



By: **Harvey Morris**

# Spy trial furore exposes contradictions of UK's 'no choice' relations with China



The UK government was this week accused of **putting** economic interests ahead of national security by deliberately scuppering a high-profile China spy trial.

The controversy has been rumbling for weeks since two British suspects walked free after the government allegedly failed to provide evidence of the level of threat China poses to the UK.

It has exposed the contradictions facing the current and previous governments in squaring the need to cultivate trade and investment with China with growing fears of Beijing's hostile intent.

As parliament prepared to reconvene after a one-month recess, Conservative leader Kemi Badenoch wrote to Prime Minister Keir Starmer demanding he come clean on the affair and suggesting a cover-up.

She later **told** the House of Commons: "I suspect that they have decided that closer economic ties with China were more important than due process and our national security."

Even the White House has become involved, reportedly warning Starmer that the 'China spy' affair could undermine the UK's special relationship with the US and even imperil long-standing intelligence-sharing arrangements.

## Britain's 'open for business' stance faces scepticism

Beyond the immediate controversy over the collapsed trial is the long-term issue of the UK's relationship with its third-largest trading partner and the world's second-largest economy after a series of much-heralded 'resets'.

As Starmer's deputy, David Lammy, **asserted** in June, when outlining a government audit on relations with Beijing: "Not engaging with China is... no choice at all. Chinese power is an inescapable fact."

The audit, which has never been published in full, proposed the UK should seek a trade and investment relationship with China while also warning that there had been a recent increase in activity by Beijing to undermine British democracy.

**"It's like we want more business, therefore, we don't want to upset the Chinese too much" - James Cleverly**

Successive governments have been accused by domestic China 'hawks' of pandering to Beijing and of downplaying areas of concern, from espionage to human rights to China's geopolitical stance.

The then Conservative foreign secretary James Cleverly prompted such concerns when he embarked on his own China 'reset' in 2023 with the first visit there of a senior UK minister for five years.

Cleverly's assertion that Britain wanted to show China it was "open for business", while bearing in mind security concerns, was met by scepticism from those such as former party leader Iain Duncan Smith.

He **said** of the then government's stance: "It's like we want more business, therefore, we don't want to upset the Chinese too much".

## "Choosing not to engage with China is no choice at all"

Soon after Labour came to power the following year, Starmer spoke to President Xi Jinping to discuss areas of shared collaboration and potential co-operation.

Even before the general election, Labour's Lammy had lamented that the UK's approach to China had "oscillated wildly over the past 14 years" of Conservative rule and promised to adopt a more consistent strategy.

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Post-election, Chancellor Rachel Reeves **visited** China last January, reprising the mantra that “choosing not to engage with China is no choice at all”, and came back with agreements worth £600 million to the UK economy over five years.

Duncan Smith once more led the chorus of hawks by accusing the government of making a massive strategic blunder by courting “our worst adversary”.

So, is the ‘China spy’ affair the latest example of British government soft-pedalling to keep the UK-China relationship on track? Or, in the controversy currently confronting Starmer, is there something more sinister afoot?

## Under the now defunct 1911 Official Secrets Act

The case that collapsed last month involved two British friends, Christopher Cash and Christopher Berry, who had spent time teaching in China.

Cash, 30, subsequently worked as a parliamentary researcher and ran the China Research Group, which was set up by Conservative China hawks. Berry, 33, stayed on in China to do research.

Both were arrested in 2023 for spying, with Cash allegedly having passed parliamentary secrets to Berry that then went to the latter’s contacts in Beijing. Both denied the allegations.

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They were charged under the now defunct 1911 Official Secrets Act, which required prosecutors to prove that any documents or information transmitted might be directly or indirectly useful to an “enemy”.

As there was no such official designation available in the case of China and none forthcoming from the Starmer government, the prosecution saw no alternative but to abandon a trial scheduled for October.

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## The politics behind the collapsed spy case

Although the government has officially regretted the outcome, its Conservative opponents suggest the prime minister’s national security adviser, Jonathan Powell, failed to give prosecutors the evidence needed to secure convictions.

Powell is seen by critics as being behind a strategy of limiting ministerial criticism of Beijing at a time when the government regards its China ties as integral to boosting economic growth.

Security minister Dan Jarvis denied in parliament that Powell had any role in providing evidence in the case and **blamed** the Conservatives for having failed to update the antiquated 1911 spying law.

In the present controversy, criticism has not been confined to the familiar China hawks. Former MI6 spy chief Sir John Sawers **told** Times Radio he was “a bit confused and unsure about why the prosecution was dropped”.

## The previous Conservative government of Rishi Sunak had designated China as an “epoch-defining challenge”

If the allegations of spying in parliament were true, then it was certainly illegal, he said. “I think the Americans will be equally perplexed as to why the prosecution was dropped when the case looked pretty clear.”

Starmer, however, blamed the impasse on the previous Conservative government, while his spokesman reiterated this week that evidence provided to prosecutors was consistent with that government’s stance on China.

Despite growing concerns about Beijing’s intentions, the previous Conservative government of Rishi Sunak had designated China as an “epoch-defining challenge” rather than as an enemy shortly before last year’s UK election took place.

## Starmer’s China problems will not end there

Even if Starmer manages to successfully navigate a challenging week in the aftermath of the spy trial collapse, his China problems will not end there.



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The project has been swathed in controversy since before the local Tower Hamlets council rejected the plan in 2022, a decision supported by local residents and the police. Security concerns were raised due to the proposed embassy’s size and location.

The government subsequently took over responsibility for a yes-no ruling on the plan, with a final deadline set for October 21. But there are hints that the ministry responsible is already planning to push back the date.

Given the current spy controversy, the government might understandably want to delay a decision that, whichever way it went, would be a symbolic marker of the true state of relations with Beijing.

The choice is between once more facing the outrage of the China hawks by giving the go-ahead for the embassy or risking offending the regime of Xi Jinping by rejecting it.

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