how Chinese financial nationalism continues to be divided between zero-sum and positive-sum conceptions of international financial relations.

In the conclusion, we summarize the core arguments of the article and explore briefly their broader relevance for the literature on Chinese nationalism and on comparative financial nationalism. In addition to providing new empirical analysis, this study contributes to these two sets of literature by pointing out the diversity of current and past Chinese financial nationalist thought along two axes relating to 1) inward-looking versus outward-looking goals and 2) zero-sum versus positive-sum conceptions of international financial relations. This diversity, we suggest, highlights the richness of financial nationalism and the need for a nuanced understanding of this phenomenon, past and present.

Early Chinese Financial Nationalism

Although contemporary Chinese financial nationalism has not received much academic attention to date, the relationship between Chinese nationalism and financial issues has a deep history. Indeed, financial issues were closely associated with some of the earliest nationalist or "proto-nationalist" sentiments expressed in China in the nineteenth century. Early Chinese nationalists were often very interested in these issues because of their country's distinctive financial conditions in this period.

Currency Sovereignty

The first of these was China's lack of monetary sovereignty. Johnson and Barnes highlight the priority that contemporary financial nationalists give to "achieving and defending monetary sovereignty" through "preserving a national currency and defending its exclusive use as a means of exchange and store of value on national territory."[6] The link between nationalism and territorially homogenous and exclusive national currencies is also one that attracted much attention in nationalist circles across the world during the nineteenth and early twentieth centuries. Before the nineteenth century, no country had this kind of "territorial currency," as monetary systems were

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[6] Johnson and Barnes, "Financial Nationalism," 538.

made up of a heterogeneous collection of foreign and privately-issued currencies as well as non-standardized forms of money issued by domestic authorities. But in the nineteenth century, the consolidation of a territorial currency increasingly came to be associated with nation-building and sovereignty across the world, including in China.[7]

The first signs of a link between Chinese nationalism and calls for this kind of currency reform appeared as early as the 1830s in the context of dramatic spikes in local prices of silver and a broader economic depression. The country's economic troubles were widely blamed on a drain of silver that reversed a centuries-old pattern of imports of this metal that had come to dominate the country's money supply.[8] In an 1831 work, the scholar Wang Liu (1786–1843) triggered a major debate in Chinese intellectual circles by calling for an end to China's monetary dependence on foreign silver and the creation of what William Rowe calls "a true *national currency*" that would be "valid throughout the entirety of China's territory and for all citizens/ subjects, but not beyond its borders, and whose value will be determined by the state."[9] Wang's proposals were interesting not just because of their ambition but also because they were linked to emerging new conceptions of Chinese sovereignty.[10] Rowe notes that Wang described "the circulation of foreign currencies in the domestic economy as an 'erosion' (*haoshi*) of the country by foreigners" and that he emphasized the need to protect China's economic "rights" (*liquan*) "in order to guarantee 'respect for our national integrity' (*zun guojia zhi titong*)."[11] Rowe suggests that Wang's language was "as close … to a formulation for 'national sovereignty' as was possible in a language lacking a precise equivalent for that foreign concept."[12] More generally, Rowe points to how an "incipient Chinese nationalism" informed Wang's views of money and that his views reflected a broader "vein of proto-nationalist thought" emerging in China at the time.[13]

Wang's proposals provoked criticism from others, including famous thinkers such as Wei Yuan (1794–1857), who worried that the new currency might be over-issued and might not be accepted by the people. As an alternative, Wei suggested that the authorities resurrect old jade and cowrie money that was independent of foreign influence and also begin for the first time to mint silver coin (the Qing government only issued copper coin at the time) with a distinct design incorporating both Han Chinese and Manchu

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7 Eric Helleiner, *The Making of National Money* (Ithaca: Cornell University Press, 2003).

8 William Rowe, "Money, Economy, and Polity in the Daoguang-era Paper Currency Debates," *Late Imperial China* 31, no. 2 (2010): 69–96; Man-houng Lin, *China Upside Down* (Cambridge: Harvard University Press, 2006).

9 Rowe, "Money, Economy, and Polity," 86.

10 Rowe, "Money, Economy, and Polity," 85, 88, 90.

11 Rowe "Money, Economy, and Polity," 87–88.

12 Rowe, "Money, Economy, and Polity," 88.

13 Rowe, "Money, Economy, and Polity," 85, 88.

decorations.[14] Although Wei and Wang differed in their specific proposals, both put forward ideas linking monetary reform to emerging nationalist sentiments. As Lin puts it, "[t]he serious crisis originating from abroad prompted the beginnings of nationalism. The … proposal that China break with the eclectic coinage mix of the past and cast its own silver coins with a distinct design and silver content reveals an attempt to make currency a symbol of the state."[15]

Calls for the creation of a territorial currency in China became more extensive as Chinese nationalism emerged more clearly as a prominent ideology in the late nineteenth and early twentieth centuries. At a time when many other countries had created territorial currencies, Chinese nationalists were frustrated that their country's monetary system was still made up of multiple standards and a heterogeneous mix of coins, notes, and ingots produced by various private and foreign issuers as well as local governments. Among the advocates of the creation of a modern national currency were two of the most famous promoters of Chinese nationalism at that time: Liang Qichao (1873–1929) and Sun Yat-sen (1866–1925). Both associated this reform with their broader efforts to build a modern national economy and nation-state.[16]As nationalists across the world recognized at the time, a territorially homogeneous and exclusive national currency could help strengthen the fiscal capacity of the state, national economic integration, macroeconomic management to serve national goals, and national identities.[17]

The issue continued to be politically salient in Chinese nationalist circles until well into the 1930s as China remained one of the last major independent countries without a territorial currency. Not until 1935 did the Chinese government finally undertake the necessary reforms to create this kind of monetary structure. The reform was motivated in part by nationalist sentiments and its success was helped by "a strong public patriotic spirit, engendered by Japanese aggression."[18]

The Role of Foreign Banks

A second financial issue that concerned Chinese nationalists in the nineteenth and early twentieth centuries was the role of foreign banks in their country.

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[14] Lin, *China Upside Down*, chapter 4.

[15] Man-houng Lin, "Two social theories revealed: Statecraft controversies over China's monetary crisis, 1808–1854," *Late Imperial China* 12, no. 2 (1991): 1–35, 26.

[16] Austin Dean, "A Coin for China? The Monetary Standards Debate at the End of the Qing Dynasty, 1900–1912," *Modern China* 44, no. 6 (2018), 591–619; Niv Horesh, *Chinese Money in Global Context* (Stanford: Stanford University Press, 2014) 129; Julie Lee Wei, Ramon Myers, and Donald Gillin, eds., *Prescriptions for Saving China: Selected Writings of Sun Yat-sen*, trans. Julie Lee Wei, E-su Zen, and Linda Chao (Stanford: Hoover Institution Press, 1994), 113–115.

[17] Helleiner, *The Making of National Money*.

[18] Kia-Ngau Chang, "Towards Modernization of China's Currency and Banking, 1927–1937," in *The Strenuous Decade*, ed. Paul Sih (New York: St. John's University Press, 1970), 158.

Once again, this concern was similar to that of many contemporary financial nationalists who are described in the literature as showing a "preference for national financial institutions over foreign ones."[19] The issue was particularly prominent in Chinese nationalist circles at this time because of the unusually prominent role of foreign banks in the country's financial system.

Western banks had first set up operations in China in the mid-nineteenth century, operating from the treaty ports beyond the reach of Chinese authorities.[20] From the time they first appeared, these foreign banks quickly dominated the financing of the country's expanding international trade as well as foreign exchange business and international remittances. They also increasingly accepted Chinese deposits, engaged in domestic lending, and issued notes in local monetary units that were widely used. Western banks were soon joined by Japanese institutions such as the Yokohoma Specie Bank, which opened a branch in Shanghai in 1893 and began issuing notes in China in 1902.[21] The significance of foreign banks increased further when the Chinese government's international borrowing grew dramatically in the wake of the 1894–1895 Sino-Japanese War.[22] Between 1912 and 1928, foreign banks were even assigned the role of custodian of revenues earmarked for servicing foreign loans, a role that enabled them "to exercise a dominating influence, internally and externally, on the Chinese money market."[23]

Early nationalist thinkers expressed much concern about the prominence of foreign banks in China. One was Zheng Guanying (1842–1922), a key figure in the emergence of Chinese economic nationalism, who popularized the idea in the late nineteenth century that China needed to fight a "commercial war" with Western countries to prevent foreigners from "draining" China's wealth and undermining its "right to profits."[24] To fight this war effectively, Zheng argued that China needed to modernize its economy (including through monetary consolidation) and embrace the kind of nationalist spirit that he thought was a key source of Western countries' wealth and power. As part of his ambitious reform program, Zheng called for the creation of state-sponsored Western-style banks to counter foreign control and dominance of profits in this sector.[25]

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19 Johnson and Barnes, "Financial Nationalism," 539. See also Johnson and Köstem, "Frustrated Leadership," 212–213.

20 Horesh, *Chinese Money*, 122.

21 Niv Horesh, "Money for Empire: The Yokohama Specie Bank Monetary Emissions before and after the May Fourth (Wusi) Boycott of 1919," *Modern Asian Studies* 47 (2013): 1377–1402; Linsun Cheng, *Banking in Modern China* (Cambridge: Cambridge University Press, 2003).

22 Cheng, *Banking in Modern China*, 17–20.

23 Cheng, *Banking in Modern China*, 73.

24 Eric Helleiner and Hongying Wang, "Beyond the Tributary Tradition of Chinese IPE: The Indigenous Roots of Early Chinese Economic Nationalism," *Chinese Journal of International Politics* 11, no. 4 (2018): 451–483, 468–470.

25 Niv Horesh, "Printed in London, Disbursed on the Bund: The Hongkong Bank and its Early Note Issue in Shanghai, 1865-1911," *Late Imperial China* 27, no. 1 (2006): 109–140, 117. Also see Horesh, *Chinese Money*, 160.

When several initiatives to create modern Chinese banks in the late nineteenth and early twentieth centuries failed to displace foreign banks, criticism of the latter in Chinese nationalist circles continued, with Sun Yat-sen emerging as a leading critic after the 1911 revolution. Like Zheng Guanying, Sun was concerned about the profits foreign banks earned and their ability to "extract great wealth from us."[26] He also worried that "the medium of exchange in the commercial centre of the country is controlled by foreign bankers," noting in 1914 that '[i]f one cannot get rid of that money control one can never be independent."[27] Sun repeated his criticisms in his famous 1924 lectures on *The Three Principles of the People*, where he identified the role of foreign banks in China as one of six kinds of "economic domination" experienced by the country.[28]

Chinese nationalist criticism of foreign banks was also evident at the popular level after World War I. During the May Fourth movement of 1919, anti-foreign protests were expressed partly through boycotts of foreign banks, particularly the Yokohama Specie Bank.[29] The subsequent widespread anti-imperialist protests in 1925 saw the same phenomenon, with foreign banks criticized for undermining local banks, facilitating China's indemnity payments after the Boxer Rebellion, creating the monopolistic consortia for lending to the government, manipulating exchange rates, and financing the opium trade.[30] Critics also highlighted the unusual nature of the circulation of foreign banknotes in China in comparison to the practices of other countries, thus linking the issuance of foreign bank notes in China to the broader problems associated with extraterritoriality.[31]

These boycotts of foreign banks had a considerable impact on the foreign institutions, which subsequently diminished their role in China.[32] At the same time, there was a rapid growth of Chinese private banks in the interwar years, some of which embraced the nationalist idea that they had a role to play "to save China" and "resist foreign economic oppression."[33] When the Guomindang (GMD) consolidated its control over China in the late 1920s, it further discouraged the use of foreign banks and banknotes and ended foreign banks' role as custodians of revenues servicing external debt.[34]

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26 Wei et al, *Prescriptions for Saving China*, 109.

27 Sun Yat-sen, *10 Letters of Sun Yat-sen 1914-1916* (Stanford: Stanford University Libraries, 1942), 3–4.

28 Sun Yat-sen, *San Min Chu I: The Three Principles of the People*, translated into English by Frank Price, edited by L.T. Chen (Shanghai: The Commercial Press, 1928), 53.

29 Horesh, "Money for Empire."

30 Niv Horesh, "Printed in London," 110.

31 Horesh, "Money for Empire," 1396; Horesh, *Chinese Money*, 156.

32 Niv Horesh, "Many a Long Day: HSBC and Its Note Issue in Republican China, 1912–1935," *Enterprise & Society* 9, no. 1 (2008): 6–43; Horesh, "Money for Empire"; Zhaojin Ji, *A History of Modern Shanghai Banking* (London: M.E. Sharpe, 2003).

33 Quoted in Cheng, *Banking in Modern China*, 234.

34 Cheng, *Banking in Modern China*, 75–76; Horesh, "Many a Long Day."

Debates About Foreign Borrowing

A third financial issue that provoked much debate in Chinese nationalist circles in the late nineteenth and early twentieth centuries was the role of foreign borrowing. The Chinese government's borrowing from foreign banks began in a limited way in 1853, but then expanded rapidly after the mid-1890s, generating fears among nationalists about its consequences for China's sovereignty.[35] One of the earliest prominent nationalist critics of foreign borrowing was Huang Zunxian (1848–1905). He became particularly well known for his 1895 publication, *Treatises on Japan*, which analyzed the Meiji reforms drawing on his experience serving as a Chinese diplomatic official in Japan between 1877–1882. In the book, Huang praised Japan's resistance to foreign loans and investment, while warning of the experiences of Egypt and the Ottoman Empire in this area. Instead of foreign borrowing, he urged financial reforms that would boost the capacity of the Chinese state to mobilize domestic funds, such as higher taxation, a national banking system, a standardized currency, and the issuing of domestic government bonds.[36]

In the early twentieth century, Liang Qichao emerged as the most prominent and vigorous critic of the sudden growth of foreign borrowing and investment at the time. Echoing the views of many popular protestors at the time, Liang argued that China needed to resist foreign capital on the grounds that it usually benefitted only the investor while creating an opening for later annexation. As he put it in a 1901 essay, foreign loans were one of the techniques used by imperialist powers in "destroying countries."[37]

This historical wariness of foreign borrowing has parallels to contemporary financial nationalism.[38] Interestingly, however, this issue generated more debate than the previous two issues discussed, splitting the Chinese nationalist movement in the early twentieth century. While Liang was wary of foreign borrowing, Sun Yat-sen took a very different view, arguing that foreign finance could play a crucial role in supporting the kind of ambitious economic modernization program that Sun felt was necessary for China's political survival. As he put it in 1918, "Chinese aspirations can be realized only when we understand that, to regenerate the State and to save the country from destruction at this critical moment, we must welcome the influx of large-scale foreign capital on the largest possible scale."[39]

35 Cheng, *Banking in Modern China*, 23.

36 Noriko Kamachi, *Reform in China* (Cambridge: Council on East Asian Studies, Harvard University Press, 1981) 73, 155–159; Ching-man Lee, *Huang Tsun-Hsien's Interpretation of Meiji Japan's Economic Development* (MA thesis, Department of History, University of British Columbia, 1975), 86–89, 159.

37 Quoted in Rebecca Karl, *Staging the World: Chinese Nationalism at the Turn of the Twentieth Century* (Durham: Duke University Press, 2002), 72; see also, James Reeve Pusey, *China and Charles Darwin* (Cambridge: Council on East Asian Studies, Harvard University Press, 1983), 361.

38 Johnson and Köstem, "Frustrated Leadership," 212; Johnson and Barnes, "Challenging Global Legitimacy," 2.

39 Sun Yat-sen, *Memoirs of a Chinese Revolutionary* (New York: AMS Press, [1927]1970), 174.

In developing this argument, Sun rejected the zero-sum view that foreign capital gained economically only at the expense of China. If foreign capital was managed effectively, Sun argued that international financial relations could become positive sum, with foreign lending benefitting both the lender and the Chinese people. His most ambitious views on this subject were outlined in his book *The International Development of China* (first published in 1920), where he described in great detail how foreign borrowing could support large-scale Chinese industrialization, resource development, agricultural improvement, and massive infrastructure projects. Under his plan, the Chinese government would contract with foreigners for loans to finance specific projects that would be "managed and supervised under Chinese employment." These would be "national undertakings" in which the property created would be "state-owned" and "managed for the benefit of the whole nation."[40] Under his plan, the Chinese government would contract not with foreign private financiers but with a new "International Development Organization" (IDO) established by the "Capital-supplying powers."[41]

Sun emphasized the positive-sum nature of this innovative proposal, arguing that it would "ensure the mutual benefit of China and the countries cooperating with us."[42] From the standpoint of the lending countries, Sun argued that they would find an outlet in China for their surplus capital and a market for their goods.[43] From China's standpoint, foreign capital channelled via the IDO would support China's economic development more effectively than foreign bankers who had "entirely disregarded the will of the Chinese people" in the past. Indeed, before any Chinese development project was supported by the IDO, Sun's plan required that "the confidence of the Chinese people must be secured in order to gain their cooperation and enthusiastic support."[44] More generally, Sun noted that the IDO would serve Chinese nationalist goals by encouraging cooperation among the creditors in ways that would reduce the kinds of inter-imperialist spheres of influence that existed before the war. As Sun put it, his country "is now a prey of militaristic and capitalistic powers – a greater bone of contention than the Balkan peninsula. Unless the Chinese question can be settled peacefully, another world war greater and more terrible than the one just past will be inevitable." [45] By promoting peace through international financial cooperation, Sun even argued that his proposed IDO could be "the keystone in the arch of the League of Nations."[46]

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40 Sun Yat-sen, *The International Development of China* (New York: G.P. Putnam's Sons, 1922), 11–12.

41 Sun, *The International Development*, 227, 9.

42 Sun, *The International Development*, 6.

43 Sun, *The International Development*, 5, 8.

44 Sun, *The International Development*, 9–10.

45 Sun, *The International Development*, v.

46 Sun, *The International Development*, 9.

In developing his ideas about the IDO, Sun advanced what was one of the first-ever proposals for a multilateral development lending institution. His book, in fact, anticipated many of the arguments for the establishment of the World Bank over two decades later. Indeed, his ideas were even discussed at the 1944 Bretton Woods meeting.[47] Johnson and Barnes note that a common attribute of financial nationalists in the current era is their "skepticism" and "natural distrust" of multilateral financial institutions.[48] Sun's distinctive strand of financial nationalism, however, led him to see multilateral financial institutions in a more positive light as an institutional form that might enable China to acquire much-needed foreign capital in a manner that was more compatible with nationalist aspirations than when it came through private channels.

Contemporary Chinese Financial Nationalism

Financial issues, thus, had a prominent place in early Chinese nationalist thought. How does Chinese financial nationalism today compare with that in the earlier period? If there are differences, how can they be explained? To address these question, we explore contemporary Chinese thinking in the same three areas discussed above: currency, foreign financial institutions, and international lending.

Currency Internationalization

In the nineteenth and early twentieth centuries, Chinese nationalists aspired to a unified national currency. In the early twenty-first century, Chinese nationalist ambition has turned to making China's national currency—the renminbi (RMB)–into an international currency. The Chinese government began to push seriously for RMB internationalization in the aftermath of the GFC. In a short time, the international use of the RMB made impressive inroads in the private sphere. According to data provided by the Society for Worldwide Interbank Financial Telecommunication (SWIFT), RMB had become the second most used currency in international trade settlement by 2013 and the fourth in global payments in 2015. In late 2015, the International Monetary Fund (IMF) approved the RMB's entry into the basket of currencies that determine the value of its Special Drawing Right (SDR). In the last few years, the progress of RMB internationalization has stalled and in some ways been partially reversed.[49] Nonetheless, the Chinese government remains committed to the long-term goal of making the RMB an international currency.

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47 Eric Helleiner, "Sun Yat-sen as a Pioneer of International Development," *History of Political Economy* 50, no. 5 (2018): 76–93.

48 Johnson and Barnes, "Financial Nationalism," 540; Johnson and Barnes, "Challenging Global Legitimacy," 3.

49 SWIFT, "RMB Tracker," 2017, https://www.swift.com/our-solutions/compliance-and-shared-services/business-intelligence/renminbi/rmb-tracker.

The current outward orientation of China's currency policy forms a sharp contrast with the inward orientation of earlier times. An obvious source of this distinction is China's different position in today's global economy and financial system compared with its position in the nineteenth and early twentieth centuries. The pursuit of RMB internationalization is, however, by no means an automatic result of China's growing economic and financial prowess. As Benjamin Cohen points out, financial capabilities do not dictate how such capabilities are used; national identity and national ambition play an important role in shaping currency policies.[50] For instance, when Germany and Japan became capable of internationalizing their currencies after the 1960s, they chose not to do so (although the Japanese government began to change its mind in the 1990s) in part because of their particular conception of the role their nations played in the world. Underpinning China's push for RMB internationalization is a strong sense of national anxiety and a dream of national grandeur shared by the government and the public.

One motivation of RMB internationalization has been the fear of Chinese vulnerability in a Western-dominated and dollar-centred world. A particularly dramatic illustration of this line of thinking can be found in the well-known book series on currency wars (*huobi zhanzheng*). In 2007, Chinese author Song Hongbing published a book under that provocative title. It proposes a conspiracy theory of Western (particularly financial institutions connected with the Rothschilds) control of the international financial system, which works against the interests of China and other developing countries. The book urges China to prepare to fight "bloodless wars" against "evil forces," such as the US Federal Reserve, which seek to destroy the Chinese economy.[51] It calls for reducing Chinese purchase of US-dollar assets, and countering US dominance of the global financial system. The book became a bestseller and was read by political and business leaders.[52] Song's perspective was not universally accepted. Critics point out his analysis has serious factual mistakes and logical flaws. They reject his conspiracy theory and the associated policy prescriptions. Instead of engaging in currency wars, they argue, China needs to continue to reform and open its financial system in order to achieve further development.[53] However, the book was overall a huge success, so much so that Song went on to write several sequels in the next few years.

It is not just popular authors such as Song who harbour fear and suspicions of the dollar-dominated international monetary system. Serious scholars and Chinese officials have also been concerned about the so called "dollar trap."

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[50] Benjamin J. Cohen, *Currency Statecraft: Monetary Rivalry and Geopolitical Ambition* (University of Chicago Press, 2018).

[51] Song Hongbing, *Huobi zhanzheng* [Currency wars] (Beijing: Zhongxin chubanshe, 2007).

[52] Richard McGregor, "Chinese Buy Into Conspiracy Theory," *Financial Times*, 25 September 2007 (https://www.ft.com/content/70f2a23c-6b83-11dc-863b-0000779fd2ac).

[53] See, for example, Xiao Bo, *Huobi zhanzheng pipan* [A critique of currency wars] (Beijing: zhongguo jingji chubanshe, 2009).

In the early years of the twenty-first century, China's foreign reserves grew rapidly, alongside its rising current account surplus. Because of the global dominance of the dollar and of the US financial system, these reserves were overwhelmingly invested in US treasuries and other dollar-denominated financial assets. Following the GFC, however, many Chinese became worried about the impact of US economic troubles on China's investments. Chinese Premier Wen Jiabao explicitly told Americans "we hope the United States honors its word and ensures the safety of Chinese assets."[54] Chinese scholars and commentators discussed extensively the spillover effect of the US's monetary policy of "quantitative easing" on China. They believed that cultivating the RMB's status as an alternative international reserve currency would reduce China's vulnerability and enhance its long-term autonomy.[55]

Support for internationalizing the Chinese currency can be tied not just to the pursuit of autonomy, but also to a growing desire to increase China's international influence and to realize the dream of national revival. Scholarly and popular discourse often links currency internationalization to national power.[56] This perspective is also held by many in official circles. For instance, as early as 2006, a study group at the People's Bank of China (PBoC) published a report favouring RMB internationalization, which noted that it "can enhance China's international status and competitiveness significantly [and] will increase its influence in the international economy." It also noted that China would "have a greater say" and enjoy "a rise in power standing" if its currency internationalized.[57]

That wording suggested that Chinese thinking about internationalizing the RMB is also rooted in the yearning for national prestige. As Cohen argues, "a position of prominence in the hierarchy of currencies plainly promotes the issuing state's overall reputation in world affairs… . What people would not take pride when greater esteem is accorded one of its most tangible symbols?"[58] The symbolic significance of currency policy was particularly visible in the campaign to get the RMB into the IMF's SDR basket around

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[54] Don Lee and Barbara Denmick, "China's Wen Jiabao Concerned about Stability of U.S. Debt," *Los Angeles Times,* 14 March 2009.

[55] See, for example, Chen Jiangsheng and Chen Shaoming, "Guoji huobi tixi gaige yu renminbi guojihua" [Reform of the international monetary system and RMB internalization], in *Zhonggong zhongyang dangxiao xuebao,* 2010, no. 1, and Xiang Songzuo (2014), "Baituo renminbi 'bei meiyuanhua' kunjing" [Getting out of the dilemma of the 'dollarization' of RMB], *Xin Caijing,* 2014, no. 1.

[56] See, for example, Chen Yulu, Wang Fang, and Yang Ming, "Zuowei guojia jingzheng zhanlue de huobi guojihua: Meiyuan de jingyan zhengju – Jianlun renminbi de guojihua wenti" [Currency internationalization as a national competition strategy: the experiential evidence of the dollar – also a discussion of RMB internationalization], *Jingji yanjiu,* 2005, no. 2, and Hao Yan, *Renminbi guojihua – Daguo huobi jueqi zhilu* [RMB internationalization: the path of the rise of great powers' currencies], (Beijing: Renmin chubanshe, 2017).

[57] Cited in Benjamin J. Cohen, "The yuan tomorrow? Evaluating China's currency internationalisation strategy," *New Political Economy* 17, no. 3 (2012): 361–371, 362.

[58] Benjamin J. Cohen, *The Future of Money* (Princeton: Princeton University Press, 2003), 22.

2015.[59] Many in China believed that the RMB's entrance into the SDR basket, joining the other highly ranked international currencies—the dollar, the euro, the pound, and the yen—would mark the world's recognition of China's new status in the world economy. When the IMF accepted the RMB into the SDR basket, it was widely celebrated in China as strong affirmation of China's international status and its new ability to be a major player in global financial governance.[60]

The Role of Foreign Financial Institutions

Like the thinkers of the nineteenth and early twentieth centuries, contemporary Chinese policy makers and popular nationalists also have concerns about granting a major role to foreign financial institutions in China. China's financial system was largely closed to foreign banks after the 1949 revolution, but the government began in the early 1980s to allow a small number of foreign banks and insurance companies to conduct limited business in a few cities. When China became a member of the World Trade Organization (WTO), the government committed to a phased opening of its financial services to foreign participants. The implementation of that commitment, however, has been slow and uneven. Shortly after China's accession to the WTO, the Chinese government issued rules and regulations that limited foreign ownership of banks in China. Chinese policy was clearly in favour of national financial institutions.

In the years following the GFC, the Chinese government continued to exercise strict control of the Chinese financial sector. Foreign banks had to meet difficult requirements before they could engage in RMB business. Moreover, Chinese regulators were slow to act on the applications of foreign banks to issue domestic currency credit and debit cards. They also required these banks to move their data processing for the cards onshore, which many foreign banks were reluctant to do.[61] As of 2016, foreign banking assets only made up around 1.2 percent of the total banking assets in China. Industry specialists expect the market share of foreign banks to stay around 2 percent over the next few years.[62] By comparison, in 2011, foreign banks accounted for about 15 percent of the total banking assets in the US.[63] Foreign institutional

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59 Hongying Wang, *Much Ado about Nothing? RMB's Inclusion in the SDR Basket* (Waterloo: CIGI Paper, no. 84, December 2015).

60 See, for example,"Kaifang yu gongying zhiju (An act of openness and win-win)," *People's Daily*, 2 December 2015, http://opinion.people.com.cn/n/2015/1202/c1003-27878608.html.

61 These and other limitations in China's implementation of its WTO commitment are discussed in the US Trade Representative's "2015 Report to Congress On China's WTO Compliance," https://ustr.gov/sites/default/files/2015-Report-to-Congress-China-WTO-Compliance.pdf.

62 See "Mainland China Banking Survey 2017," KPMG 2017, https://assets.kpmg.com/content/dam/kpmg/cn/pdf/en/2017/08/2017-mainland-china-banking-survey.pdf.

63 William Goulding and Daniel Nolle, "Foreign Banks in the U.S.: A Primer," Federal Reserves 2012, https://www.federalreserve.gov/pubs/ifdp/2012/1064/ifdp1064r.pdf.

investors also account for 1.2 percent of bond market investors, well below the 10 percent level in other developing countries such as Malaysia.[64]

Chinese nationalists in the late Qing and early Republican era saw foreign financial institutions as forces of foreign domination over China. Contemporary Chinese nationalists have fewer worries about this issue, but it remains a point of concern. Chinese analysts emphasize the importance of resisting US financial hegemony under financial globalization, arguing that China must cautiously guard its financial sovereignty in the process of financial liberalization.[65] Similar to their predecessors, contemporary financial nationalists inside and outside the government have also been wary that foreign financial institutions may deprive China of profits and policy instruments. While economic reform in China has opened many economic sectors to private ownership and foreign participation, the state has hardly loosened its control of financial institutions. The party state has been determined to retain its control of this and other strategic sectors, such as energy, transportation, communication, and defense. These are highly profitable industries (under monopoly) and are at the commanding heights of the national economy.[66] Unlike earlier nationalist thinkers, who called for national but not necessarily state-backed financial institutions, contemporary Chinese financial nationalism tends to equate the two. As a recent article in the CCP's leading political theory journal puts it, "Finance is a special industry, which involves public interest and all sectors of the national economy and thus can't be privatized … . As a socialist country, China must maintain the dominant status of state-owned financial institutions in order to realize state guidance of the financial sector."[67]

In the last couple of years, however, the Chinese government has shown more flexibility in opening up China's $45 trillion financial sector. It has announced measures to raise or remove the limits on foreign ownership of commercial banks, asset management companies, securities and futures firms, and insurance companies. Chinese regulators have accepted the applications from several foreign financial institutions—UBS, Nomura, and JP Morgan—for majority stakes in securities joint ventures, although the approval process is likely to take time.[68]

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64 Jun Zhu et al., "The Further Opening Up of China's Financial Sector," *China Economic Journal* 11, no. 1 (2018): 44–52.

65 See, for example, Yan Jianying, "Meiguo jinrong baquan yu zhongguo jinrong anquan" [US financial hegemony and Chinese financial security], *Lilun daokan*, no. 5 (2004); and Zhang Junguo, "Dui jinrong diguo zhuyi xu ju'an siwei" [Keeping in mind the danger of financial imperialism], *Weishi*, no. 2 (2017).

66 Margaret M. Pearson, "The Business of Governing Business in China: Institutions and Norms of the Emerging Regulatory State," *World Politics* 57, no. 2 (2005): 296–322.

67 Yan Haibo, "Fangkong jinron fengxian weihu jinrong anquan" [Prevent and control financial risks, protecting financial security], *Hongqi wengao*, no. 19 (2017).

68 Bloomberg News, "How's China's Opening to the Financial Sector Going?" 11 November 2018, https://www.bloomberg.com/news/articles/2018-11-11/how-s-china-s-opening-to-the-financial-sector-going-quicktake.

The recent promise of wider openness of China's financial sector to foreign institutions reflects not just US pressure but also new thinking among Chinese thinkers and policy makers about how best to use financial instruments to serve national goals. As in the case of currency internationalization, this shift in policy has been driven in part by a more outward-oriented kind of financial nationalism. An article published around the time of the announcement of the policy of liberalization written by several key officials of the Chinese central bank is illuminating.[69] Citing international experience, it lists a number of benefits of financial sector openness, among which are enhancing the international competitiveness of Chinese banks and facilitating RMB internationalization. These officials point out that Chinese financial institutions have built up their capabilities and dominance in the domestic market, thus reducing the risk of being undermined by the entry of foreign institutions. They also stress that Chinese financial institutions are becoming globalized, extending their reach to Europe and the US as well as along the Belt and Road. In this context, they note that "two-way openness has been consistently on the rise."[70] Speaking to those concerned about the impact of greater openness on China's national security, they emphasize the importance of "preventing foreign accusations of protectionism in the name of national security."[71]

International Lending

In the late nineteenth and early twentieth centuries, Chinese nationalists vigorously debated the costs and benefits of foreign borrowing, with some warning of its implications for Chinese sovereignty while others trumpeted its utility for modernizing the Chinese economy. Contemporary China is in a very different place; rather than being a debtor, it has become a major international creditor. In this new context, nationalist discourse has increasingly focused on how China might use its new financial resources to serve outward-oriented nationalist goals.

Two books that came out in 2015 provide a glimpse into such a mentality. *On Financial Statecraft* (*Jinrong guoce lun*) was published by a highly respected publisher affiliated with the Chinese Academy of Social Sciences. It argues that finance is not only a tool, but also a weapon, and that it is not only a market but also a battlefield. Elaborating the connection between finance and the so-called colour revolutions, the fight against terrorism, international sanctions, and national sovereignty, the authors emphasize the important role played by financial instruments in foreign policy strategies. They contend that finance has become the focal point of international competition. Whoever controls financial power, they argue, controls the world.[72] *Finance*

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69 Zhu et al., "The Further Opening Up."

70 See Zhu et al., "The Further Opening Up," 48.

71 Zhu et al., "The Further Opening Up," 48.

72 Wu Shihua, *Jinrong guoce lun* [On financial statecraft] (Beijing: Shehui kexue wenxian chubanshe, 2015).

and National Security (*Jinrong yu guojia anquan*) was published by an authoritative publisher affiliated with the Chinese central bank. The authors explore how the United States has used the dominant position of the dollar and the strength of the American financial market to maximize its national interest. Drawing lessons from the United States, they urge China to use financial means to create greater economic interdependence with its neighbours and thus win their confidence and respect.[73]

The notion of financial diplomacy has gained currency in recent years. Popular and scholarly publications point out that countries—especially great powers—use financial resources to advance national interests abroad. They argue that, as a rising power, China should use its financial resources and capabilities to promote its international standing and influence.[74] With regard to lending specifically, commentators and government officials have explicitly called for Chinese banks to support national foreign policy priorities.[75]

Indeed, many observers see China's lending abroad as closely connected with the search for economic resources and political influence. Scholars highlight how the rapidly growing Chinese investment in the developing regions, especially Africa and Latin America, is giving China new clout in those areas at the expense of Western countries.[76] Even in developed countries, Chinese lending has been perceived by Chinese and foreign analysts as a tool of influence. For example, China's massive holding of US debt has generated much debate about whether this situation provides China with enhanced economic and political leverage over the United States.[77] Scholars have also noted that Chinese investment in Europe after the GFC has lessened European political resistance to a number of Chinese policy demands, such as fast-tracking Chinese investment approvals and allowing negotiations to take place between China and individual European nations rather than the European Union.[78]

In addition to its growing bilateral lending abroad, China has also become

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[73] Zhang Hongli et al., *Jinrong yu guojia anquan* [Finance and national security] (Beijing: Jirong chubanshe, 2015).

[74] See, for example, Xiao Jian, "Jinrong waijiao" Moqiu gujia liyi de zhongyao gongju" [Financial diplomacy: an important instrument serving national interest], *Hongqi wengao*, no. 15 (2010); and Li Wei, "Jinrong waijiao zai zhongguo de xingqi" [The rise of financial diplomacy in China], *Shijie jingji yu zhengzhi*, no. 2 (2013).

[75] See, for example, Chen Yuan, "Ba kaihang fazhan youji rongru guojia zhanlue" [Organically incorporate the growth of China Development Bank in our national strategy], *Zhongguo jinrong*, no. 5 (2011).

[76] See, example, Christopher Alden, Daniel Large, and Ricardo Soares de Oliveira, *China Returns to Africa: A Rising Power and a Continent Embrace* (New York: Columbia University Press, 2008); and Robert Evan Ellis, *China in Latin America: The Whats and Wherefores* (Boulder: Lynne Rienner Publishers, 2009).

[77] Daniel Drezner, "Bad Debts: Assessing China's Financial Influence in Great Power Politics," *International Security* 34, no. 2 (2009): 7–45.

[78] Sophie Meunier,"'Beggars Can't be Choosers': The European Crisis and Chinese Direct Investment in the European Union," *Journal of European Integration* 36, no. 3 (2014): 283–302.

a major contributor of funds to multilateral financial institutions. Some of these contributions are directed at supporting established institutions such as the World Bank and the IMF. As China has emerged as a creditor to the world, however, Chinese policy analysts and officials have become increasingly critical of the underrepresentation of developing countries—including China itself—within these Bretton Woods institutions.[79] Partly for this reason, China has also begun to support the creation of new multilateral financial institutions in which it has a prominent position, such as the Chiang Mai Initiative Multilateralization, the New Development Bank, the Contingency Reserve Arrangement, and the Asian Infrastructure Investment Bank.

China's increasingly prominent role in multilateral development finance is reminiscent of Sun Yat-sen's pioneering support for this idea in 1920. The comparison highlights well China's changed global financial position vis-à-vis the early twentieth century: while Sun Yat-sen first proposed a multilateral development bank as a means of *borrowing* foreign capital to support China's economic development, China is now one of the largest *lenders* in the world of multilateral development finance. Interestingly, Sun's ideas about international development lending are sometimes invoked by Chinese analysts today.[80]

Like Sun, many Chinese policy makers highlight the positive-sum nature of Chinese-supported multilateral development finance in the current era, arguing that it benefits both lenders and borrowers alike. In fact, "win-win" has been a favourite phrase used by the Chinese government in recent years to describe all its foreign economic—including financial—policy initiatives. This perspective co-exists, however, alongside the Chinese views noted earlier that depict international finance more in zero-sum terms as a site for competition over power and influence in world politics. These latter views are more reminiscent of Liang Qichao's perspective in the early twentieth century that international lending could be used as a tool of domination. While Liang worried about China's vulnerability to this tool, the shoe is now on the other foot, with China in a position of potentially dominating other countries with its bilateral and multilateral lending.

Conclusion

Scholars of contemporary Chinese nationalism have devoted little attention to date to the subject of financial nationalism. Our analysis suggests the topic

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[79] See, for example, Zhou Xiaochuan, "Statement by Dr. Zhou Xiaochuan, Governor of People's Bank of China at the Seventeenth Meeting of the International Monetary and Financial Committee," Washington, DC, 12 April 2008, https://www.imf.org/External/spring/2008/imfc/statement/eng/chn.pdf.

[80] For example, see Lou Yali, "Sun Zhongshan de jingji sixiang yu 'yidai yilu' zhanlue" [The economic thoughts of Sun Zhongshan and the 'One Belt One Road' strategy], 2015, http://www.minge.gov.cn/mgzy/zhutiyanjiang/201512/64c9ac3cba9144a9911491b1c8dd4513.shtml.

deserves more scrutiny. Financial nationalism was an important part of modern Chinese nationalism when it emerged in the nineteenth and early twentieth centuries, and remains an influential ideology in contemporary China. A comparison of the two periods reveals both continuities and change.

We have shown how financial nationalists both today and in earlier periods have been concerned about similar issues, including those relating to currency, foreign financial institutions in China, and international borrowing/lending. As China's position has evolved from then to now, however, the nature of financial nationalism has changed, from a largely inward and defensive orientation to an increasingly outward orientation. Rather than trying to create a national currency, the Chinese government is now actively promoting the internationalization of the national currency. While earlier efforts to build up national banks and constrain the role of foreign banks faced serious obstacles, Chinese authorities today are more confident about the dominant role of Chinese banks in the country's financial system and are increasingly interested in how those banks can expand their international presence. Instead of debating whether or not to borrow from abroad, contemporary Chinese nationalists ponder how best to use China's international creditor position to serve the country's interests.

Like their predecessors in the nineteenth and early twentieth centuries, contemporary financial nationalists also sometimes hold diverse views on specific issues according to whether they conceptualize international finance in zero-sum or positive-sum terms. In the earlier period, this divide was best represented by the disagreement between Liang Qichao and Sun Yat-sen regarding foreign borrowing. In the present era, such diverse points of views can be found in all three issue areas. Advocates of the zero-sum perspective often argue for currency wars, limiting entry of foreign financial institutions, and competing against Western-dominated international financial institutions. Subscribers to the positive-sum perspective often emphasize that China needs to further liberalize its own financial system, support the SDR, welcome foreign competition, and work with established, mainstream international financial institutions. Each side believes their approach best serves nationalist goals, such as the promotion of national development, security, sovereignty, and influence.

This study aims to contribute not just to scholarship on Chinese nationalism but also to new literature examining financial nationalism in a comparative context. This literature has compared rising financial nationalism in the post-2008 period in countries such as Hungary and Russia, and other post-communist states. Our study highlights China as another important example of this phenomenon, not just because of China's growing power in the contemporary global financial system, but also because this case reveals the diversity of the content of financial nationalism. Existing literature on financial nationalism mentions in passing different varieties of financial nationalism, but has primarily focused on inward-oriented and

often zero-sum types associated with goals such as reducing dollarization, favouring insiders over foreign or foreign-connected financial institutions, imposing capital controls, reducing the autonomy of the central bank, and turning away from multilateral financial institutions.[81] The case of China highlights other varieties, including those with more outward-oriented goals and positive-sum conceptions of international finance.

Looking into the future, how might financial nationalism inform Chinese policy in the coming years? Some of the earlier Chinese nationalist thinkers described in this article did anticipate a time when China would assume the kind of power that it is presently acquiring. Liang Qichao, for example, looked forward to a time when China could flex its power in the way that Western imperialist states were doing at the time he was writing: "If as the largest race on this planet we are able to build a country fit for evolution, then who will be able to usurp from us the title of the Number One Imperialist Nation on Earth?"[82]

In his lectures on *The Three Principles of the People*, Sun Yat-sen also spoke about a future day when China would be a rising power, but he had quite different ideas about how China's future leaders should respond. Rather than copying Western-style imperialism, Sun argued that they would need to chart a different course that built on ancient Chinese values:

> If China, when she becomes strong, wants to crush other countries, copy the Powers' imperialism, and go their road, we will just be following in their tracks… . Only if we 'rescue the weak and lift up the fallen' will we be carrying out the divine obligation of our nation. We must aid the weaker and smaller peoples and oppose the great powers of the world... Let us to-day, before China's development begins, pledge ourselves to lift up the fallen and to aid the weak; then when we become strong and look back upon our own sufferings under the political and economic domination of the Powers and see weaker and smaller peoples undergoing similar treatment, we will rise and smite that imperialism. Then we will be truly 'governing the state and pacifying the world.' If we want to be able to reach this ideal in the future, we must now revive our national spirit, recover our national standing, unify the world upon the foundation of our ancient morality and love of peace, and bring about a universal rule of equality and fraternity.[83]

To what extent are these quite different ideas of Liang and Sun remembered by the Chinese leadership today? It seems that Sun's ideas, at least, have not been forgotten. At a celebration of the 150th anniversary of Sun's birth in November 2016, Chinese leader Xi Jinping quoted a nearby passage from *The Three Principles of the People:* "If China prospers, we need to not only

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[81] Johnson and Barnes, "Financial Nationalism"; Johnson and Köstem, "Frustrated Leadership"; and Johnson and Barnes, "Challenging Global Legitimacy."

[82] Quoted in Pusey, *China and Charles Darwin*, 312.

[83] Sun, *The Three Principles*, 147–148.

restore the status of our nation, but also shoulder great responsibilities for the world."[84] Xi argued that the responsibilities include advocating for world peace, contributing to world development, and being a caretaker of international order. Whether the Chinese leadership chooses to use its country's growing financial power to fulfill Sun's vision instead of that of Liang will help to shape the trajectory of the global financial system, and world politics more generally, in the coming years.

University of Waterloo, Waterloo, Canada, April 2019

[84] Quoted in Xinhua, "China Marks 150th Anniversary of Sun Yat-sen's Birth, Stressing National Integrity," 12 November 2016, http://www.globaltimes.cn/content/1017462.shtml.

Appendix

Source for all figures: www.cnki.net

Figure 1
"Dollar trap" in Chinese academic and media publictions

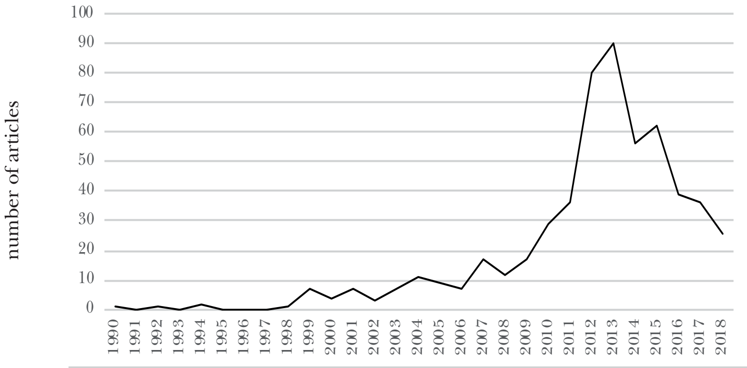

Figure 2
"Currency sovereignty" in Chinese academic and media publications

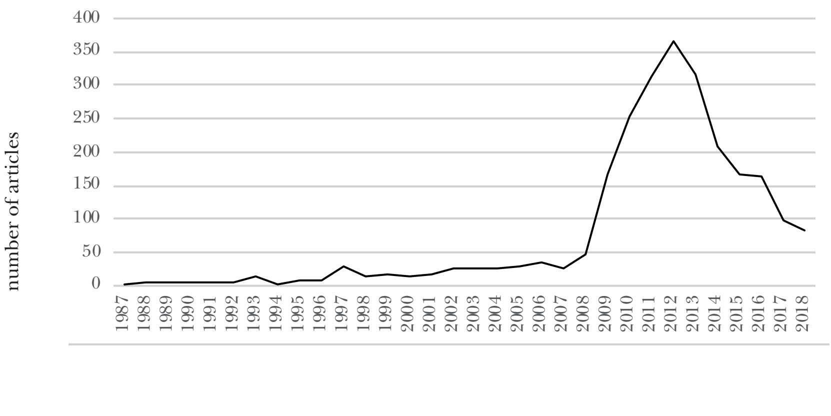

Figure 3
"Currency war" in Chinese academic and media publications

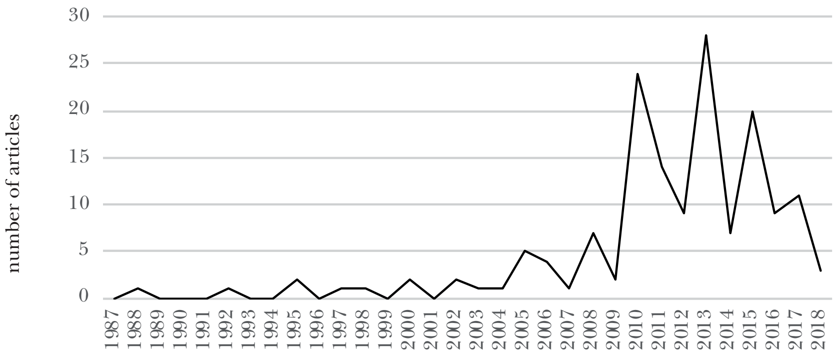

Figure 4
"Financial hegemony" in Chinese academic and media publications

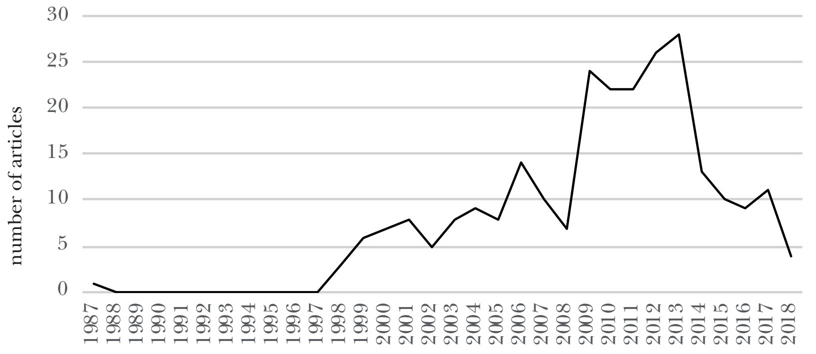

Figure 5
"Financial sovereignty" in Chinese academic and media publications

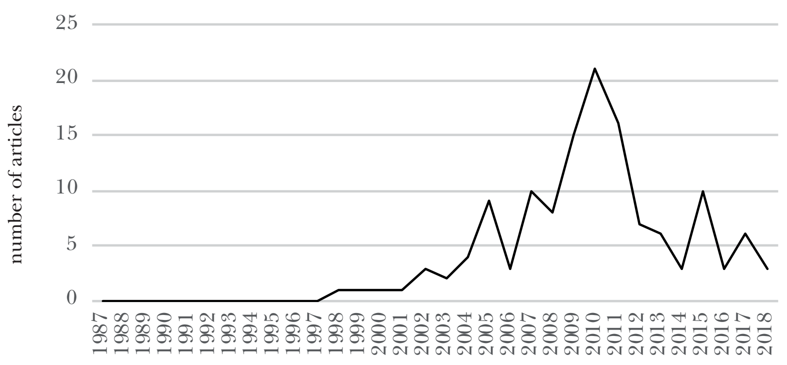

Figure 6
"Financial war" in Chinese academic and media publications

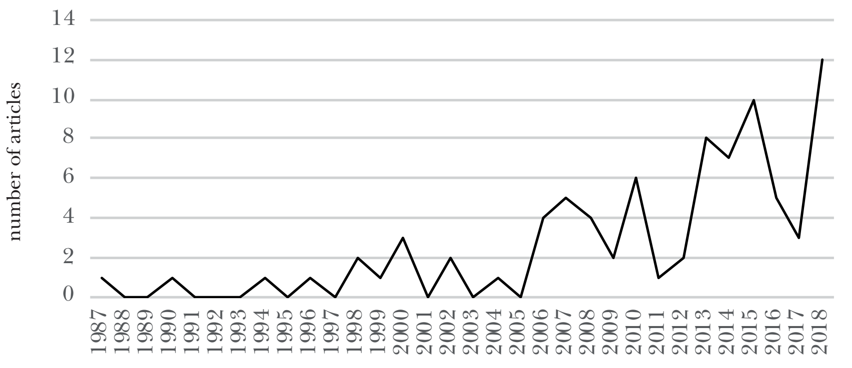

Figure 7
"Financial diplomacy" in Chinese academic and media publications