AN AMERICAN DIPLOMAT IN CHINA

BY

PAUL S. REINSCH

AMERICAN MINISTER TO CHINA,
1913–1919

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Title: An American Diplomat in China

Author: Paul S. Reinsch

Release date: November 30, 2017 [eBook #56089]
Most recently updated: October 23, 2024

Language: English

Other information and formats: www.gutenberg.org/ebooks/56089

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AN AMERICAN DIPLOMAT IN CHINA ***

AN AMERICAN DIPLOMAT IN CHINA

WRITINGS OF PAUL S. REINSCH

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WORLD POLITICS AT THE END OF THE NINETEENTH CENTURY

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Essentials of Government, 1920 (*Published in Chinese*)

Secret Diplomacy,

1921

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PAUL S. REINSCH

AMERICAN MINISTER TO CHINA
1913-1919

GARDEN CITY, N.Y., AND TORONTO

DOUBLEDAY, PAGE & COMPANY
1922

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First Edition

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INTRODUCTION

Through recent developments China has been put in the forefront of international interest. The world is beginning to have an idea of its importance. Those who have long known it, who have given attention to its traditions and the sources of its social and industrial strength, have the conviction that China will become a factor of the first magnitude in the composition of the world of the twentieth century. They have penetrated beyond the idea that China is a land of topsy-turvy, the main function of which is to amuse the outsider with unexpected social customs, and which, from a political point of view, is in a state bordering upon chaos. When we ask ourselves what are the elements which may constitute China's

contribution to the future civilization of the world, what are the characteristics which render her civilization significant to all of us, we enter upon a subject that would in itself require a volume merely to present in outline. From the point of view of social action, there is the widely diffused sense of popular equity which has enabled Chinese society for these many centuries to govern itself, to maintain property rights, personal honour and dignity without recourse to written law or set tribunals, chiefly through an informal enforcement by society itself acting through many agencies, of that underlying sense of proportion and rightness which lives in the hearts of the people. From the point of view of economic life, China presents the picture of a society in which work has not been robbed of its joy, in which the satisfaction of seeing the product of industry grow in the hands of the craftsman still forms the chief reward of a labour performed with patient toil but without heartbreaking drudgery. From the point of view of social organization, China forms an extremely intricate organism in which the specific relationship between definite individuals counts far more than any general principles or ideas. Loyalty, piety, a sense of fitness give meaning to the ceremonial of Chinese social life, which is more than etiquette as a mere ornament of social intercourse in that it bodies forth in visible form as every-day observances, the relations and duties upon which society rests. From the point of view of art, China stands for a refinement of quality which attests the loving devotion of generations to the idea of a perfect product; in the representative arts, calmness of perception has enabled the Chinese to set a model for the artistic reproduction of the environments of human life. In their conception of policy and world

position, the Chinese people have ever shown a readiness to base any claim to ascendancy upon inherent excellence and virtue. They have not imposed upon their neighbours any artificial authority, though they have proudly received the homage and admiration due their noble culture.

At this time, when the Far Eastern question is the chief subject-matter of international conferences and negotiations, China stands before the world in the eyes of those who really know her, not as a bankrupt pleader for indulgence and assistance, but as a great unit of human tradition and force which, heretofore somewhat over-disdainful of the things through which other nations had won power and preference and mechanical mastery, has lived a trifle carelessly in the assurance that real strength must rest on inner virtue; China has made no use of the arts of self-advertisement, but has felt within her the consciousness of a great human force that must ultimately prevail over petty intrigue and forceful aggression. The secular persistence of Chinese civilization has given to the Chinese an inner strength and confidence which make them bear up even when the aggressiveness of nations more effectively organized for attack seems to render their position well-nigh desperate. Can the world fail to realize that if this vast society can continue to live according to its traditions of peace and useful industry instead of being made the battleground of contending Imperial interests, the peace of the world will be more truly advanced than it may be by any covenants of formal contrivance? Declarations, treaties, and leagues are all useful instruments, but unless the nations agree without afterthought to respect the life and civilization of China, all professions of world betterment would be belied in

fact. If China is to be looked upon as material for the imperialist policies of others, peace conferences will discuss and resolve in vain.

During the six years of my work in China I was constantly surrounded by the evidences of the transition of Chinese life to new methods and aims. In all its complex phases this enormous transformation passed in review before my eyes, in all its deep significance, not only for China and the Far East, but for the whole world. It was this that made life and work in China at this time so intensely fascinating. A new form of government had been adopted. As I represented the Republic upon which it had been largely modeled, whose spirit the Chinese were anxious to follow, it fell to me to counsel with Chinese leaders as if I had been one of their number. The experience of a great American commonwealth which had itself successfully endeavoured to raise its organization to a higher plane was of unending assistance to me in enabling me to see the Chinese problems as part of what right-thinking men were struggling for throughout the world. The most discouraging feature was, however, that the needs of China so often took the form of emergencies in which it seemed futile to plan at long range, in which immediate help was necessary. Where one was coöperating with a group of men beset by overpowering difficulties of the moment, it often seemed academic even to think of the general improvement of political and economic organization, over a longer range of time. The old elements of the Imperial régime, the traditional methods of basing authority on something from above, the purely personal conception of politics with the corruption incident upon the idea that members of clans must take care of each other—which formerly was a virtue

—all were the sources of the outstanding difficulties that jutted everywhere into the plans for a more highly and efficiently organized commonwealth. But it was a pleasure to see the growing manifestation of a commonwealth spirit, the organization of public opinion, and the clearer vision of the demands of public service. Even among the officials the idea that the Government was merely a taxing and office-holding organization was giving way, especially among the younger men, to a desire that the functions of government should be used for developmental purposes, in helping the people towards better methods in agriculture and industry, in encouraging improved communications and public works of many kinds.

International action as seen from Peking during this period did not have many reassuring qualities. In most cases it was based upon a desire to lose no technical advantage of position; to yield not a whit, no matter what general benefit might result through mutual concessions. Each one was jealously guarding his position in which he had advanced step by step. Some were willing to make common cause with others in things that would not always commend themselves to a sense of equity, in order that they might take still another step forward. During the major part of this period one power employed every device of intrigue, intimidation, corruption, and force in order to gain a position for itself in flagrant disregard of the rights of the Chinese people itself, and in oblivion of the rights of others.

As to American policy, the difficulties which I encountered arose from the fact that a great deal was expected of a country so powerful, which had declared and always pursued a policy so just to

China. Chinese goodwill and confidence, and the real friendship of the Chinese people toward America certainly tended to make easier any task America might be ready to undertake. But America had no political aims and desired to abstain particularly from anything verging on political interference, even in behalf of those principles we so thoroughly believe in. American relationships to China depended not on governmental action, but on a spontaneous coöperation between the two peoples in matters of education, commerce, and industry.

Infinitely complex as were the questions of Chinese internal affairs and of the privileges and desires of the various powers, yet to my mind it was not a difficult problem to see what should be done in order to put matters on a sound foundation. I had learned to have great confidence in the ability of the Chinese to manage their own affairs when let alone, particularly in commerce and industry.

That was the first desideratum, to secure for them immunity from the constant interference, open and secret, on the part of foreign interests desirous of confusing Chinese affairs and drawing advantage from such confusion. So far as American diplomatic action was concerned, its essential task was to prevent such interference, and to see to it that China could not be closed even by those indirect methods which often accompany the most vociferous, ardent declarations in favour of Chinese independence and sovereignty. We therefore had to keep a close watch and to resist in specific detail any and all of those innumerable efforts on the part of others to secure and fortify a position of privilege. That was the negative side of our action. The positive side, however, was entirely non-political. Americans

sought no position of tutordom or control. Only upon the free and spontaneous invitation of the Chinese would they come to counsel and assist.

The important thing was that Americans should continue to take a hand in the education of China and the upbuilding of Chinese business and enterprise. They had done this in the past, and would do it in the future in the spirit of free coöperation, without desire to exercise a tutelage over others, always rejoicing in any progress the Chinese themselves made. Such activities must continue and increase. Sound action in business and constructive work in industry should be America's contribution to the solution of the specific difficulties of China. The Chinese people were discouraged, confused, disillusioned; but every centre, no matter how small, from which radiate sound influences in education and business, is a source of strength and progress. If Americans could be stopped from doing these things, or impeded and obstructed in them, then there would nothing further remain worth while for Americans to do. But if they could organize enterprises, great and small, they would in the most direct and effective manner give the encouragement and organizing impulse which China needed so urgently. So the simple principle of American action in China is this: By doing things in themselves worth while, Americans will contribute most to the true liberation of the Chinese people.

Never has one nation had a greater opportunity to act as counsellor and friend to another and to help a vast and lovable people to realize its striving for a better life. Coöperation freely sought, unconstrained, spontaneous desire to model on institutions and methods which are admired—that is the only way in

which nations may mutually influence each other without the coercion of political power and the cunning of intrigue. That is a feeling which has existed in the hearts of the Chinese toward America. The American people does not yet realize what a treasure it possesses in this confidence.

PART I

OLD CHINA AND THE NEW REPUBLIC

CHAPTER I

THE DICTATOR-PRESIDENT OF CHINA

"My opponents are disloyal. They would pull down my government." He who spoke was cordial in his manner as he thus off handedly epitomized his theory of government.

Yuan Shih-kai, President of the Chinese Republic, was short of stature and thickset; but his expressive face, his quick gestures, his powerful neck and bullet head, gave him the appearance of great energy. His eyes, which were fine and clear, alive with interest and mobile, were always brightly alert. They fixed themselves on the visitor with keen penetration, yet never seemed hostile; they were full always of keen interest. These eyes of his revealed how readily he followed—or usually anticipated—the trend of the

conversation, though he listened with close attention, seemingly bringing his judgment to bear on each new detail. Frenchmen saw in him a resemblance to Clemenceau; and this is born out by his portrait which appears on the Chinese dollar. In stature, facial expression, shape of head, contour of features as well as in the manner of wearing his moustache, he did greatly resemble the Tiger.

I had noted these things when I was first presented to the President, and I had felt also the almost ruthless power of the man. Republican in title he was, but an autocrat at heart. All the old glittering trappings of the empire he had preserved. Even the Chief of the Military Department of the President's household, General Yin Chang, whom Yuan had sent to fetch me in Imperial splendour, is a Manchu and former Imperial commander. His one foreign language significantly enough was German which he acquired when he was minister in Berlin. I had passed between files of the huge guardsmen of Yuan Shih-kai, who had Frederick the Great's fondness for tall men; and I found him in the showy palace of the great Empress Dowager, standing in the main throne hall to receive me. He was flanked by thirty generals of his household, extended in wings at both sides of him, and their uniforms made it a most impressive scene.

But that was an occasion of state. Later, at a more informal interview, accompanied only by Mr. Williams, secretary of the legation and Mr. Peck, the Chinese secretary, observed Yuan's character more fully. He had just expelled from parliament the democratic party (Kuo Min Tang); then he had summarily dismissed the Parliament itself. Feeling, perhaps, a possible loss of American goodwill he had

sent for me to explain his action.

"It was not a good parliament, for it was made up largely of inexperienced theorists and young politicians," he began. "They wished to meddle with the Government as well as to legislate on all matters. Their real function was to adopt a permanent constitution for the Republic, but they made no headway with that." And with much truth he added: "Our traditions are very different from your Western ones and our affairs are very complex. We cannot safely apply your abstract ideas of policy."

Of his own work of stirring up, through emissaries, internal and partisan controversies which prevented the new parliament from effectively organizing, Yuan of course omitted to speak. Moreover, he said little of the possibility of more closely coördinating the executive and the legislative branches; so while he avowed his desire to have a constitution forthwith, and to reconstitute Parliament by more careful selections under a new electoral law, I found myself thinking of his own career. His personal rule, his unscrupulous advancement to power, with the incidental corruption and cold-blooded executions that marked it, and his bitter personal feeling against all political opponents—these were not qualities that make for stable parliamentary government, which depends on allowing other people frankly to advocate their opinions in the effort to gain adherents enough to succeed in turn to political power. The failure to understand this basic principle of democracy is the vice of Chinese politics.

"As you see," Yuan beamed eagerly, "the Chinese Republic is a very young baby. It must be nursed and kept from taking strong meat or potent medicines like those prescribed by foreign doctors." This

metaphor he repeated with relish, his eyes sparkling as they sought mine and those of the other listeners to get their expressions of assent or reserve.

A young baby indeed and childishly cared for! Here, for example, is a decree published by Yuan Shih-kai on March 8, 1915. It indicates how faith in his republicanism was penetrating to remote regions, and how such faith was rewarded by him:

"Ihsihaishun, Prince of the Koersin Banner, reported through the Board for Mongolia and Tibet that Kuanchuk-chuaimupal, Hutukhtu of the Banner, has led his followers to support the cause of the Republic and requested that the said Hutukhtu be rewarded for his good sentiments. The said Hutukhtu led his followers and vowed allegiance to the Republic, which action shows that he clearly understands the good cause. He is hereby allowed to ride in a yellow canopied carriage to show our appreciation."

This rather naïve emphasis on externals and on display is born of the old imperialism, a more significant feature of Chinese political life than it may seem. It colours most of the public ceremonies in China. The state carriage which the President had sent to convey me to his official residence in the Imperial City for the presentation of my credentials, on November 17th, was highly ornate, enamelled in blue with gold decorations. It was drawn by eight horses, with a cavalry escort sent by the President and my own guard of mounted marines; the legation staff of secretaries and attachés accompanied me in other carriages.

Thus in an old Imperial barouche and with an ex-Imperial military officer, General Yin, at my side, I rolled on toward the abode of the republican chief magistrate. We alighted at the monumental gate of

an enclosure that surrounds the lovely South Lake in the western part of the Imperial City. On an island within this lake arose, tier above tier, and roofed with bright tiles of blue and yellow, the palace assigned by the Empress Dowager to Emperor Kwang Hsu; for long years, until death took him, it was his abode in semi-captivity. This palace was now the home of President Yuan.

The remote origin of its buildings, their exquisite forms and brilliant colouring, as contrasted with the sombreness of the lake at that season, and the stirring events of which they have been the scene, cannot fail to impress the visitor as he slowly glides across the Imperial lake in the old-fashioned boat, with its formal little cabin, curtained and upholstered, and with its lateral planks, up and down which pass the men who propel the boat with long poles.

Arrived at the palace, everything recalled the colourful court life so recently departed. I was greeted by the master of ceremonies, Mr. Lu Cheng-hsiang, and his associate, Mr. Alfred Sze, later Chinese minister at London and Washington. The former soon after became Minister for Foreign Affairs, while Mr. Sze was originally sent as minister to England. These gentlemen escorted me through a series of courts and halls, all spacious and impressive, until we reached the old Imperial library, a very jewel of architecture in this remarkable Eastern world of beauty. The library faces on a clear and deep pool round which are grouped the court theatre and various throne rooms and festival halls; all quiet and secluded—a charming place for distinguished entertainments. The rustle of heavy silks, the play of iridescent colour, the echoes of song

and lute from the theatre—all that exquisite oriental refinement still seems to linger.

The library itself is the choicest of all these apartments. The perfect sense of proportion expressed in the architecture, the quiet reserve in all its decorations, the living literary reminiscence in the verses written on the paper panels by the Imperial hand, all testify to a most fastidious taste.

Here we rested for a few minutes while word was carried to the President, who was to receive my credentials. Then followed our walk between the files of the huge guardsmen, our entrance to the large audience chamber in the pretentious modern structure erected by the Empress Dowager, and the presentation to Yuan Shih-kai, as he stood in the centre, flanked by his generals.

I was formally presented to the President by Mr. Sun Pao-chi, Minister of Foreign Affairs; and Dr. Wellington Koo translated my brief address and the President's reply.

A military dictatorship had succeeded the old imperialism, that was all. Yuan had made his reputation and gained his power as a military commander. Yet there was about him nothing of the adventurer, nor any suggestion of the field of battle. He seemed now to be an administrator rather than a military captain. Certainly he had won power through infinite patience, great knowledge of men, political insight, and, above all, through playing always a safe if unscrupulous game.

What is meant by governing in a republic he could not know. Without high literary culture, although with a mind trained and well informed, he had not seen foreign countries, nor had he any knowledge of

foreign languages. Therefore, he could have only a remote and vague notion of the foreign institutions which China at this time was beginning to imitate. He had no real knowledge or conception of the commonwealth principle of government, nor of the true use and function of a parliament, and particularly of a parliamentary opposition. He merely accepted these as necessary evils to be held within as narrow limits as possible.

During the two and a half years from my coming to Peking until the time of his death, Yuan Shih-kai left the enclosure of his palace only twice. This reminds me of the American, with an introduction from the State Department, who wired me from Shanghai asking me to arrange for him to take a moving picture of Yuan "proceeding from his White House to his Capitol." This enterprising Yankee would have had plenty of time to meditate on the difference between oriental political customs and our own if he had waited for Yuan Shih-kai to "proceed" from his political hermitage. The President's seclusion was usually attributed to fear of assassination, but if such fear was present in his mind, as well it might have been, there was undoubtedly also the idea, taken over from the Empire, that the holder of the highest political power should not appear in public except on very unusual occasions.

When he received me informally, he doffed the uniform of state and always wore a long Chinese coat. He had retained the distinction and refinement of Chinese manners, with a few additions from the West, such as shaking hands. His cue he had abandoned in 1912, when he decided to become President of the Republic. In the building which is now the Foreign Office and where he was then

residing, Yuan asked Admiral Tsai Ting-kan whether his entry into the new era should not be outwardly expressed by shedding the traditional adornment of the head which though once a sign of bondage had become an emblem of nationality. When Admiral Tsai advised strongly in favour of it, Yuan sent for a big pair of scissors, and said to him: "It is your advice. You carry it out." The Admiral, with a vigorous clip, transformed Yuan into a modern man.

But inwardly Yuan Shih-kai was not much changed thereby.

CHAPTER II

CHINA OF MANY PERSONS

Yuan Shih-kai, a ruler whose power was personal, whose theories of government were those of an absolute monarch, who believed that in himself lay the hope of his people; China itself a nation of individualists, among whom there was as yet no unifying national sense, no inbred love of country, no traditions of personal responsibility toward their government, no sense that they themselves shared in the making of the laws which ordered their lives—these, I think, were the first clear impressions I had of the land to which I came as envoy in the early days of the Republic.

Even the rivers and cities through which we passed on our way to Peking seemed to deepen this feeling for me. The houseboats jammed together in the harbour at Shanghai visualized it. Each of these

boats sheltered a family, who lived and moved and had their being, for the most part, on its narrow decks. Each family was quite independent of the people on the next boat. Each was immersed in the stern business of earning bread. These houseboat people (so it seemed) had little in common with each other, little in common with the life of the cities and villages which they regularly visited. As a class they lived apart; and each family was, for most of the time, isolated from the others. Their life, I thought, was the civilization of China in miniature. Of course such a figure applies only roughly. I mean merely to suggest that the population of this vast country is not a homogeneous one in a political sense. The unit of society is—as it has been for many centuries—the family, not the state. This is changing now, and changing rapidly. The seeds of democracy found fertile soil in China; but a civilization which has been shaping itself through eighty centuries cannot be too abruptly attacked. China is, after all, an ancient monarchy upon which the republican form of government was rather suddenly imposed. It is still in the period of adjustment. Such at least were my reactions as we ascended the Hwang-pu River, on that October day in 1913, and drew into the harbour basin which lies at the centre of Shanghai.

In one of the hotels of the city we found the "Saturday Lunch Club" in session. I was not a little surprised that this mid-day gastronomic forum, which had but lately come into vogue in America, had become so thoroughly acclimated in this distant port. But despite the many nationalities represented at this international gathering, the language was English. As to dress, many of the Chinese at the luncheon preferred their dignified, long-flowing robes to Western coats and trousers.

Dr. Wu Ting-fang was present in Chinese costume and a little purple skull cap, and we sat down to talk together. He related the moves made by President Yuan against the democratic party (Kuo Min Tang) in parliament and said: "Yuan Shih-kai's sole aim is to get rid of parliament. He has no conception of free government, is entirely a man of personal authority. The air of absolutism surrounds him. Beware," Dr. Wu admonished, "when you get behind those high walls of Peking. The atmosphere is stagnant. It seems to overcome men and make them reactionary. Nobody seems to resist that power!"

Later I was accosted on a momentous matter by an American missionary. He was not affiliated with any missionary society, but had organized a so-called International Institute for a Mission among the Higher Classes. His mien betrayed overburdening care, ominous presentiment, and he said he had already submitted a grave matter to the Department of State. It concerned the Saturday Lunch Club. Somewhat too precipitately I spoke with gratification of its apparent success. "But, sir," he interposed, "it was established and set in motion by the consul-general!"

As still I could not see wherein the difficulty lay, my visitor became emphatic.

"Do you not realize, sir, that my institute was established to bring the different nationalities together, and that the formation of such a club should have been left to me?"

When I expressed my feeling that there was no end of work to be done in the world in establishing relationships of goodwill; that every accomplishment of this kind was to be received with gratitude, he gave me up. I had thought, at first, that he was about

to charge the consul-general, at the very least, with embezzlement.

That afternoon I inspected the student battalion of St. John's University. This institution is modern, affiliated with the Episcopalian Church, and many of its alumni are distinguished in public life as well as in industrial enterprise and commerce. Of these I need only mention Dr. W.W. Yen, Dr. Wellington Koo, Dr. Alfred Sze, and Dr. Wang Chung-hui, later Chief Justice of China. Dr. Hawks Pott, the president, introduced me to the assembled students as an old friend of China. There I met Dr. Pott's wife, a Chinese lady, and several of their daughters and sons, two of whom later fought in the Great War.

A newspaper reporter brought me back abruptly to local matters. He was the first to interview me in China. "Will you remove the American marines," he queried, "from the Chienmen Tower?"

A disturbing question! I was cautious, as I had not even known there were marines posted on that ancient tower. Whether they ought to be kept there was a matter to look into, along with other things affecting the destiny of nations.

I could not stop to see Shanghai then, but did so later. If one looks deeply enough its excellences stand out. The private gardens, behind high walls, show its charm; acres covered with glorious plants, shrubs, and bushes; rows and groves of springtime trees radiant with blossoms; the parks and the verandas of clubs where people resort of late afternoons to take their tea; the glitter of Nanking Road at night, its surge of humanity, the swarming life on river and creeks. This is the real Shanghai, market and meeting place of the nations.

Nanking came next, visited the 4th of November. Forlorn and woeful the old capital lay in gray morning light as we entered. The semi-barbarous troops of Chang Hsun lined its streets. They had sacked the town, ostensibly suppressing the last vestiges of the "Revolution." General Chang Hsun, an old imperialist, still clinging to ancient customs, had espoused the cause of President Yuan. A rough soldier quite innocent of modernity, he had taken Nanking, not really for the republican government, but for immediate advantage to himself, and for his soldiers to loot and burn. There they stood, huge, black-uniformed, pig-tailed men, "guarding" the streets along which the native dwellers were slinking sullenly and in fear. Everywhere charred walls without roofs; the contents of houses broken and cast on the street; fragments of shrapnel in the walls—withal a depressing picture of misery.

Nanking, immense and primitive, had reverted partly to agriculture, and for miles the houses of farmers line extensive fields. Three Japanese men-of-war rode at anchor in mid-river; they had come to support the representations of the Japanese consul over an injury suffered by a Japanese barber during the disturbances. General Chang Hsun, forced to offer reparation, had among other things to call ceremoniously on the Japanese consul to express his formal regrets. This he did, saving his face by arranging to call on all the foreign consuls the same day.

Another bit of local colour: We were driven to the American consulate, modestly placed on the edge of the agricultural region of Nanking, with barns in the offing. The consul being absent on leave, the official in charge greeted us. His wife related that a few days

before thirty of Chang's braves, armed to the teeth, had come to the house to see what they might carry off. In her husband's absence Mrs. Gilbert met them at the door and very quietly talked the matter over with them as to what unending bother it would occasion everybody, particularly General Chang, if his men should invade the American consulate, and how it would be far better to think it over while she prepared some tea for them.

The men, at first fierce and unrelenting, looked at one another puzzled, then found seats along the edge of the veranda. When the tea came in, their spokesman said they recognized that theirs had been a foolish enterprise. With expressions of civility and gratitude they consumed their tea and went away—which shows what one American woman can do in stilling the savage breast of a Chinese vandal by a quiet word of reason.

After the exhibition his men had made of themselves in Nanking, I had no wish to call on His Excellency Chang Hsun. We arranged to take the first train for Tientsin. Crossing the broad river by ferry, from its deck friends pointed out Tiger Head and other famous landscapes, the scenes of recent fighting and of clashes during the Revolution of 1911. In the sitting room of our special car on the Pukow railway, the little company comprised Dr. Stanley K. Hornbeck, who went on with me to Peking; Mr. Roy S. Anderson, an American uniquely informed about the Chinese, and a Chinese governmental representative who accompanied me. In a single afternoon Mr. Anderson gave me a complete view of the existing situation in Chinese politics, relating many personal incidents and characteristics.

In Chinese politics the personal element is supreme.

The key to the ramifications of political influence lies in knowledge of persons; their past history, affiliations and interests, friendships, enmities, financial standing, their groupings and the interactions of the various groups. Intensely human, there is little of the abstract in Chinese social ethics. Their ideals of conduct are personal, while the remoter loyalties to principle or patriotic duty are not strongly expressed in action. In this immediate social cement is the strength by which Chinese society has been able to exist for ages.

The defect of this great quality is in the absence of any motive whereby men may be carried beyond their narrower interests in definitely conceived, broad public aims. When I came to China these older methods prevailed more than at present; hence Mr. Anderson's knowledge of the Chinese, wide as the nation and specific as to the qualities of all its important men, enabled me to approach Chinese affairs concretely, personally, and to lay aside for the time any general and preconceived notions. It enabled me to see, also, how matters of such vast consequence, as, for example, the Hwai River famines, had been neglected for the short-sighted individual concerns of Chinese politics.

That afternoon we passed through the Hwai River region. An apparently endless alluvial plain, it is inexhaustibly rich in depth and quality of soil—*loess*, which has been carried down from the mountains and deposited here for eons. Fitted by Nature to be one of the most fertile garden spots on earth, Nature herself has spoiled it. The rivers, swollen by torrential rains in the highlands, flood this great area periodically, destroying all crops; for many years only two harvests have been gathered out of a

possible six, in some years there have been none at all.

Here the visitations of famine and plague are immemorial. The liberal and effective assistance which the American Red Cross gave during the last famine, in 1911, is gratefully remembered by the Chinese. Beholding this region, so richly provided and lacking only a moderate, systematic expenditure for engineering works to make it the source of assured livelihood for at least twenty millions more than its present population, I resolved that one of my first efforts would be to help reclaim the vast estate.

We arrived after dark in the province of Shantung—Shantung, which was destined to play so large a part in my official life in China! The crowds at stations were growing enormous, their greetings more vociferous. An old friend appeared, Tsai Chu-tung, emissary of the Provincial Governor and of the Commissioner of Foreign Affairs; he had been a student under me, and, for a time, my Chinese secretary. Past the stations with their military bands and metallic welcomes and deputations appearing with cards, at all hours of the night, we arrived at length at Tsinan, Shantung's capital. Here, in behalf of the Governor, the young Commissioner Tsai, together with an official deputation, formally greeted me; thence he accompanied me to Peking, affording me another chance to hear from a very keen and highly trained man an account of China's situation.

Reaching Tientsin that afternoon, we were met by representatives of the Civil Governor and by his band. There the American community, it seems, had been stirred prematurely by news of my coming, and had visited the station for two days in succession. The manager of the railway, a Britisher, had

confused the Consul-General by his error in date of my arrival, starting too soon the entire machinery of reception, including a parade by the Fifteenth United States Infantry.

We had dinner that evening with Civil Governor Liu at his palace. Miles of driving in rain through dark, narrow streets, ending with a vision of huge walls and lantern-illuminated gates, found us in the inner courts, and, finally, in the main hall of the antique, many-coloured structure where the fat and friendly Governor received us. The heads of the various provincial departments attended, together with the President of the Assembly and the military aides. Young Mr. Li, the Governor's secretary and interpreter for the after-dinner speechmakers, performed the rare feat of rendering into either language an entire speech at a time—and the speeches were not short. My Chinese secretary commented on his brilliant translations, the perfect renderings of the English into Chinese, and I could myself admire his mastery of the English idiom. Such talent of translation is seldom displayed; the discourse of speakers is usually limited to brief paragraphs, continually checked by the renderings of the interpreters. Of course, this interrupts the flow of thought and contact with one's hearers. But the interpreter at this dinner even managed to translate jokes and witticisms without losing the point. A play on words is most difficult to carry into a foreign tongue, but the Chinese is so full of opportunities for puns that a nimble interpreter will always find a substitute. To the telling of a really funny situation the Chinese can be relied on to respond. Their humour is not unlike the American, which delights particularly in exposing undue pretensions. Interpreters, in translating speeches to the general

public, have sometimes resorted to something of their own invention, in order to produce the expected laugh. When they despair of making the foreign joke hit the bull's-eye, they occasionally help things along by making personal remarks about the speaker, whose gratifications at the hilarity produced is usually unclouded by a knowledge of the method employed.

Our departure from Tientsin was signalized by an unusual mark of Chinese governmental courtesy. For the trip to Peking we found assigned the palace car of the former Empress Dowager, and I was told that it had not been used since her reign came to an end. Adapting a new invention to old custom, the car's interior had been arranged as a little palace chamber. The entrance doors were in a double set. Those in the centre were to be opened only when the sovereign entered or departed, the side doors being for ordinary use. Opposite the central doors at the end of the salon stood a little throne, high and wide, upholstered in Imperial yellow. The draperies and upholsteries of the car were all of that colour, and it made, in its way, quite a showing of splendour and departed greatness.

As one approaches the capital city, the beautiful mountain forms of the so-called Western Hills, which rise suddenly out of the plain about ten miles beyond Peking and attain an altitude of from six to seven thousand feet, present a striking contrast to the flat and far-stretching Chihli plain. The towers and city walls of Peking, an impressive and astounding apparition of strength and permanence, befit this scene. Solemn and mysterious, memorable for their size, extent, and general inevitableness of structure, they can be compared only with the Pyramids, or

with great mountains fashioned by the hand of Nature herself. Looking down upon these plains, where so many races have met, fought, worked, lived, and died, where there is one of the chief meeting points of racial currents, these walls are in themselves the symbols of a memorable and long-sustained civilization.

As we approach more closely, the walls tower immediately above us as the train skirts them for several miles, crosses a number of busy roads leading to the southern gates of the city, and then suddenly slips through an opening in the walls to the inside. We first pass through the so-called Chinese city; this particular corner is no longer densely populated, but is now left to gardens, fields, and burial places with their monuments and pagodas. We only skirt the populous part of the Chinese city. Soon we are brought immediately under the lofty walls which separate the Chinese from the Manchu city, adjacent to it on the north, but separated from it by an enormous wall one hundred feet high, with a diameter of eighty feet. Where the two encircling walls meet, towering bastions soar upward, and above the roadways rise high gate-houses of many stories. The impassivity of these monumental structures contrasts sharply with the swarming human life that surges in the streets below.

From Mr. Willys R. Peck, Chinese Secretary of the Legation, who had met us at Tientsin and accompanied us to Peking, I learned more about the recent events in the capital and the fight which Yuan Shih-Kai was waging against the Parliament. At the station we were greeted by a large concourse of civilian and military officials, and Mr. E.T. Williams, Chargé d'Affaires since Mr. Calhoun's departure,

acted as introducer. The Minister of Foreign Affairs, Sun Pao-chi, a tall, benevolent-looking man, wearing European dress and long chin whiskers, and speaking a little English with more French and German, offered his welcome and felicitations. Other high officials were there, many members of the American community, and several representatives of the parliament. It was a delight to see the fine-looking companies of American marines, who among all troops in Peking are noted for their well-groomed, smart, and soldierly appearance. Included for the official welcome was a company of stalwart Chinese infantry, and one of the Peking gendarmerie, which also is military in its organization. The several bands vied with each other in playing national airs and salutes, while thousands of spectators congregated.

The central Tartar city gate (the Chienmen), was still in its original form, and in passing through or under it one received an indelible impression of the stupendous majesty and dignity which characterize this unique capital. The curtain walls connecting the inner and outer gates have since been removed. We drove through a side gate in the curtain wall, finding ourselves in an impressive plaza overtowered by the two lofty and beautiful gate-houses. Two small picturesque antique temples flank the main entrance; one, dedicated to the God of War, was a favourite place with the Empress Dowager, who stopped her cortège there whenever she passed. From the flag-poles of these temples huge, brilliantly coloured banners floated in the air. Atop the wall from which the Chienmen Tower arises were American marines on guard and looking down upon us. These, then, were the men whose presence up there seemed to be interesting people so much.

From the main gateway one looks straight up the avenue which forms the central axis of Peking; it leads through many ornamental gates and between stately buildings to the central throne halls of the Imperial Palace. The city plan of Peking is a symmetrical one. This central axis, running due north and south, passes through a succession of important gateways, monuments, and seats of power. From it the city expands regularly east and west; on the south the Chinese city, the symmetry of its streets and alleyways more broken; and the Manchu city on the north, with broad avenues leading to the principal gates, while the large blocks between them are cut up more regularly by narrower streets and alleyways.

From the main south gate of the Chinese city the central line passes along the principal business street to the central south gate of the Tartar city—the imposing Chienmen—while eighty rods beyond this stands the first outer gate of the Imperial City. Thence the central line cuts the large square which lies immediately outside of the Forbidden City, forming the main approach to the Imperial City. The line then passes between pillars and huge stone lions through the Forbidden City's first gate, cutting its inner parade ground and inner gate, above which stands the throne from which the Emperor reviewed his troops. Through the central enclosures, with the throne rooms and coronation halls, three magnificent structures in succession, the line passes, at the point where the thrones stand, into the residential portion of the Forbidden City where the present Emperor lives, and strikes the summit of Coal Hill, the highest point in Peking. It bisects the temple where the dead bodies of Emperors reposed before burial, and proceeds from the rear of the Imperial City by its

north gate through the ancient Bell Tower and Drum Tower. A more awe-inspiring and majestic approach to a seat of power is not to be seen in this world. We can well imagine, when tribute bearers came to Peking and passed along this highway beset with imposing structures and great monuments, that they were prepared to pay homage when finally in the presence of the being to whose might all this was but an introduction.

But we did not follow along this path of sovereign power. After passing through the Chienmen we turned directly to the right to enter the Legation Quarter and to reach the American Legation, which nestles immediately inside the Tartar wall in the shadow of the tall and imposing Chienmen Tower. It is the first of the great establishments along Legation Street, which is approached through a beautiful many-coloured pailu, or street arch.

No other American representative abroad has quite so easy a time upon arrival at his post. We were going to a home prepared for our reception, adequately furnished, and with a complete staff of servants and attendants who were ready to serve luncheon immediately, if required. In most cases, unfortunately, an American diplomatic representative will for weeks or months have no place to lay his head except in a hotel. Many American ministers and ambassadors have spent fully one half the time during their first year of office in making those necessary living arrangements which I found entirely complete at Peking. That is the crucial period, too, when their minds should be free for observing the situation in which they are to do their work. May the time soon come when the nation realizes more fully the need of dignified

representation of its interests abroad.

The residence of the minister I found simple but handsome, in stately colonial renaissance style, its interior admirably combining the spaciousness needed for official entertaining with the repose of a real home. It is made of imported American materials, and a government architect was expressly sent to put up the legation buildings. He had been designing government structures in America, and the somewhat stereotyped chancery and houses of the secretaries were popularly called "the young post offices." But the minister's house, largely due to the efforts of Mr. Rockhill, who was minister at the time, is a masterpiece of appropriateness—all but the chimneys. It is related that the architect, being unfamiliar with the ways of Chinese labourers and frequently impatient with them, incurred their ill-will. When Mr. Rockhill first occupied the residence, it was found the chimneys would not draw; the disgruntled masons had quietly walled them up, in order that the architect might "lose face," and the chimney from the fireplace of the large dining room was so thoroughly blockaded that it remained permanently out of commission.

At a distance from the "compound," or enclosure, which surrounds the minister's residence, fronting on a central plaza, there is a veritable hamlet of additional houses occupied by secretaries, attachés, consular students, and the clerical staff. It is a picturesque Chinese village, with an antique temple and many separate houses, each with its garden enclosed within high walls—a rescued bit of ancient China in the midst of the European monotony of the Legation Quarter. It adjoins the Jade Canal, opposite the hotel called "Sleeping Cars" by some

unimaginative director, but more fitly known as the Hotel of the Four Nations. At the Water Gate, where the Jade Canal passes under the Tartar wall, is the very point where the American marines first penetrated into the Tartar city in 1900.

The Chinese are remarkably free from self-consciousness, and therefore are good actors; as one sees the thousands passing back and forth on the streets, one feels that they, too, are all acting. Here are not the headlong rush and elbowing scramble of the crowded streets of a Western metropolis. All walk and ride with dignity, as if conscious of a certain importance, representing in themselves not the eager purpose presently to get to a certain place, but rather a leisurely flow of existence, carrying traditions and memories of centuries in which the present enterprise is but a minor incident. Foreign women have sometimes been terrified by these vast, surging crowds; but no matter how timid they be, a few rickshaw rides along the streets, a short observation of the manners of these people, will make the faintest hearted feel at home. Before long these Tartaric hordes cease to be terrifying, and even the feeling that they are ethnological specimens passes away; it is remarkable how soon one feels the humanity of it all among these multitudes that seem to engulf but that never press or crowd.

Looking down upon a Chinese street, with multitudes of walkers and runners passing back and forth, mingled among donkey carts, riders on horse- or donkey-back, mule litters, rickshaws, camel caravans, flocks of animals led to sale and slaughter, together with rapidly flying automobiles—all gives the impression of perfect control of motion and avoidance, of crowding and scuffling, and recalls the

movements of practised dancers on a crowded ballroom floor. A view of the crowds which patiently wait at the great gateways for their turn to pass through affords a constant source of amusement and delight. The line slowly pushes through the gate like an endless string being threaded through a needle. If there is mishap or collision, though voices of protest may arise, they will never be those of the stoic, dignified persons sitting in the rickshaws; it is against etiquette for the passenger to excite himself about anything, and he leaves that to the rickshaw man. All humanity and animaldom live and work together in China, in almost undisturbed harmony and mutual understanding.

Only occasionally a hubbub of altercation rises to the skies. In these days the pigtails had only just been abolished. Under the old conditions, the technique of personal combat was for each party to grab the other by the cue and hold him there, while describing to him his true character. During the first years of the reform era one might still see men who were having a difference frantically grabbing at the back of each other's heads where there was, however, no longer anything to afford a secure hold.

A great part of Chinese life is public. It is on the streets with their innumerable restaurants; their wide-open bazaars of the trades; their ambulent letter-writers and story-tellers with the curious ones clustered about them; their itinerant markets; their gliding rickshaws; their haphazard little shops filled with a profusion of ageless, precious relics. There is the charm of all this and of the humanity there swarming, with its good-natured consideration for the other fellow, its constant movement, its excited chatter, its animation and its pensiveness, and its

occasional moments of heated but bloodless combat.

CHAPTER III

OLD CONFUCIANISM IN THE NEW CHINA

"The whole Chinese people hold the doctrines of Confucius most sacred," declared President Yuan Shih-kai in his decree of November 26, 1913, which re-introduced much of the old state religion. He stopped a little short of giving Confucianism the character of an established religion, but ordered that the sacrificial rites and the biennial commemoration exercises be restored. "I am strongly convinced," he said, "of the importance of preserving the traditional beliefs of China." In this he was upheld by the Confucian Society at Peking, in the organization of which an American university graduate, Dr. Chen Huan-chang, was a leading spirit. Mr. Chen's doctoral dissertation had dealt with the economic principles of Confucius and his school; upon his return to China his aim had been to make Confucianism the state religion under the Republic.

The Christian missionaries were agitated. They felt it to be a step backward for the new republic to recognize any form of belief. Yuan, however, said: "It is rather the ethic and moral principles of Confucius, as a part of education, that the Government wishes to emphasize." As there is nothing mystical or theological about Confucianism, such a view is, indeed, quite tenable.

Yuan Shih-kai again declared toward the end of

December: "I have decided to perform the worship of heaven on the day of the winter solstice."

This fell on the 23rd of December, and again excited discussion. "It means that Yuan is edging toward the assumption of the Imperial dignity," many said.

I had a talk about this matter with the Minister of the Interior, Mr. Chu Chi-chien, who was thoroughly informed concerning the details of Confucian worship and the worship of Heaven; he had, in fact, an inexhaustible fund of knowledge of Chinese traditions. Nevertheless, he was a man of action, planning cities, building roads, and developing industries. Comparatively young and entirely Chinese by education and character, he had supremely that knowledge of the personalities of Chinese politics which was necessary in his ministry. As a builder he became the Baron Haussmann of Peking, widening and paving the avenues, establishing parks, rearranging public places, in all of which he did marvels within his short term of two years. He established the National Museum of Peking, and converted a part of the Imperial City into a public park which has become a centre of civic life theretofore unknown in China. Mr. Chu's familiarity with religion, art, and architecture—he was a living encyclopædia of archæology and art—and his pleasure in reciting the history of some Chinese temple or palace did not free him from a modern temptation. He would try to import too many foreign elements in the improvements which he planned, so that foreign friends of Chinese art had to keep close to him to prevent the bringing in of incongruous Western forms which would have spoiled the marvellous harmony of this great city.

"It would be dangerous," Mr. Chu informed me, "for

the republican government to neglect the worship of Heaven. The entire farm population observes the ceremonial relative to sowing, harvesting, and other rural occupations according to the old calendar. Should the worship of Heaven be omitted on the winter solstice day, now that the Government has become established; and should there follow a leanness or entire failure of crops, the Government would surely be held responsible by the farmers throughout the land."

"Of course," he added, smilingly, "the worship will not guarantee good crops, but at any rate it will relieve the Government of responsibility."

I could not but reflect that, even in our own democracy, administrations have been given credit and blame by reason of general prosperity or of the lack of it, and that good crops certainly do help the party in power.

"In the ritual, we shall introduce some changes appropriate to republicanism," Mr. Chu assured me. "I am myself designing a special ceremonial dress to be worn by those participating, and the music and liturgy will be somewhat changed." But it was difficult to see wherein consisted the specific republican bias of the changes. Yuan Shih-kai did proceed to the Temple of Heaven before daybreak on December 23rd; in the dark of the morning the President drove to that wonderfully dignified open-air sanctuary in its large sacred grove along the southern wall of the Chinese city. He drove surrounded by personal bodyguards over streets covered with yellow sand and lined three-fold with soldiers stationed there the evening before. With him were the Chief Justice of the Supreme Court, the Master of Ceremonies, the Censor General, the

Minister of War, and a staff of other high officials and generals. Arrived at the temple, he changed his uniform for the sacrificial robes and hat, and, after ablutions, proceeded together with all the other dignitaries to the great circular altar, which he ascended. He was there joined by the sacrificial meat-bearers, the silk and jade bearers, the cupbearers, and those who chanted invocations. In succession the different ceremonial offerings were brought forward and presented to Heaven with many series of bows. A prayer was then offered, as follows:

> Heaven, Thou dost look down on us and givest us the nation. All-seeing and all-hearing, everywhere, yet how near and how close: We come before Thee on this winter solstice day when the air assumes a new life; in spirit devout, and with ceremony old, we offer to Thee jade, silk, and meat. May our prayer and offerings rise unto Thee together with sweet incense. We sanctify ourselves and pray that Thou accept our offerings.

The first Confucian ceremony, which the President attended in person at four o'clock in the morning, took place about two months later. A complete rehearsal of the ceremony, with all details, had been held on the preceding afternoon. Many foreigners were present. Passing from the entrance of the Temple, between rows of immemorial ilex trees, and through lofty porticoes, in one of which are preserved the famous stone drums which date from the time of the Sage, the visitors entered the innermost enclosure. It, too, is set with ancient trees, which, however, leave the central portion open. The

musical instruments were placed on the platform in front of the main temple hall. Here the ceremony itself was enacted, while the surface of the court was filled with members of the Confucian Society, ranks of dignified long-gowned men, members of the best classes of Peking.

I was told that the music played on this occasion was a modification of the classic strains which had from time immemorial been heard here. Perfect knowledge of this music seems no longer to exist. The music accompanying the ceremony was nevertheless attractive, produced with jade plaques, flutes, long-stringed instruments resembling small harps, but with strings of more uniform length, drums, and cymbals. A dominant note was struck on one of the jade plaques, whereupon all the instruments fell in with a humming sound, held for fully a minute, which resembled the murmur of forest trees or the surging of waves. There was no melody; only a succession of dominants, with the accompaniment of this flow of sound surging up, then ebbing and receding. One of the instruments is most curious, in the shape of a leopard-like animal, in whose back there are closely set about twenty small boards. At certain stages of the music a stick is rapidly passed over these boards, giving a very peculiar punctuation to the strains that are being played.

The chief dignitaries officiating were Mr. Chu Chi-chien, the Minister of the Interior, and Mr. Sun Pao-chi, the Minister for Foreign Affairs, gorgeous in their newly devised ceremonial costumes. The splendid and dignified surroundings of the temple courts enhanced the ceremony, but it depended for its effect on the manner of chanting, the music, and

the very dignified demeanour of all who participated. Quite apart from the question of the advisability of a state religion or the possible reactionary influences which such ceremonies might have, I could not but feel that the refusal to cast off entirely such traditions was inspired by sound instinct.

Moreover, this revival came during the adoption of new ways. Chinese ladies came out in general society for the first time on the night of the 5th of February, at the Foreign Office ball. Many representatives of the outlying dependencies of China were there in picturesque costumes, invariably exhibiting a natural self-confidence which made them seem entirely in place in these modern surroundings. The Foreign Office building, planned by an American architect, contains on the main floor an impressive suite of apartments so arranged as to give ample space for large entertainments, while it affords every opportunity for the more intimate gathering of smaller groups. Guests were promenading through the long rows of apartments from the ballroom, where the excellent Navy Band was playing for the dancers.

The Chinese women gave no hint of being unaccustomed to such general gatherings of society, but bore themselves with natural ease and dignity. Nor did they conceal their somewhat amused interest in the forms of the modern dance; for only a few of the younger Chinese ladies had at that time acquired this Western art. The number of votaries, however, increased rapidly during the next few years.

From among the Tartars of the outlying regions this occasion was graced by a Living Buddha from Mongolia, to whom the Chinese officials were most

attentive. Surrounded by a large retinue, he overtopped them all, and his bodily girth seemed enormous. He found his way early in the evening to a room where refreshments were being offered, took possession of a table, and proceeded to divest himself of seven or eight layers of outer garments. Thus reduced, he became a man of more normal dimensions. Several of his servitors then went foraging among the various tables, bringing choice dishes to which the Living Buddha did all justice. Long after midnight reports still came to the ballroom: "The Living Buddha is still eating."

It seems remarkable that Chinese women should so readily adapt themselves to wholly new situations. They have shown themselves capable of leadership in social, political, and scientific matters; a great many develop wide intellectual interests and manifest keen mental powers. When I gave the Commencement address at the Women's Medical College of Peking, the 13th of February, I was curious to see what types of Chinese women would devote themselves to a medical education. In this field Dr. King Ya-mei and Dr. Mary Stone are the pioneers. With the advance of modern medicine in China many Chinese women have adopted the career of nurses and of physicians. On this occasion the women students of the middle school sang various selections, and I was impressed with the cello-like quality of their alto voices. As customary on such occasions my address was made through an interpreter. The delivery of these chopped-off paragraphs can scarcely be inspiring, yet Chinese audiences are so courteous and attentive that they never give the speaker any suggestion of impatience.

A luncheon at the Botanical Gardens was given the

next day by the Minister of Agriculture, Mr. Chang Chien. This institution, to which a small and rather hungry-looking collection of animals is appended, occupies an extensive area outside of the northwest gate, and was formerly a park or pleasure garden of the Empress Dowager. A modern-style building, erected for her use and composed of large main apartments on each floor, with smaller side-chambers opening out from them, was used for our luncheon party. Its walls were still hung with pictures painted by the hand of the august lady, who loved to vary her busy life by painting flowers. The conversation here was mostly on Chinese art, there being among the guests an antiquarian expert, Chow, who exhibited some fine scrolls of paintings. I noted that the Chinese evinced the same interest in the writing appended to the paintings (colophon) as in the picture itself. They seemed to admire especially the ability, in some famous writers, of executing complicated strokes without hesitation and with perfect control. When we were looking at a page written by a famous Sung poet, Mr. Chow said: "He always finished a stroke lightly, like his poems, still leaving something unsaid."

Chinese handwriting has infinite power to express differences of character and cultivation. It is closely associated with personality. Some writing has the precision of a steel engraving; other examples, again, show the sweep and assurance of a brush wielded by a Franz Hals. It is the latter that the Chinese particularly admire; and even without any knowledge of Chinese script one cannot but be impressed with its artistic quality and its power to reveal personal characteristics. It is still the great ambition of educated Chinese to write well—that is, with force and individual expression. My host on this

occasion was one of the most noted calligraphers in China. Many emulated him; among them a northern military governor who had risen from the ranks, but spent laborious hours every day decorating huge scrolls with a few characters he had learned, with which to gladden the hearts of his friends.

The new things cropping out in Chinese life had their detractors. Mr. and Mrs. Rockhill had come to Peking for a visit. Relieved of official duties through a change in the administration, it was quite natural that Mr. Rockhill should return where his principal intellectual interests lay. Throughout our first conversation at dinner Mrs. Rockhill affected a very reactionary view of things in China, praising the Empire and making fun of all attempts at modernization. One would have thought her not only a monarchist, but a believer in absolutism of the old Czarist type. A woman so clever can make any point of view seem reasonable. Mr. Rockhill did not express himself so strongly, but he was evidently also filled with regret for the old days in China which had passed. While we were together receiving guests at a dinner I was giving Mr. Rockhill, some of the young Foreign Office counsellors appeared in the distance, wearing conventional evening clothes. "How horrible," Mr. Rockhill murmured, quite distressed. Not perceiving anything unusual to which his expression of horror could refer, I asked, "What?" "They ought to wear their native costume," he answered; "European dress is intolerable on them, and it is so with all these attempted imitations."

The talk at another dinner, a small gathering including Mr. Rockhill, Doctor Goodnow, and Dr. Henry C. Adams, revolved around conditions in China and took a rather pessimistic tone. Doctor

Adams had been elaborating a system of unified accounting for the railways. "At every turn," he said, "we seem to get into a blind alley leading up to a place where some spider of corruption sits, the whole tribe manipulated by a powerful head spider."

This inheritance of corruption from the easy-going past, when the larger portion of official incomes was made up of commissions and fees, was recognized to be a great evil by all the more enlightened Chinese officials. They attempted to combat it in behalf of efficient administration but they could not quite perform the heroic task of lifting the entire system bodily onto a new basis. Because the new methods would require greatly increased salaries, the ideal of strict accountability, honesty, and efficiency, could only be gradually approached. Doctor Goodnow for his part contributed to the conversation a sense of all the difficulties encountered by saying: "Here is a hitherto non-political society which had vegetated along through centuries held together by self-enforced social and moral bonds, without set tribunals or formal sanction. Now it suddenly determines to take over elections, legislatures, and other elements of our more abstract and artificial Western system. I incline to believe that it would be infinitely better if the institutional changes had been more gradual, if the system of representation had been based rather on existing social groupings and interests than on the abstract idea of universal suffrage. These political abstractions as yet mean nothing to the Chinese by way of actual experience."

He also did not approve of the persistent desire of the democratic party to establish something analogous to the English system of cabinet government. He felt that far more political

experience was needed for working so delicate a system. "I am inclined to look to concentration of power and responsibility in the hands of the President for more satisfactory results," he said.

Mr. Rockhill's fundamental belief was that it would be far better for the world not to have meddled with China at all. "She should be allowed to continue under her social system," he urged, "a system which has stood the test of thousands of years; and to trust that the gradual influence of example would bring about necessary modifications." He had thorough confidence in the ability of Yuan Shih-kai, if allowed a free hand, to govern China in accordance with her traditional ideas but with a sufficient application of modern methods. He even considered the strict press censorship applied by Yuan Shih-kai's government as proper under the circumstances.

Throughout this conversation, which dwelt mostly on difficulties, shortcomings and corruption, there was, nevertheless, a notable undercurrent of confidence in the Chinese *people*. These experienced men whose work brought them into contact with specific evils, looked at the Chinese, not from the ordinary viewpoint so usual with foreigners who assume the utter hopelessness of the whole China business, but much as they would consider the shortcomings of their own nation, with an underlying faith in the inherent strength and virtue of the national character. The idea of China being bankrupt was laughed to scorn by Mr. Rockhill. "There are its vast natural and human resources," he exclaimed. "The human resources are not just a quantity of crude physical man power, but there is a very highly trained industrial capacity in the handicrafts." But it is exactly when we realize the stupendous

possibilities of the country, her resources of material wealth, her man power, her industrial skill, and her actual capital that the difficulties which obstruct her development seem so deplorable.

Mr. Liang Chi-chao gave a dinner at about this time, at which Doctor Adams, Doctor Goodnow, President Judson of Chicago, and the ladies were present. Mr. Liang had a cook who was a master in his art, able to produce all that infinite variety of savory distinction with which meat, vegetables, and pastry can be prepared by the Chinese. One usually speaks of Chinese dinners as having from one hundred fifty to two hundred courses. It would be more accurate, however, to speak of so many dishes, as at all times there are a great many different dishes on the table from which the guests make selection. The profusion of food supplied at such a dinner is certainly astonishing. The guests will take a taste here and there; but the greater part of it is sent back to the household and retainers. It is a popular mistake to believe that Chinese food is composed of unusual dishes. There are indeed birdsnest soup, shark fins, and ducks' kidneys, but the real excellence of Chinese cooking lies in the ability to prepare one thing, such as chicken, or fish, in innumerable ways, with endless varieties of crispness, consistency, and flavour. It is notable to what extent meat predominates. Although there is always a variety of vegetables and of fruit, the amount of meat consumed by the Chinese is certainly astonishing to one who has classified them, as is usually done, as a vegetarian people.

The show of abundance at a Chinese banquet seems the fare of poverty compared with the cargoes of delicacies served at the Imperial table. It was a rule

of the Imperial household that any dish which the Emperor had at any time called for, must be served him at the principal meal every day; as his reign lengthened the numbers of dishes at his table, naturally, constantly increased. It is related that the dinner of the Emperor Chen Lung required one hundred and twenty tables; and the Empress Dowager, at the time of her death, had worked up to about ninety-six tables. It is not to be wondered at that the Emperor's kitchen had an army of three hundred cooks! At one time when the Duke Tsai was discussing with me the financial situation of the Imperial family, he remarked, with a deep sigh: "The Emperor has had to reduce the number of his servants. For instance, at present he has only thirty cooks." Not knowing of the custom described above, I was inclined to consider that number quite adequate. I believe the little Emperor has at the time I write reached the quota of about fifteen tables.

At the hospitable board of Mr. Liang Chi-chao, while the dishes were served in Chinese style and the food eaten with chopsticks, some modifications of the usual dinner procedure had been made. The etiquette of a Chinese meal requires that when a new set of dishes with food has been placed in the centre of the table, the host, hostess, and other members of the family survey what is there and pick out the choicest morsels to lay on the plates of their guests. The guests then reciprocate the courtesy, and the interchange of favours continues throughout the dinner, giving the whole affair a most sociable aspect. At Mr. Liang Chi-chao's table these courtesies were observed, but there were special chopsticks provided for taking the food from the central dishes and transferring it to a neighbour's or to one's own.

The conversation after dinner wandered toward Chinese ethics. Mr. Liang Chi-chao is one of the most competent authorities on this subject and on its relations to Western thought and life. I ventured this opinion: "While the high respect in which the elders are held by the younger generation in China is a remarkably strong social cement, it is discouraging to progress in that it gives the younger and more active little chance to carry out their own ideas."

"But the system does not," Mr. Liang rejoined, "necessarily work to retard change; because it is, after all, society rather than individuals which controls. With all proper respect for elders, the younger element has ample opportunity to bring forward and carry out ideas of social change."

He regarded the principle of respect for elders and of ancestor worship of fundamental importance; in addition to its direct social effects, it gave to Chinese society all that the Western peoples derive from the belief in immortality. The living individual feels a keen sense of permanence through the continuity of a long line of ancestors, whose influence perceptibly surrounds those actually living; moreover, their own actions are raised to a higher plane, as seen not from the narrow interests of the present, but in relation to the life of the generations that are to succeed, in whom the character and action of the individual now living will persist.

This evening's entertainment, with its intimate Chinese setting and its conversation dealing with the deeper relationships between different civilizations, has remained a memorable experience for those who attended it. Only recently it was thus recalled by one of the guests: "Think of going to a dinner with the 'Secretary of Justice' in Washington, and conversing

about the immortality of the soul!"

Interested to see how, despite the new ways in China, the old Confucianism persisted, I determined upon a pilgrimage to the Confucian shrines. Dr. Henry C. Adams invited me in November, 1914, to join him on a trip to the sacred mountain, Taishan, in Shantung Province, and to Chüfu, the home of Confucius.

A small party was made up. I slipped away quietly in order to avoid official attentions and to spare the local authorities all the bother of formally entertaining a foreign representative. We arrived at Taianfu early in the morning, where with the help of missionaries chair-bearers had been secured to carry us up the mountain.

The trip to these sacred heights is of an unusual character. The ascent from the base is almost continuously over stair-ways. Up these steep and difficult grades two sturdy chairmen, with a third as alternate, will carry the traveller rapidly and with easy gait. The route is fascinating not only because of the singular natural beauty of the ravines through which it passes, and of the constantly broadening prospects over the fruitful plains of Shantung from every eminence, but because of the historic interest of the place; this is testified to by innumerable temples, monuments, tablets, and inscriptions sculptured in the living rock which line the path up the mountain. It must be remembered that in the time of Confucius this was already a place of pilgrimage of immemorial tradition; a place of special grandeur, wherein the mind might be freed of its narrow needs and find its place in the infinite. Many of its monuments refer to Confucius and record his sayings as he stopped by the way to rest or to

behold the prospect. At one point, whence one looks off a steep precipice down to the plain thousands of feet below, his saying, as reported, was: "Seen from this height, man is indeed but a speck or insect." But not all of his remarks were of this obvious nature, which justifies itself in its appeal to the common mind, to be initiated into the truths of the spirit.

In these thousands of years many other sages, emperors, and statesmen have ascended the sacred hill, also leaving memorials in the shape of sculptured stones bearing their sentiments. It would be an agreeable task for a vacation to read these inscriptions and to let the imagination shadow forth again these unending pilgrimages extending back to the dawn of history.

The stairway leading up the mountain, which is about 6,000 feet high, is often so steep that we had to guard against being overcome by dizziness in looking down. Occasionally a stop is made at a wayside temple, where tea is served in the shady courts. In the summer heat these refuges must be especially grateful. We reached the temples that crown the summit after a journey of about six hours. In a temple court at the very top the servants who had preceded us had set up their kitchen, and an ample luncheon was awaiting us there.

At this altitude a cold and cutting wind was blowing. Yet we preferred to stay outside of the temple buildings in order to enjoy the view which is here unrolled, embracing a great portion of the whole province of Shantung. I noted that the coolies did not seem impressed with the sanctity of this majestic height, but used the temple courts as a caravanserai.

The descent is made rapidly, as the practised chair-bearers run down the stairs with quick, sure steps—

which gives the passenger the sensation of skirting the mountainside in an aeroplane. When I inquired whether accidents did not occasionally happen, they told me: "Yes, but the last time when any one has fallen was about four hundred years ago." As in the early days chair-bearers who had fallen were killed, the tendency to fall was in the course of time eradicated. They descend with a gliding motion that reminds one of the flight of birds. The chair-bearers are united in a guild, and happen to be Mohammedans by religion.

The town of Taianfu, which lies at the foot of the mountain, is notable for a very ancient and stately temple dedicated to the god who represents the original nature worship which centres around Mount Taishan, and which forms the historic basis for all religion in China. The spacious temple courts, with their immemorial trees and their forests of tall stone tablets bearing inscriptions dedicated by emperors for thousands of years past, testify to the strength of the native faith. The streets of the town, set at frequent intervals with arches bearing sculptured animal forms, were lined with shops through whose trellised windows, now that night had come, lights were shining, revealing the activities within. These, with an occasional tall tower or temple shadowing the gathering darkness, made this old town appear full of romance and strange beauty.

Sleeping on our car, we were by night carried to the railway station of Chüfu; some seven miles farther on lies the town of the same name, the home of Confucius. We hired donkey carts at the station; also, as the ladies were anxious to have the experience of using the local passenger vehicle, the wheel-barrow, we engaged a few of these; whereupon our modest

cavalcade proceeded first to the Confucian burial ground, to the north of the city. On the way thither we were met by chair-bearers who carried a portable throne and brought complimentary messages from the Holy Duke. As the chair had been sent for my use, there was nothing for it but to get in. Soon appeared, also, a string of mule carts drawn by sleek and well-fed animals, contrasting with the bony and dishevelled beasts we had hired.

It was plain that the incognito was ended, and that the Duke had been apprised of our coming. Then came the emissaries of the district magistrate, offering further courtesies, such as a guard of honour; and another delegation from the Duke brought a huge red envelope containing an invitation for luncheon. We tried to decline all these civilities and to stroll about quietly, in order to come entirely under the spell of this place. But there was no more rambling and strolling for us. We had to sit in our chairs and carts, and, after two polite declinations of the luncheon invitation, alleging the shortness of our time and our desire to see everything thoroughly, and asking leave to call on the Duke later in the afternoon—we accepted the customary third issue of the ducal invitation.

Our procession was quite imposing as we passed on to the inner gate of the cemetery. Covering about one and a half square miles, the enclosure has been the burial ground of the Confucian family for at least three thousand years, antedating Confucius himself. No other family in the world has such memorials of its continuity. The simple dignity of a huge marble slab set erect before the mound-covered grave marks the burial place of the sage. The adjoining site of the house where his disciples guarded his tomb for

generations, but which ultimately disappeared some two thousand years ago, also bears monuments and inscriptions.

Leaving the cemetery, a large cavalry escort sent by the district magistrate joined our cavalcade of chairs, mule carts, and wheelbarrows, together with crowds of the curious who trudged along. The village streets were lined with people anxious to see the strangers; but their curiosity had nothing intrusive. They were friendly lookers-on, nodding a pleasant welcome should your eye catch theirs.

We passed through many gates of the ancient palace before we were finally received by the Duke himself at the main inner doorway. He was accompanied by the magistrate, and with these two we sat down to chat; nearly an hour elapsed before we were summoned to the table. The meal, which was made up of innumerable courses, lasted at least two hours, during which we kept up an animated conversation concerning the more recent history of the town and of the temple.

The Duke was agitated because missionaries from Taianfu were trying to acquire land in the town of Chüfu. He looked upon this intrusion as unwarranted, saying that as his town was devoted to the memory of the Chinese sage, it did not seem suitable that any foreign religion should try to introduce its worship, and it would certainly result in local ill-feeling.

I tried to quiet his apprehensions by speaking of the educational work of missionaries, of the fact that they, also, respected the great sage; but it was hard to allay his opposition.

The magistrate was jovial, laughing uproariously at

the mildest joke. When we arose from the table, the Duke took us to the apartments of the Duchess, who was staying with the infant daughter recently born, their first child. The Duchess was his second wife, and he was considerably her senior. The little lady seemed to be particularly fond of cats, of which at least forty were playing about her; one of these she presented to Mrs. Adams.

The great Temple of Confucius immediately adjoins the palace. Although the afternoon was wearing on, we still had time to visit it and to wander about in its noble courts. The pillars in the main halls are adorned by marvellous sculpture, and the temple is remarkable for the refined beauty of the structures composing it and for the serene dignity of its aspect. Adjoining the main temple is an ancient well near which stood the original house of Confucius. Stone reliefs present in a long series the history of Confucius in pictures, and there is a great collection of instruments used in performing the classical music. But the chief charm of the temple lies in the vistas afforded by its courts, set with magnificent trees and with the monuments of the past seventy generations.

It was dark when we had finished our visit to the temple. We bade the Duke farewell, and our cavalcade, starting back to the station, was now made picturesque by the flaring torches and the huge paper lanterns which were carried alongside each chair and cart. Slowly the procession wound its way back over the dark plains toward the lights of the station platform and the emblems of a mechanical civilization that contrasted at every point with the life we had seen. The Duke had regretted having objected so strongly to the proposal to bring the

railway closer to the town, for it was of inconvenience to visitors; but he felt, after all, that the great sage himself would always prefer the peacefulness and quiet of the older civilization.

I revisited Chüfu three years later, this time with Mr. Charles R. Crane and Mrs. Reinsch, who had been unable to accompany me on the first visit. The officials were expecting us, and everywhere we were followed with attentions. Not satisfied with giving us two private cars, the railway officials insisted that we have a special engine, too. In the region of Chüfu we gathered an army of military escorts. Arriving at the palace, the Duke greeted us with a child on either arm. The little daughter was now over three, the son slightly over one year old. I have never seen any one who appeared more devoted to his children than the Duke. He always had them with him, carried them about, playing with them and fondling them. When he and the Duchess visited us in Peking he brought the two little ones, and they and my small children played long together joyfully and to the amusement of their elders. The Duke was tall, broad-shouldered, aristocratic looking. While not credited with great ability, he was undoubtedly a man of intelligence, although his education had been narrowly classical and had not given him contact with the world's affairs. He was seventy-third in line from the great sage. At that time he was engaged especially with plans to create in Chüfu a university wherein the Confucian tradition should be preserved in its purity, but which should also teach modern science.

Once during the revolution against the Manchus the Duke was considered a possible successor to the throne. If the country had had a Chinese family of great prominence in affairs, the transfer of the

monarchy to a Chinese house might have been accomplished, but the Duke was by no means a man of action or a politician. Neither had the descendants of the Ming, Sung, and Chow emperors, or of other Imperial houses, sufficient prominence or genius for leadership to command national attention.

The title of the Holy Duke is the only one in China which remains permanently the same. Under the empire, titles were granted, but in each succeeding generation the rank was lowered by one grade until the status of a commoner had again been reached. By this arrangement, under which noble rank gradually "petered out," China escaped the creation of a class or caste of nobility.

CHAPTER IV

A GLIMPSE BEHIND THE POLITICAL SCENES

Modelling largely on American example, China is striving to create truly representative political institutions. Personal rule, imperial traditions, hamper the Chinese in their efforts, unguided as they are by experience; moreover, they meet with foreign skepticism and opposition. It is America's rôle not officiously to interfere in their endeavours, but in every proper way to help them.

The institutions a nation develops are largely its own business. Other nations should not interfere. But in China all liberal-minded, forward-looking men see in the United States a free government which they not only wish to emulate, but to which they look for

interest, sympathy, and moral assistance. The results of their efforts are by no means indifferent to us. Should they fail, should militarist and absolutist elements gain the upper hand; particularly, should China become an appendage to a foreign militarist autocracy, grave dangers would arise. The ideals of the progressive Chinese are in keeping with the peaceful, industrious traditions of China. With these traditions Americans in China are closely allied. They do not seek, nor have they need to seek, to control by political means the choice of the Chinese people. On the other hand, it would be difficult for them to tolerate any attempt to prevent the Chinese from freely following the model of their choice, and from securing those mutually helpful relations with Americans which they themselves desire. In this sense only, then, have Americans a vital interest in Chinese politics. That personal rule and imperial traditions, as well as military despotism, are still powerful enough to hamper the will of the new Chinese democracy may be manifest from a few instances that early came to my attention.

The first case was that of Mr. C.T. Wang. When he related to me the history of the dissolution of his party—he was and still is one of the leaders of the democratic party (Kuo Min Tang)—he told me that he was in great personal danger. Mr. Wang had been marked for execution as a leader of the disbanded party and he was living in concealment as a refugee.

His call upon me, shortly after my arrival in Peking, was my first direct contact with Chinese internal or party politics. He had greeted me at the railway station upon my arrival, and now he told me the story of Yuan Shih-kai's successful attempt to break down the opposition of the parliament and to render

that body entirely innocuous. Mr. Wang was the Vice-President of the Senate, and through his party was associated with Dr. Sun Yat-sen and General Huang Hsin, the men who had attempted the revolution during the summer just passed. But Mr. Wang represented the younger, more modern-minded elements in the party, who desired to adopt the best institutions and practices of the West, but who did not favour violent measures.

Yuan Shih-kai had divided the majority party, in order in the end to destroy its two sections. The most recent action in this fight was the dissolution of the Kuo Min Tang, which was decreed by the President on November 5th, on the ground that this body was implicated in, and responsible for, the revolutionary movement against the President. The President had approached the Tutuhs—or military governors, after the downfall of Yuan Shih-kai called Tuchuns—in the various provinces and had secured in advance an endorsement of his action. Of course, this appeal ignored the constitutional character which the state was supposed to have, and encouraged the military governors in thinking that they were semi-independent rulers. After the death of Yuan their sense of their own importance and independence grew apace. They imitated him in looking upon their armies as their personal property. Moreover, they seized control of the provincial taxes. From all this arose that pseudo-feudalism of military despots, which is the baneful heritage left by Yuan Shih-kai in China.

I had already received, through the Department of State, an inquiry from American friends concerning Mr. Wang's safety. He was graduated from Yale University, was first among the American-returned

students, and favourably known among Americans in general. He had been the president of the Chinese Y.M.C.A. and bore the reputation of being an able, clean-handed, and conscientious man. I could not, of course, know in how serious danger Mr. Wang found himself, nor could I make any formal representations in a case where the facts were unknown. However, through making inquiry as to whether any unfavourable action, such as arrest, was contemplated, I hinted to the Government that any harsh action against Mr. Wang would be noted. The very fact that a well-disposed foreign nation is taking notice will tend to prevent rash or high-handed action, which is frequently forced by some individual hothead commander or official. When public attention has been directed to the unjust treatment of a man, rash vindictiveness may be restrained by wiser heads.

A further example of the working of Chinese internal politics which came under my observation at this time is shown in the method by which Yuan Shih-kai politely imprisoned the Vice-President.

From time to time Yuan Shih-kai had made efforts to induce the Vice-President, General Li Yuan-hung, to come to Peking from Wuchang, where he was stationed in command of troops. He had sent him messengers and letters, protesting the need he felt of having General Li closely by his side in order to profit by his support and advice on important affairs. These polite invitations had been answered by General Li in a most self-deprecatory tone; he could not aspire to the merit and wisdom attributed to him by the President; he could be of but little assistance in important affairs of state; it was far better for him to stay in his position as commander at Wuchang,

whence he could effectively support the authority of the President and all his beneficent works.

This interchange of correspondence went on for some time. It was evident that General Li did not wish to come to Peking. It was surmised that the President did not like the prominence which the democratic party had given to the name of General Li Yuang-hung, whom they had heralded as a true republican and a man of popular sympathies. Probably Yuan feared that General Li might be placed at the head of a new political movement against the President's authority.

The President not only sent messengers and letters of cordial invitation, but he also rearranged the disposal of troops, with the result that bodies of troops upon which Yuan Shih-kai could rely were drawn around Wuchang with a constantly shortening radius. Finally in December General Li realized that he had no alternative. He therefore informed the latest messenger of Tuan that he could no longer resist the repeated cordial invitations, and that while he was sharply conscious of his shortcomings, he would endeavour to assist the chief magistrate to the limit of his powers.

He came to Peking in December, without troops of his own. The President received him with the greatest cordiality, embracing him and vowing that now the burden of responsibility was lightened for him; that he must have his great associate and friend always close at hand, where he could consult with him daily, in fact, any hour of the day and night; he therefore invited General Li to make his home close to the palace of Yuan, namely, on the little island in the South Lake in whose many-coloured, gracefully formed halls, Emperor Kwang Hsu was for many

years kept a prisoner by the Empress Dowager.

There General Li took his residence, knowing that his great friend the first magistrate could not spare his presence at any hour of day or night.

The question arose whether the foreign representatives should call on the newly arrived Vice-President. The Government tentatively suggested that as hosts it might be proper for them to make the first call. Whether or not this was done in the expectation that the suggestion would not be accepted, it certainly was not the desire of Yuan Shih-kai to encourage close relations between the Vice-President and any outsiders.

Although Yuan Shih-kai still allowed the rump parliament to exist, he had undoubtedly decided at this time to dispose of it entirely. A ready pretext was at hand, because, with the expulsion of the Kuo Min Tang, the parliament no longer could muster a quorum. On November 13th, it was announced that a central administrative conference would be created to act in an advisory capacity in matters of government. It was plain that this body was intended to displace parliament. The list of nominees was made up mostly of men of the old régime, literati and ex-officials—the kind known among the Chinese as "skeletons"; a group of high standing and very good reputation, but from which little constructive action could be expected. Among them was a very effective orator, Ma Liang, a member of the Roman Catholic Church. He was a dignified, elderly man, who came to see me to talk about reforestation and colonization of outlying regions. His contact with Western civilization had been through the Jesuit College at Zikawei. Another member was Dr. Yen Fu, who had won reputation by translating a large

number of scientific works into Chinese and creating a modern scientific terminology in Chinese. Among other councillors with whom I became well acquainted was Hsu Shih-chang, later President of China, and Li Ching-hsi, a nephew of Li Hung-chang, who had been Viceroy of Yunnan under the Empire.

Dr. Frank J. Goodnow, the American Constitutional Advisor, often discussed Chinese political affairs with me. It was his impression that parliament had attempted to take over too much of Western political practice without sufficiently considering its adaptability to Chinese uses. He believed that the administrative power should not be subject to constant interference by parliament, and that China was not yet ready for the cabinet system. He therefore held a rather conservative view favouring gradual development in the direction of Western institutions, but not a wholesale adoption of the same. The Yuan Shih-kai government took advantage of this attitude of the American expert to give out, whenever it proposed a new arrangement for strengthening its hold, that the matter had the approval of Doctor Goodnow and other foreign advisers. However, these authorities were not really consulted; that is, they were not brought into the important conferences, nor given the chance to coöperate in the formulation of vital projects. As a matter of form they were, of course, "consulted"—but usually after the decisions had been made. They were informed of what had been agreed upon; and then it was announced that the approval of the advisers had been secured. Another example of the bland self-sufficiency of Yuan Shih-kai and his government. They believed in themselves; they considered that they were accountable only to themselves; they had fundamentally the monarchic

point of view in all departments of public service.

CHAPTER V

WITH MEN WHO WATCH POLITICS

I found in Peking several good observers of political life, especially Dr. George Morrison, Mr. B. Lenox Simpson, and Mr. W.H. Donald. All three had the training in observation and judgment which comes from writing for responsible papers. Doctor Morrison was gifted with a memory for details. Thus, he would say: "When I first visited New York I lived in a little hall room on the third floor of 157 East Twenty-ninth Street, with a landlady whose name was Simkins, who had green eyes and a red nose and who charged me two dollars a week for my room." He delighted in detailing minutely his daily doings. His sense of infinite detail combined with his remarkable memory made Doctor Morrison an encyclopædia of information about Chinese public men. He knew their careers, their foibles and ambitions, and their personal relationships. Like most British in China he was animated with a sincere wish to see the Chinese get ahead, and was distressed by the obstacles which a change for the better encountered at every step. His own mind was of the analytical and critical type rather than the constructive, and his greatest services were rendered as interpreter of events and in giving to public men and the people a clear idea of the significance of complex Chinese situations. "I am annoyed," he would say, "because kindly old ladies persistently identify me with the missionary

Morrison who died in 1857."

Mr. Donald's acquaintance with Chinese affairs had come through close contact with the leaders of new China, with whom he coöperated intimately in their military and political campaigns. He had a heart for the Chinese, as if they had been his own people. He worried about their troubles and fought their fights. Mr. Simpson, the noted writer who uses the pen name "Putnam Weale," began active life as a member of the Maritime Customs service, but he soon resigned, to devote himself wholly to literary work. His masterly works of political analysis were written in the period of the Russo-Japanese War, although his best-known book came a little earlier—a book which long earned him the ill-will and suspicion of many of the legations in Peking. He himself disavows giving in "Indiscreet Letters from Peking" a recital of actual facts. He told me: "I wished to give the psychology of a siege, selecting from the abundant material significant facts and expressions, but I was not in any sense attempting to chronicle events and personal actions."

Mr. Simpson has also written a series of novels dealing with Chinese life. The short stories are the best; the longer ones, while interesting in description and clever in dialogue, lack that intuitive power of characterization which is found in the greatest novels, though "Wang the Ninth" which has recently come from the press is an admirable study of Chinese psychology and an excellent story as well. Though his playful and cynical mind often led people to judge that he was working solely for literary effect, it seemed to me he had a deep appreciation of what China should mean to the world; he also had real sympathy for the Chinese, and desired in every way

to help them to realize the great promise of their country and people. As a conversationalist Mr. Simpson resembled Macaulay, in that his interludes of silence were infrequent. Notwithstanding the brilliance of this conversation, luncheon parties of men occasionally seemed to become restive under a monologue which gave few others a chance to wedge in a word.

Aside from these three British writers, many other men were following with intelligent interest the course of events. Bishop Bashford, gifted with a broad and statesmanlike mind, could always be trusted to give passing events significant interpretations. Dr. W.A.P. Martin had then reached an age at which the individual details of current affairs no longer interested him. His intimate friend, Dr. Arthur H. Smith—a rarely brilliant extemporaneous speaker—was full of witty and incisive observations, often deeply pessimistic, though tempered with a deep friendship for the Chinese people.

Among the members of the diplomatic corps it was chiefly the Chinese secretaries who busied themselves, out of professional interest with the details of Chinese affairs, although they did not in all cases exhibit a broad grasp of the situation.

Mr. Willys R. Peck, Chinese secretary of the American Legation, born in China, had a complete mastery of the difficult language of the country. He could use it with a colloquial ease that contrasted most pleasantly with the stilted and stiff enunciation of the ordinary foreigner speaking Chinese. His tact in intercourse with the Chinese and his judgment on character and political affairs could be relied on. Mr. Peck took the place of Mr. E.T. Williams, who was

called to Washington as chief of the Far Eastern Division in the State Department. I considered it great good fortune that there should be at the Department a man so experienced and so familiar with Chinese affairs.

It was my good fortune to have as first secretary of the legation a man exceptionally qualified to cope with the difficulties and intricacies of Chinese affairs. Not only are these affairs infinitely complex in themselves, but they have been overlaid through many decades with a web of foreign treaty provisions, which makes them still more baffling to the stranger who tackles them. But Mr. J.V.A. MacMurray, the secretary, was possessed of a keenly analytical, legally trained mind which was able to cut through the most hopelessly tangled snarl of local custom, national law, international agreement, and general equity. Also his interest in things Chinese was so deep and genuine that his researches were never perfunctory. The son of a soldier, he had an almost religious devotion to the idea of public service.

Among the ministers themselves, Sir John Jordan, actual Dean of the Diplomatic Corps, was through long experience and careful attention to affairs most fitted to speak with authority on things Chinese. I was immediately greatly attracted to him and formed with him a close acquaintanceship. This led to constant coöperation throughout the difficult years that lay ahead. Sir John was a man of unusually long and varied experience in China. He came first to the consular service, then became minister resident in Korea, and his forty years of official work had given him complete intimacy with Chinese affairs. Although he speaks Chinese with fluency, in official

interviews and conversations he was always accompanied by his Chinese secretary and expressed himself formally in English. As a matter of fact, few diplomats ever use the Chinese language in official conversation. Because of its infinite shades of meaning it is a complex and rather unprecise medium, therefore misunderstandings are more readily avoided through the concurrent use of another language. While Sir John understood Chinese character and affairs and was sympathetic with the country in which his life work had been spent, yet there dwelt in him no spirit of easy compliance. When he considered it necessary, he could insist so strongly and so emphatically upon the action he desired taken that the Chinese often thought of him as harsh and unrelenting: yet they always respected his essentially English spirit of fairness and straightforwardness.

Other colleagues with whom close relationships grew up were Don Luis Pastor, the Spanish minister, a gentleman thoroughly American in his ways and familiar through long residence in Washington with our affairs; and Count Sforza, the Italian minister. To the latter China seemed more or less a place of exile; he appeared bored and only moderately interested in the affairs about him. But his legation—with Countess Sforza, Madame Varè, whose Lombard beauty did not suggest her Scotch origin; the Marquise Denti, with her quizzical, Mona Lisa-like haunting smile, concealing great ennui; and the entirely girlish and playful Countess Zavagli, a figure which might have stepped out of a Watteau—was a most charming social centre. M. Beelaerts van Blokland, the Netherlands minister, a man of clear-thinking, keen mind, and great reasonableness, and the Austrian minister, M. von Rosthorn, a profound

Chinese scholar, who was then working on a Chinese history, were men of whom I saw much during these years.

There were few sinologists in Peking at this time. The successive Chinese secretaries of the American Legation ranked high in this respect. Of resident sinologists the most noted, Mr. (later Sir) Edward Backhouse was a recluse, who never allowed himself to be seen in the company of other people of a Western race. At the only period when I had long conversations with him I found him much disturbed by wild rumours current in the Chinese quarter to which I could not attach any weight. Others whose knowledge of Chinese was exceptional were Mr. Sidney Mayers, representative of the British China Corporation, who had formerly been in the consular service; Doctor Gattrell, who had acted as secretary of the American Group; Mr. W.B. Pettus, the director of the Peking Language School; Mr. Simpson, already mentioned; and several missionaries and professors at Peking University.

Of the Chinese there were, of course, many with whom I could profitably discuss the events of the day and gather suggestions and interpretations of value. With all these men I conversed upon events, relying for my information not on rumours or reports, but on the facts which I could learn through the men directly concerned; or through others well informed. The opinion which I formed from such various sources about the political condition of China at this time, the spring of 1914, may be stated as follows:

The political authority of the Central Government in China rested upon military organization. Other sources of authority, such as customary submission on the one hand, and the support based upon the

intelligent coöperation of all classes of citizens in the achievement of the purposes of government in accordance with public opinion on the other, were only of secondary influence. It was therefore important to inquire whether the military power was so organized as to afford a stabilizing support to public authority. This did not seem to be the case.

In the first place, the existence of a large army of doubtful efficiency was in itself an evil, considering the then limited resources of the Chinese State, and the fact that any attempt to reduce the military forces to more reasonable dimensions met with stubborn opposition. Whenever troops were disbanded they showed no tendency to return to useful occupations: the ex-soldiers desired only to continue to live upon the country, and, no longer serving the established authority, they joined bandit gangs, rendering the interior of the majority of the provinces insecure.

The weakness of the army was strikingly demonstrated whenever an attempt was made to use it to defend the country against either external or internal enemies. In the campaign against the Mongols, the Chinese troops had failed entirely; even within the country itself, this huge army was not able to insure the fulfilment of that first duty of a government—the protection of the lives and property of its citizens.

In the provinces of Honan and Hupei brigands, led by a person known as "White Wolf," had for months been terrifying the population; ravaging the countryside; sacking walled cities; murdering and outraging the population; and in a number of instances had killed foreigners. Thus far the army had been powerless to suppress these brigands; in

fact, evidence was at hand that the troops had repeatedly been so lax and remiss that the only explanation of their conduct would seem to lie in a secret connivance at the brigandage, and lack of coöperation among the commanders of the troops.

As the authority of the Central Government was commensurate with its control over the tutuhs (tuchuns), or military governors, the attitude of the latter toward the President had to be carefully watched; and it was causing no small uneasiness that there did not seem to be perfect agreement among these pillars of authority in the various provinces; thus, friction had recently been reported between General Tuan Chi-jui, the Minister of War, who was the acting tutuh of Hupei, and General Feng Kuo-chang, the tutuh of Kiangsu, two of the most powerful supporters of the President.

None of the provinces of China, during the preceding three months, had been free from brigandage, attempted rebellion, troubles resulting from the disbanding of troops, and local riots. Conditions were worst in the provinces of Honan and Hupei, in which the bands of "White Wolf" are operating.

These bands had assumed a distinctly anti-foreign attitude. In Kansu there were constant Mohammedan uprisings, related to the open rebellion in Tibet and Mongolia. Bandit movements had also occurred in the provinces of Shansi, Shensi, Szechuan (super-added to revolts of the troops), Anhui, Kiangsi, Hunan, Fukien, Kweichow, Yunnan, and Kwangtung. Chekiang, Kwangsi, Shantung, and Chihli had been the least molested.

While the Government had been unable to fulfil its duty of protecting the lives and property of its

citizens, it was also unable to exercise the elementary power of providing, through taxation, the means for its own support. The maintenance of the army had eaten up the available means and it had not been possible to secure sufficient money from the provinces to meet the ordinary running expenses of the Central Government. The remarkable resisting power of China is illustrated by the fact that, notwithstanding the conditions of rebellion and political unrest which characterized the year 1913, general commerce remained so active that the collections of the Customs and of the Salt Gabelle exceeded those of any previous year. These two sources of revenue were sufficient to provide for the interest payments and amortization of the long-term foreign loans then contracted; their administration, under foreign control, had secured to the Central Government the funds to meet these obligations and to avoid open bankruptcy.

All other forms of taxation were disorganized. The collection of the land tax was in many places discontinued; records had been destroyed, or the population took an attitude hostile to its collection. The proceeds of the *likin*, as far as collected, were retained for provincial use. Altogether, the Central Government received from the provinces not more than 10 per cent. of the estimated income from these sources under the last Imperial Budget for 1912.

Meanwhile, the Central Government had been living from hand to mouth, using the proceeds of foreign loans for administrative purposes, and was kept going by taking cash advances upon foreign loan contracts made for furnishing materials and for various concessions. In this way the future had been discounted to a dangerous extent.

The weakness of the financial administration of the Government was found in all other branches of its activities. There was little evidence of constructive capacity.

In the ministries and departments of the Central Government the greatest disorganization was apparent. In dealing with technical questions the officials were often entirely at sea, not being trained themselves in these matters, nor willing to make real use of the many advisers who were engaged by the Government; there was no adequate system of accounting; the departmental records were not well kept; frequently the existence of a transaction was not known to the officials most nearly concerned; past transactions, fully consummated, had been forgotten; there was no centralization of governmental knowledge; so a great deal of the public business was transacted in a haphazard way, leading to a helpless opportunism of doing the things most strongly urged and of grasping at small immediate advantages at the cost of engagements long to be regretted.

Ambitious schemes of general policy had been brought up, and elaborate regulations promulgated, to all of which little attention was subsequently paid. On the other hand, there had scarcely been one single concrete result obtained in constructive work.

The metropolitan Province of Chihli had been quiet and peaceful since the outbreak of 1912. The Government here certainly had sufficient authority to introduce constructive reforms, and the general conditions for such action in this province had been relatively most favourable. But not even in the case of Chihli Province had the taxation system been rendered efficient; no efficient auditing methods had

been introduced in practice, although systems of auditing control had been promulgated; educational institutions had been allowed to run down: in short, under the most favourable conditions, no constructive work had been accomplished.

Nearly all attempts to do something of a constructive nature had been immediately associated with foreign loans, often involving a cash advance to the Government. It might, of course, be said that the great difficulty of the Chinese Government was exactly that it lacked the funds for carrying out constructive work; and that, therefore, only such lines of improvement could be followed for which it had been possible to secure foreign loans.

This, however, was only partly true. A great many reforms could have been accomplished without the increase of expenditure; indeed, they would have resulted in a reduction of outlay. The fact seemed to be that the Central Government, realizing how important foreign financial support had been to it during the Revolution of 1913, was anxious to secure more and more funds from abroad without counting the ultimate cost.

An opportunity for obtaining from abroad large sums of money, far beyond any amount ever before dealt with by Chinese officials and merchants, in itself had an unsettling effect upon methods of public business. The old caution and economy, which kept the public debt within narrow limits, had given way to a readiness to obtain funds from abroad in enormous amounts, without apparently the realization of the burden imposed upon China by way of the necessity of return in the future through the results of labour and sacrifice of millions of people.

Nor had the old system, under which the inadequate

salaries of officials had ordinarily to be supplemented by extraneous illicit gains, given way to a more efficient and business-like organization of the public service under which officials would be able to devote their undivided attention to the accomplishment of their regular allotted tasks without spending their energy in contriving additional means of obtaining income.

In the case of certain classes of officials, the Government had endeavoured to place their salaries at a figure sufficient to render them independent of these practices; but the resources of the Government were not adequate to enable it at once to place the entire public service upon a basis of individual independence. It was also true that certain among the closest advisers of the President were commonly believed to have used their positions for the purpose of accumulating vast private fortunes—a belief which, whether justified or not, must be counted with in determining the standing of the Government as enjoyed throughout the country.

Thus the old hostility and lack of confidence, which formerly characterized the relations between merchants and officials, continued under the new system.

Through the dissolution of the Parliament, the Government had destroyed an organ which might, in the course of time, have established relations of confidence between the great middle class of China and the Government.

As a statesman, the President emphasized in the first place the requirements of order and of authority. To him it seemed that Parliament, with its free discussion, with its opportunity for forming political factions, opposing the men in authority, stood in the

way of the establishment of a lasting system of legal order. He, therefore, dissolved first the national parliament, then the assemblies of the provinces, and finally the local self-governing bodies.

In each case inefficiency was justly complained of. The men in the parliamentary bodies had often been self-seeking, factional, and unpractical. But the President seemed to have no perception of the true value of parliamentary action as a basis of public authority; he considered opposition to the Government synonymous with opposition to lawful authority. And in his ideas upon the reconstitution of Parliament, as far as they had been announced, two main principles dominated: first, that only men of mature experience and of conservative ideas should be selected; and secondly, that the activities of Parliament should be confined to discussing and giving advice upon policies already determined upon by the Administration.

CHAPTER VI

CHINA OF MERCHANT-ADVENTURERS

The past may become in the human present more alive than ever. John Richard Green finds in the old records of the guilds of Berwick an enactment "that where many bodies are found side by side in one place they may become one, and have one will, and in the dealings of one with another have a strong and hearty love." In the history of the Saxons, Edwin of Northumbria "caused stakes to be fixed in the highways where he had seen a clear spring," and

"brazen dishes were chained to them, to refresh the weary sojourner, whose fatigues Edwin had himself experienced." These things shine with the sun, and enlighten our work to-day. The Maine woodsman sits on a stump whose rings number centuries of growth. When Chinese children came to play with our children at the Legation, I was always impressed by their dignity of demeanour and their observance of the courtesies while their elders were present. On the faces of these little heirs of the Holy Duke the composure of eighty generations of culture and traditions sat freshly; and it by no means alloyed their delight, which was unstinted, in American toys and dolls.

This transmutation of the old into new life is seen everywhere in China. The day comes every morning fresh as a flower. But we know it is old; it is an ancient day, white-clad and beautiful as the stars. The Chinese peasant thrusts his stick of a plough many eons deep into his ancestral soil. In north China it is loess soil, the most fertile on the globe, brought down from the mountains for millenniums and deposited to depths of from twenty to thirty feet. When there are no floods the rain sinks deeply into this porous soil, meets the moisture retained below, and draws up therefrom the inorganic salts that are held dissolved. So its fertility is inexhaustible.

But floods do come, as they have come unchecked for ages. In the Hwai River region, with all this natural richness underfoot, the people are poor, weak, famine-stricken, living in aggregations of shabby hovels that are periodically swept away. Its crops, which should normally be six in three years, average but two and three. This region is only one example of several prodigious and extensive valleys

choked with fertility, yet with famine and pestilence raging through them, cursed as they are by inundations that might be completely checked at little engineering cost. With these regions reclaimed and the border provinces colonized, China's crops alone would support double her present population. The people of the Hwai region, secure and affluent, might be easily increased by twenty million living heirs of a fifty-centuries-old civilization. Indeed, a little vision and scientific application would transform China.

With what the ages have produced for the West—the old guild spirit reviving, if you please, in the modern trust—the West can meet the East. The true ministers and ambassadors to China are the merchant-adventurers of the Western nations, bearing their goods, their steel and tools, their unique engineering skill and works. It was not for what the *entrepreneurs* "could get out of" China, nor yet for what China could get out of us, that my policy as American minister was directed to this complementary meeting of two civilizations. It was because I saw millions perishing wretchedly whose birthright in the higher arts and amenities of living is at least as rich as our own—perishing for lack of an organizing skill which it is the province of the Western peoples to supply. It was because I knew, with their admirable family life and local democratic institutions, it needed only trunk-line railways to link together these close-set communities, comprising one quarter of the earth's population, into as admirable a central democracy.

But how the West was then meeting the East came home to me on the second morning of my stay in Peking. I entered the breakfast room, where I found Doctor Hornbeck in a state of annoyance. He handed

me the morning copy of the *Journal de Peking*, a sheet published in French and known to be subservient to Russian and French political interests from which it got subventions. The article in question was a scurrilous attack on me personally, and on American action in China generally.

A Chinese journal in Shanghai had published a laudatory article in which had been cited extracts from my published books. One of these, taken from "World Politics," had happened to speak of French subserviency to Russian policy in the Far East. The French journal repeated these expressions as if they had been given out by me in an interview upon arriving in China. As they were in fact taken from books published more than ten years before, which had run the gauntlet of French critical journals without ever having been taken as hostile to France, I did not have any reason to worry, and the fume and fury of the local journal rather amused me than otherwise. I could, however, not help noting the temper of these attacks, their bitterness and the utter rashness and lack of inquiry with which the charges were made. It gave me early warning, considering its gross lack of courtesy to a newcomer, who had entered the field in a spirit friendly to all, as to what might be expected from some of our friendly rivals. When several years later one of the ministers whose legation stood sponsor for this sheet approached me with a request to use my influence to suppress a Chinese paper which had attacked him, I regretted that it was not in my power to be of assistance.

The significance of the article lay of course in its attack upon American policy, which was characterized as one of "bluff", and which charged the United States with assuming a tone of superior

virtue in criticising others, and, while loudly professing friendship for the Chinese, failing to shoulder any part of the responsibility in actual affairs. The Y.M.C.A. and the Standard Oil Company were coupled together as twin instruments of a nefarious and hypocritical policy.

The *China Press*, the American newspaper of Shanghai, pointed out that the attack of the French paper indicated what the American minister would have to face, and observed that the success or failure of his diplomatic mission must depend upon the readiness of the American Government to take an active part in the rehabilitation of China. Should America play the rôle of an altruistic but impotent friend, and of a captious critic of the other powers, it could gain neither sympathy nor respect.

The American Government was at this time severely criticised for its failure to endorse the Six-Power Consortium; it was urged that the Administration had sacrificed the best opportunity for bringing American goodwill to bear on Chinese public affairs, by exercising a moderating and friendly influence in the council of the great powers. On the other hand, it ought to be considered that a new administration, when confronted with the sudden proposal that it give *exclusive* support to one special group of banks, might well hesitate, particularly in view of the fact that the group in this case consisted of only four New York houses. An earlier administration had answered such an inquiry in a similar way. Considering the merits of the question from the point of view of China, the action might present itself in the light of a refusal to join with others in placing upon the young republic the fetters of foreign financial control. Moreover, the proceeds of the Reorganization Loan

were actually not used for the benefit of the Chinese people, but on the contrary this financial support fastened the personal authority of Yuan Shih-kai on the country and enabled him to carry on a successful fight against parliament. That body never gave its approval to the loan.

From my conversations with President Wilson before departing for my post I had formed the conclusion that the President realized that as America had withdrawn from a coöperative effort to assist in the development of China, it was incumbent upon her to do her share independently and to give specific moral and financial assistance; in fact, I received the President's assurance of active support for constructive work in China. In his conversation he dwelt, however, more on the educational side and on political example and moral encouragement, than on the matter of finance and commerce.

It cannot be doubted that in China the withdrawal of the United States from the Consortium was interpreted as an act of friendship by all groups with the exception of that which was in control of the Government at the time, which would have preferred to have the United States at the council table of the Consortium Powers. Those opposed to the Government were particularly strong in their commendation of our refusal to join in an agreement which to them seemed far from beneficial to China. But all parties without exception drew the conclusion that the friendly action of the United States, which had now rejected the method of international coöperation, would continue independently of the others. In view of the power and resources of the United States, it was hoped that there would be a greater participation by the United States in Chinese

industrial and commercial affairs, as well as in administrative loans, than had hitherto existed.

It is apparent from all this that the American position in China was not free from difficulties. The covert antagonism of the five Consortium Powers was continuous. We were isolated, and would be judged by what we could do by ourselves. Should it turn out that we had nothing to offer but sage advice, the strictures of our rivals might in time come to carry a certain amount of conviction.

So far as the Americans themselves were concerned, they were thoroughly discouraged, and everywhere talked as if it were all up with American enterprise in China. When I said: "No, it is only just beginning," polite incredulity was the best I could expect. It is very probable that the Americans who were so downcast saw in the appointment of a literary and university man as minister to China an additional indication that there was to be no special encouragement given to American economic enterprise. Having long been familiar with the underlying facts of the Far Eastern situation, I had entirely made up my mind on the primary importance of American participation in the industrial and economic development of China. No one could have appreciated more highly than I did the important work done by American missionaries, teachers, and medical men, in bringing to China a conception of Western learning and life. But if China should have to rely entirely on other nations for active support in the modern development of her industries and resources, then our position in the eyes of the Chinese nation could never come up to the opportunities which Nature had given us through our geographic position and our industrial strength.

I had long discarded any narrow interpretation of diplomacy, but even if I had adhered to the principle that the diplomat must busy himself only with political matters, I should have had to admit that in China political matters included commerce, finance, and industry. I did not, of course, intend that the Legation should enter into a scramble for concessions, but it was my purpose that it should maintain sympathetic contact with Americans active in the economic life of China, and should see to it that the desire of the Chinese to give them fair treatment should not be defeated from any other source.

When I thought of American enterprise in China I had less in mind the making of government contracts, than the gaining of the confidence of the Chinese people in the various provincial centres of enterprise by extensive business undertakings, resting on a sound and broad foundation. In China the people are vastly more important than the Government, so that it is necessary to make up one's mind from the start not to regard Peking as the end-all and be-all of one's activity, but to interest one's self deeply in what is going on in all of those important interior centres where the real power of government over the people is exercised, and where the active organizations of the people are located.

The universal knowledge that America has no political aims in China, of itself gives Americans the confidence of the Chinese and predisposes the latter to favour intimate coöperation. Our policy is known to be constructive and not to imply insidious dangers to their national life. It would be discouraging to the Chinese, should Americans fail to take a prominent part in the development of Chinese resources. To

Americans the idea of securing preëminence or predominance is foreign, but from the very nature of their purely economic interest they have to resist any attempt on the part of others to get exclusive rights or a position of predominance, which could be utilized to restrict, or entirely to extinguish, American opportunities.

I was therefore resolved to give every legitimate encouragement to constructive enterprise, whether it were in education, finance, commerce, or industry.[1] Fully a year before going to China I had expressed my view of the nature of American policy there, saying that a united China, master of its own land, developing its resources, open to all nations of the world equally for commercial and industrial activity, should be the chief desideratum.

Among the specific American interests already existing in China, that of missionary and educational work had at this time to be given the first rank. There are two factors which have made it possible for this work to achieve a really notable influence. The one is that it is plainly the result of individual impulse on the part of a great many people animated by friendly motives, and not the result of a concerted plan of propaganda. The second factor is the spirit of helpfulness and coöperation which permeates this work. There is no trace of a desire to establish a permanent tutelage. An institution like the Y.M.C.A. acts with the sole thought of helping the Chinese to a better organization of their own social and educational life. The sooner they are able to manage for themselves, the better it seems to please the American teachers, who may remain for a while as friendly counsellors, but who make no effort to set up a permanent hierarchy of supervision. The

Chinese have an intense respect for their educators, and it has been the good fortune of many Americans —men like Dr. W.A.P. Martin and Dr. Chas. D. Tenney—to win the devoted loyalty of innumerable Chinese through their activity as teachers.

Among commercial enterprises the Standard Oil Company was carrying petroleum to all parts of China. It had introduced the use of the petroleum lamp, had extended the length of the day to the hundreds of millions of Chinese, and even its emptied tin cans had become ubiquitous in town and country, because of the manifold uses to which these receptacles could be put. For efficiency and close contact with the people, the Chinese organization of this great company was indeed admirable.

A similar result had been obtained by the British-American Tobacco Company, which, although organized in England under British law, is American by majority ownership, business methods, and personnel. The cigarette had been made of universal use, and had been adapted to the taste and purchasing ability of the masses. Though there were several American commission firms of good standing, none had the extensive trade and financial importance of the great British houses. Several American firm names established in China early in the nineteenth century, like that of Frazar & Company, had become British in ownership. The only American bank was the International Banking Corporation, which at this time confined itself to exchange business and did not differ in its policy or operations from the common run of treaty port banks.

If national standing in China were to be determined by the holding of government concessions, America

was at this time, indeed, poorly equipped. The Bethlehem Steel Corporation had in 1910 concluded a contract with the Imperial Government for the construction of vessels to the value of $20,000,000. When I came to China, a vice-president of the corporation, Mr. Archibald Johnston, was in Peking, ready to arrange with the republican government for a continuance of the contract. The American banking group was a partner in the Hukuang Railways, in which it shared with the British, French, and German groups. An American engineer was employed at the time in making a survey of a portion of the proposed line along the Yangtse River. The American group also held the concession for the Chinchow-Aigun Railway in Manchuria, the execution of which had been blocked by Russia and Japan. The group further participated with the three other groups above mentioned in the option for a currency loan. The only activity going on at this time in connection with these various contracts, on the part of America, was the survey of the Hukuang railway line west of Ichang.

For some time the practice had grown up, on the part of European powers, to urge the Chinese to employ, as advisers, men reputed to have expert knowledge in certain fields. The most noted adviser at this time was Dr. George Morrison, who had gained a reputation in interpreting Far Eastern affairs as Peking correspondent for the London *Times* during and after the critical period of 1900. A fresh group of advisers had just been added under the terms of the Reorganization Loan. Each power therein represented had insisted that the Chinese appoint at least one of its nationals as an adviser. The American Government had never urged China to make such an

appointment. But when President Eliot visited China in 1913, Chinese officials expressed to him the wish that a prominent American should be retained as adviser to the Chinese Government. President Eliot suggested that the Carnegie Endowment might propose certain experts from whom the Chinese Government could then make a selection. This method was actually followed, and as a result Prof. F.J. Goodnow of Columbia University, a recognized authority on constitutional law, had been retained by the Chinese Government and was at this time already in residence at Peking. The Ministry of Communications on its part had sought a man familiar with railway accounting, and had called upon the late Prof. Henry C. Adams, the noted economist and railway expert of Michigan University.

The important administrative positions of Inspector General of Customs and of Foreign Inspector of the Salt Revenue were held by two British officials. The salt administration had come within the purview of international supervision through the Reorganization Loan agreement; and, as America was not a party to that loan, the appointment of Americans to any positions in this service was frowned upon by several of the partners. The Inspector, Sir Richard Dane, an official of long experience in India, however, adopted the policy of not confining the appointments to subjects of the Consortium Powers. He had retained several Americans, in whom he seemed to place great confidence. In the Customs Service, Americans did not hold the number of positions to which they were relatively entitled. This was undoubtedly due to the fact that very few people in the United States knew that such positions in China are open to Americans; moreover, many of those Americans who

were actually appointed had become impatient with the relatively slow advancement in this service and had been attracted by other opportunities. There were, however, a number of highly reputed and efficient American officials in the Customs Service.

FOOTNOTES:

[1] The leading British paper of China had this to say concerning the modern functions of diplomacy: "It is characteristic of Doctor Reinsch and his outlook upon China that he should mark a point of progress in the fact that the legations are ceasing to be merely political centres, and that, instead of politics being the one and only object of their existence, they are now establishing relations of all kinds of mutual helpfulness in vital phases of national reorganization. In this connection, we may see an increase in the number of experts who will come, unofficially for the most part, to study conditions and gather data which may be available as a sure foundation for progress." I may say in passing that the British papers in China, throughout the period of my work there, were almost uniformly fair and friendly, and gave credit for honest efforts to improve conditions.

CHAPTER VII

PROMPT PROPOSALS FOR AMERICAN ACTION

The Chinese were not slow in showing what conclusions they deduced from the withdrawal of the American Government from the Six-Power Consortium. On November 27th, two cabinet ministers called on me for a private conversation. Following this interview Mr. Chang Chien,

recognized master of antique Chinese learning, but also Minister of Industries and Commerce, came to me. I will relate the substance of what passed on these two occasions, beginning with Mr. Chang.

Chang Chien carried off first honours in the great metropolitan examinations of Peking under the old régime in 1899. He is a scholar *par excellence* of the Chinese classics, and his chirography is so famous that he has been able to support a college out of the proceeds of a sale of examples of his writing. But he has not rested satisfied with the ancient learning. In the region of his home, Nan Tung-chow, on the banks of the Yangtse, he has established schools, factories, and experiment stations for the improvement of agriculture and industry. He had financial reverses. People at this time still doubted whether he would be permanently successful, although they admitted that he had given impetus to many improvements. Since then his enterprises have flourished and multiplied. He has become a great national figure, whose words, spoken from an honest desire for right public action, have decisive weight with the nation. While he still represents the old belief that the superior man of perfect literary training should be able successfully to undertake any enterprise and to solve any practical difficulty—which belief is contrary to the demands of our complex modern life for specialization—yet he has succeeded in bending his intelligence to thoroughly modern tasks.

As would be expected from his high culture as a Chinese scholar, Mr. Chang Chien is a man of refinement and distinction of manners, than which nothing could be more considerate and more dignified. The Chinese are exceedingly sensitive to

the thought and feeling of any one in whose company they happen to be; if their host is busy or preoccupied, no matter how politely he may receive them, they will nevertheless sense his difficulty and will cut their visit short. They also have great tact in turning a conversation or avoiding discussions they are not ready for, and they can do this in a manner which makes it impossible to force a discussion without impolite insistence. The smoothness and velvetiness of Chinese manners, together with the absence of all servile assent and the maintenance of complete independence of discussion, are marvellous and bear evidence to thousands of years of social training.

Mr. Chang Chien was particularly interested in river and harbour development, and in plans for the drainage of those regions of China which are subject to periodical floods. It was contemplated to establish a special conservancy bureau under whose care surveys for important projects were to be undertaken. I questioned Mr. Chang concerning the status of the Hwai River conservancy scheme for the prevention of floods in the northern portion of the provinces of Kiangsu and Anhui, the region from which he came.

"I have already established a special engineering school," he replied, "in order to train men for this work. A large part of the survey has been made, and it can be entirely completed by a further expenditure of 35,000 taels.

"Besides the enormous benefit of such a work to all the adjoining agricultural lands," he continued, "there would be reclaimed nearly 3,000,000 acres which could now not be used at all, although their soil is inexhaustibly fertile. The land thus reclaimed

would be salable immediately for at least $40 an acre. Would not this alone be ample security for a large conservancy loan? $25,000,000 would do the work."

Mr. Chang was also interested in the establishment of a commercial and industrial bank, in copartnership with American capitalists. "Such a bank," he said, "would assist in furnishing the capital for the works of internal improvement."

It was quite plain that Mr. Chang looked upon a bank as an institution which would invest its capital in such enterprises—a conception which was then quite current among the Chinese. They had not yet fully realized that in the modern organization of credit a bank may act as a depository and may make temporary loans, but more permanent investments must ultimately be placed with individual capitalists, with banks acting only as underwriting and selling agencies.

As we talked about the execution of these large and useful projects, Mr. Chang repeatedly made expressions such as this: "I prefer American coöperation. I am ready to employ American experts to work out the plans and to act as supervisors. But please to bear in mind, these works may not be undertaken without raising a large part of the needed funds in the United States or in other countries."

When the two cabinet ministers called they brought no interpreter. "The matters about which we wish to talk," they said, "are so important that we wish to keep the discussion confined to as few persons as possible. We bring the ideas of President Yuan Shih-kai and his government with respect to what Americans might do in China."

They first gave me a review of the recent development of the Russo-Japanese entente with respect to Manchuria and Mongolia. They expressed their belief that an understanding existed between these powers to treat outer Mongolia as a region within which Russian control should not be obstructed, and, *vice versa*, to allow a free hand to Japan, not only in southern Manchuria, but also in eastern Mongolia. Continuous activity of the Japanese in south China, in stirring up opposition to the Central Government, indicated a desire to weaken China, and, if possible, to divide it against itself. The extraordinary efforts made by Japan to increase her naval establishment were also particularly mentioned. The impression their discourse conveyed was that Japan was engaged in a strong forward policy in China, and that in this she had the countenance and support of Russia.

My visitors then passed on to the reasons why the Chinese entertained the hope that America would give them its moral support to the extent of opposing the inroads made by Japan and Russia, and of coöperating with Great Britain and other powers favourable to the Open Door policy in preventing attempts to break up the Chinese Republic. They fully realized the improbability of an alliance between China and the United States, but laid stress on the parallel interests of the two countries, and particularly on the sympathy engendered through following the principles of democratic government. Having become a republic, the Chinese Government is brought into peculiarly close relationship to the United States; it sees in the United States its most sincere and unselfish friend, and realizes the importance of American moral support.

Descending to particulars, the ministers pointed out that while China appreciated and valued the friendly interest and counsel of the United States, it was disappointing that so very little had been done by America, while the European Powers and Japan should have taken such a very important part in the development of the resources of China. They said that the Chinese Government and people were desirous of affording the Americans unusual opportunities, should they be ready to coöperate.

Taking up specific enterprises, they stated that the Government was quite willing to ratify and carry out the contract made in 1910 by the Imperial Government with the Bethlehem Steel Corporation. Under this contract they intended to build vessels adapted for commercial purposes, but convertible into warships somewhat like the vessels of the Russian Volunteer Fleet. The establishment of a steamship line to the United States, directly or by way of the Panama Canal, was greatly desired by the Government.

It was recalled that at the time the naval mission of Prince Tsao visited the United States, the matter of lending American experts as instructors for the Chinese navy came up for discussion, and such assistance was promised by the American Administration under President Taft. The assistance contemplated was to be instructional and technical, not involving matters of policy or suggesting a political alliance, and of a nature such as had been in the past given by other nations, particularly Great Britain. The ministers stated that the Chinese Government still intended to avail itself of this assistance should the need for it arise, and that American coöperation in a matter like this was

preferred because of the political disinterestedness of the American Government.

The ministers then took up more purely industrial enterprises, and dwelt particularly on plans for river and harbour improvement, mentioning the Hwai River region and other districts where agricultural pursuits are interrupted by destructive floods. As the Central Government contemplated the establishment of a national bureau to provide for these matters, the ministers suggested that the American Government would be invited to give its assistance by lending experts to plan and conduct the proposed works. They expressed their belief that the experience of Americans in such enterprises had qualified them above any other nation for coping with these problems of China.

Other matters were taken up, such as the possible creation of a tobacco monopoly, from which the ministers expected both increased revenue and a more effective organization of tobacco production throughout China. It was not their desire to oust the British-American Tobacco Company, but they suggested that an arrangement would be made whereby this company might act as the selling agent of the Chinese Government.

Another subject was the exploration of China for petroleum. They stated that the Government wished that the development of oil fields should be undertaken. On account of the manner in which some other nations were wont to extend the scope of any concessions of this kind so as to establish general claims of preference, particularly as to railway rights, the Government much preferred to take up this matter with Americans.

It was apparent that these men entertained high

hopes of American activity in China, and that they were ready to do their part in making the conditions favourable. Their minds were alive with plans of development. Both because of American experience with similar problems and of the American spirit of fairness, they believed that great benefit would result if Americans were to become prominently active in the vast industrial transformation which they anticipated in the immediate future.

As this conversation passed from topic to topic, touching on proposals of moment, I could not but feel that a new spirit had surely arisen in China. It would have been inconceivable under the old régime for high officials, trained in the traditional formalism and reticent with inherited distrust of the foreigner, to approach a foreign representative thus frankly, laying before him concrete proposals for joint action. In the past, as we know, it was the foreigners who had desired changes and new enterprises and who had in and out of season pressed them upon the reluctant and inert Chinese officials. But here were men who realized that it is the function of the Government to plan and to initiate; and they were ready to go to any length in making advances to a country in whose motives they had full confidence.

It was impossible not to be fascinated by the prospects that were here unfolded. A country of vast resources in natural wealth, labour, power, and even in capital, was turning toward a new form of organization in which all these forces were to be made to work in larger units, over greater areas and with more intensive methods than ever before. The merely local point of view was giving way to the national outlook. National resources and industries were looked at not from the point of view alone of

any local group interested but of the unity of national life and effort. To know that in this great task of reorganization, Americans would be most welcome as associates and directors; that they were spontaneously and sincerely desired in order that all these materials and resources might the more readily be built into a great and effective unity of national life—that, indeed, could not fail to be a cause for pride and gratification to an American. The only disturbing thought was the question whether Americans were ready to appreciate the importance of the opportunity here offered. Yet there could be no doubt that every energy must be applied in order to make them realize the unprecedented nature of the opportunities and the importance to America herself of the manner in which these materials were to be organized so as to promote general human welfare rather than selfish exploitation and political ambition.

The Russian efforts to strengthen their position in Mongolia, to which these two visitors had alluded, had at this time brought fruit in the form of an agreement with China to have the "autonomy" of Mongolia recognized. A result and byplay of these negotiations came to the notice of the foreign representatives in Peking at a meeting of the diplomatic corps on December 11th. The meeting was at the British Legation, to which Sir John Jordan had by this time returned.

The head of the large establishment of the Russian Legation was a young man, Mr. Krupenski. Trained under some of the ablest diplomats of Russia and having spent many years in Peking as secretary, he had manifestly not been selected by chance. With his English secretary he occupied his vast house alone,

being unmarried. He entertained brilliantly, ably seconded therein by the Russo-Asiatic Bank across the way. Besides his thorough understanding of the Chinese, Mr. Krupenski had a valuable quality in his ability to shed all the odium that might attach to the policy of his government, as a duck sheds water. He appeared at times greatly to enjoy mystifying his colleagues, to judge by his amused and unconcerned expression when he knew they were guessing as to what his last move might mean. Mr. Krupenski is tall, florid, unmistakably Russian. During my first visit with him he plunged *in medias res* concerning China. Though he probably wondered what move I might contemplate after the Manchurian proposals of Mr. Knox and America's withdrawal from the Six-Power Group, he gave no hint of his feelings, which undoubtedly did not contemplate me as likely to become an intimate associate in policies. When I left him I knew that here was a man, surrounded by competent experts in finance, language, and law, who could play with the intricacies of Chinese affairs and take advantage of opportunities and situations of which others would not even have an inkling.

At the meeting of December 11th the Russian minister stated that he desired to make an announcement, and proceeded to tell his colleagues quite blandly that his government had decided to withdraw the legation guards and other Russian troops from north China, and that they suggested to the other governments to take similar action.

This announcement caused surprise all around the table. Questions came from all directions: "Is this action to be immediate?" "What is the purpose of your government?" "What substitute for this protection do you suggest?" These and many more.

The Russian minister seemed amused by the excitement he had caused. He allowed none of the questioners to worry him in the least, or to draw him out. With a quizzical and non-committal smile he let the anxious surmises of his colleagues run off his back. He shrugged his shoulders and said: "These are the instructions of my government. Their purpose—I do not know." When the meeting adjourned, small groups walked off in different directions, all still intently discussing the meaning of this move. So, the legation guards were really very important! The first question put to me in Shanghai had related to them, and here I found the diplomatic corps thrown into excitement by the announcement that Russia was withdrawing her guard.

When I arrived at the Legation, where Mrs. Reinsch was receiving and where visitors in large numbers were taking tea and dancing to the music of the marine band, the news had evidently already preceded me, for several people asked me what had happened; and Putnam Weale and W.C. Donald, the British press representatives, were full of surmises. The interpretation generally accepted was that the Russians, and possibly the Japanese, were trying to put the other powers in a hole; if they did not withdraw their legation guards they might displease the Chinese Government, after what Russia had done; if they did withdraw them, they would give an advantage to Russia and Japan, powers who, on account of their proximity to China, could send large bodies of troops upon short notice.

From the attitude of the diplomats it had been apparent that the proposal of the Russians would not prove acceptable. For weeks the press was filled with attempts to gauge the true bearing of the Russian

proposal. Looked at from this distance after the Great War, it is hard to imagine how so relatively unimportant a matter could cause excitement. Of course, the removal of the legation guard was not considered so important in itself, but it was of moment as an indication of what Russia might plan with respect to the further advance of her influence in China.

Probably Russia's action did not really contemplate any far-reaching consequences. The Russians were urging the Chinese Government to make an arrangement for Mongolian "autonomy," which could not but be intensely distasteful to the Chinese. The Russians had to offer something in return; with thorough knowledge of the old type of the Chinese official mind, they selected something which would not cost them anything, but which would be most gratifying to the Chinese Government. The Government looked upon the presence of foreign troops in Peking and in Chihli Province as incompatible with its dignity. Therefore, the Russian Government knew that through withdrawing its troops and calling upon the other governments to do likewise, an opportunity would be given the Chinese Government to claim an important victory, and the bitterness of renunciation with respect to Mongolia would thus be somewhat tempered. Yuan Shih-kai and the Government as such would probably take that view; but the Chinese as individuals were not likely thus to consider the presence of foreign troops an unmixed evil. These guards tended to stabilize the situation, also to prevent unconscionable acts or high-handed inroads by any individual powers. So far as the people of China were concerned, Russia might not gather much credit through this move.

CHAPTER VIII

A LITTLE VISION FOR CHINA

I have said that a little vision and the application of American scientific methods would transform China. Chang Chien had instanced the Hwai River valley, and the ease with which it might be made to bloom as the most fertile tract on the globe. China boasts the most skilled horticulturists and truck-farmers of any nation, and they breed its thousands of species of vegetables and flowering plants and shrubs. It is said of the Chinese gardener, that if there is a sick or weakened plant, he "listens and hears its cry," and nurses it into health like a mother. But now the multitudes in the flood-ridden districts must periodically expect the scarification of their gorgeous acres, the bearing away of their dwellings and loved ones on the remorseless floods.

Americans had for some time been aware of the possibilities of delivering from their curse these garden spots of earth. The American Red Cross, after giving $400,000 for relief of the severe famine in 1911, was advised by its representatives how such calamities might be prevented, and it set an American engineer at making surveys in the Hwai regions and suggesting suitable engineering works. Chang Chien, with his native school of engineers, was also investigating the flood conditions, just about the time the American group of financiers left the Six-Power Consortium. It might be expected that this American group would be reluctant immediately to start further enterprises in China; indeed, that it might even discourage others from starting. Hence I thought it essential to propose only such undertakings as would come naturally from past

relationships or would help develop some American interest already established in China. I was attracted by this plan, sound, useful, and meritorious, to redeem the Hwai River region.

I found that the Chinese did not wish to take up this matter with any other nation than the United States, for they feared the territorial ambitions of the other powers and their desire to establish "spheres of influence" in China. To send in engineers, to drain and irrigate, meant close contacts; it might mean control over internal resources within the regions affected, for by way of security the foreign creditor would demand a mortgage upon the lands to be improved. Then there was the Grand Canal, a navigable watercourse, which would come within the scope of such works, and would give the foreign engineers and capitalists a direct means of penetrating the interior. Jealous of foreign political control in their domestic affairs, the Chinese were guarding their rights. But the American policy was traditionally non-aggressive, and I found that to fair-minded Americans the Chinese would grant concessions which no other nation might hope to secure.

I therefore asked through the Department of State what the American Red Cross might continue to do. Would it take steps toward the choosing of a reputable and efficient American engineering firm and have this firm supported by American capitalists, who might lend the Chinese Government the funds needed to reclaim the rich Hwai River region? The Red Cross responded favourably. I thereupon sought out Mr. Chang Chien, the scholar and minister, and got from him a definite agreement to entrust to the American Red Cross the selection of engineers and

capitalists to carry out this great reform upon conditions laid down.

The minister and I had frequent conferences. We discussed carefully the engineering contracts, the conditions of the loan, the security. Every sentence in the proposed agreement had been weighed, every word carefully chosen; finally, on January 27, 1914, it was signed by Chang Chien as minister, and by myself in behalf of the American Red Cross. The J.G. White Corporation was chosen to finance the preliminary survey. Thus there were sent to China during the next summer three experts: Colonel (later Major General) Sibert, of the Panama Canal Commission; Mr. Arthur P. Davis, director of the United States Reclamation Service; and Prof. D.W. Mead, of the University of Wisconsin, an expert in hydraulic engineering.

Here was a beginning of great promise, and in a new direction.

But American enterprise had already affected the daily life of the Chinese in the field opened up by the Standard Oil Company. In fact, the lamp of Standard Oil had lighted China.

Now enter Mr. Yamaza, the Japanese minister. Japan, who had no oil in her lamp, wished to explore for it in China; so did other nations. But the American oil company, in a way which I shall detail, had gotten the concession. Moreover, the Bethlehem Steel Corporation had agreed for $20,000,000 to build a merchant fleet for China, convertible into cruisers—this to take the place of an old imperial contract for warships. At China's express request, and not at all because they were in that business, the Bethlehem people also consented to apply three millions of the whole sum to improve a Chinese port.

Together with the Hwai River enterprise these American activities had put Japan on the alert. The Japanese press had distorted their significance, and now in the small Bethlehem contract Mr. Yamaza began to see things—a future Chinese mistress of the Asian seas, perhaps, and the Chinese littoral all besprinkled with naval ports. One evening Mr. Yamaza spoke to me about it, and at length; it was plain that his government meant some move.

Now Mr. Yamaza and his first secretary, Mr. Midzuno, were both unusually clever men. They drank a great deal. The minister explained that he did this for reasons of health, because, unless there were something he could give up if he should be taken sick, it might be very bad for him. I recall how Mr. Midzuno entertained a party at dinner by detailing his notable collection of expressions in various languages, of equivalents to the German term "Katzenjammer." Both of these men had previous Chinese experience and were intimately familiar with Chinese affairs. Yamaza was a man of great shrewdness; being under the influence of liquor seemed rather to sharpen his understanding. Taciturn and speaking in hesitating sentences, he would never commit himself to anything, but would deploy the conversation with great skill, in order to give his interlocutor every chance to do that very thing.

On the evening of this conversation we were guests of the manager of the Russo-Asiatic Bank. An amateur theatrical performance was in progress—three French "one-acters," the chief being "The Man Who Married a Dumb Wife," by Anatole France. Peking foreign society was there in force; the majority were gathered in the large salon where the stage was set, others promenading or conversing in

small groups. In the intermission between two plays I encountered the Japanese minister, and, finding that he desired to talk, wandered with him to the smoking room, where we pre-empted a corner, whence during a long conversation we would catch now and then the echoes from the salon as the action on the stage rose to a more excited pitch.

Mr. Yamaza was more talkative than I had ever seen him. As was his custom, he had consumed ardent waters quite freely, but, as always, his mind was clear and alert. "In Shensi and Chihli provinces," he opened up, "the exertions of Japanese nationals in the matter of the concession to the Standard Oil Company have given them a right to be considered. I have been contending to the Chinese that Japan has a prior interest in the oil field of Shensi Province. Do you not know that Japanese engineers were formerly employed there?"

On my part, I expressed surprise that the Japanese papers should make so much noise about the American oil concession, whereas it was quite natural that Americans, who had done business in China for over a century, should occasionally go into new lines of enterprise.

But it soon became manifest that Mr. Yamaza was thinking of the Bethlehem Steel contract. "I must tell you," he said, "of the strategical importance of Fukien Province to my country." Then followed a long exposition. "China," he concluded, "has promised not to alienate this province to any other power, and Japan has repeatedly asserted an interest in that region."

He then repeated various surmises and reports concerning the nature of the Bethlehem contract. I told him quite specifically the nature of the

agreement and about its long previous existence. Mr. Johnston, vice-president of the Bethlehem company, at the request of the Chinese Government had viewed various naval ports with the purpose of making an estimate of improvements which were most needed. I could not admit any sinister significance in this visit nor concede that Americans were not free to engage in port construction in any part of China.

While I had not been unguarded in my statements, I had assuredly not looked upon a conversation in such circumstances as a formal one. Yet I soon found out that a memorandum upon it was presented to the Department of State by the Japanese Ambassador in Washington, during an interview with Secretary Bryan on the question of harbour works in Fukien. I shall revert to this matter later.

A peculiarity of Chinese psychology was evinced after the Standard Oil contract had been signed. One year was given to select specific areas within which oil production was to be carried on as a joint enterprise of the Chinese Government and the American company, the ratio of property interest of the two partners being 45 to 55. The contract undoubtedly offered an opportunity for securing the major share in the development of any petroleum resources which might be discovered in China; for, once such a partnership has been established and the work under it carried out in an acceptable manner, an extension of the privileges obtained may confidently be looked for. But in itself the contract signed in February, 1914, was only a beginning. It denoted the securing of a bare legal right; and in China a government decree or concession is not in itself all-powerful. If its motives are suspected, if it

has been obtained by pressure or in secrecy, if its terms are not understood or are believed to imply unjust burdens to certain provinces or to the people at large, then popular opposition will arise. This may not affect the legal character of the grant or the responsibility of the Government, but it will seriously obstruct the ready and profitable carrying out of the business. The obverse of this situation—the getting of a contract "on the square" and the demonstration that it is fair and just—finds every influence willing to coöperate.

But when the Standard Oil Company's contract had been signed, not much was publicly known about it save in general terms. Rival interests began to portray it as involving inroads upon the rights of the Chinese people, especially of the provinces of Shensi and Chihli. Stories of bribery were circulated in the papers. In the negotiations concluded at Peking no particular attention had been paid to local opinion, the suspicions of provincials were stirred, and an outcry speedily arose.

The representatives of the Standard Oil Company had left Peking. I informed the company that its interests were endangered. Its response was to send to Peking Mr. Roy S. Anderson, the American whose intimate knowledge of Chinese affairs has been referred to. Mr. Anderson held sessions with those who had objected, especially with the provincials of Shensi who were resident in Peking. He discussed with them the terms of the contract, pointing out the benefit to the provinces through the development of a large industry there. The Chinese always respond to reasonable discussion, and not many days later the very associations which had protested most vigorously against the agreement waited upon the

Minister of Agriculture and Commerce with their congratulations. They promised the aid of the province in carrying out the contract. Had the contract not been straightforward and fair in its terms and free of undue influence in its making, such active support could not have been had.

It was then that the Chinese Government created an Oil Development Bureau, together with a River Conservancy Bureau for drainage works, including those projected in the Hwai River region. Of the new Oil Development Bureau the Prime Minister, Mr. Hsiung Hsi-ling, on his resignation from the cabinet in March, accepted the position as chief. He had been both Premier and concurrently Minister of Finance. Tall, good-looking, with full face and shining black hair, Mr. Hsiung speaks with great fluency in a high-pitched voice. Though he was a member of the Chin Pu Tang, or progressive party, he had been selected Premier by Yuan Shih-kai, who was fighting the democratic party (Kuo Min Tang), probably because he believed that parliament would reject him and he could then blame that body for obstructive tactics. It accepted him, and Yuan took another path to overthrow parliament. In his career Mr. Hsiung had been aided by the counsel and coöperation of his wife, who is exceptionally capable. Well-intentioned, broad-minded, given to Western methods, the Premier was handicapped during his term through relative inexperience in administrative and financial matters. He was pitted against men of shrewdness as politicians and of deep immersion in financial manipulations.

As chief of the Oil Development Bureau, Mr. Hsiung's first task was that of pointing out to the Japanese minister, Mr. Yamaza, whom the Japanese interests

immediately pressed forward, that no monopoly of exploitation had been granted to the Standard Oil Company, for within a year the company would have to select specific and limited areas within the two provinces where production was to be carried on.

"The grant to Americans," the Japanese minister thereupon remarked, "seems to indicate that China does not care much about the international friendship of Japan."

Mr. Hsiung's reply was that this was a business arrangement, and the nationals of other countries as well—Great Britain, France, and Germany—had sought such concessions in the recent past. To the inquiry whether a similar agreement would be concluded with Japan for other provinces, the director replied that it would not at this time be convenient.

"Then I hereby notify you," Mr. Yamaza rejoined, "that in all likelihood I shall take up this matter with the Minister for Foreign Affairs."

Mr. Yamaza referred to the Japanese engineers who at one time worked in the oil fields of Shensi Province; whereupon Mr. Hsiung recalled that American and German engineers had formerly been employed in the Hanyehping iron enterprise; yet when that company made a loan agreement with Japanese interests, no objections had been made either by America or Germany.

This conversation illustrates the manner in which attempts are often made to establish prior claims with regard to enterprises in China by alleging a prior desire or the prior employment of individuals—considerations which would nowhere else be considered as establishing a preference or inchoate

option. It is as much as to say that by merely expressing a wish for a thing one has already established a prior right to it should it be given out.

The making of two important contracts with the Chinese Government naturally attracted attention. Of the British press the *North China Daily News* repeated the judgment of its Peking correspondent: "The Americans deserve their success, for they have worked for it steadily and consistently."

The *Daily News* attributed this success primarily to the fact that since the days of Secretary Hay, American enterprise in China had been consistently pacific and benevolent. "In no country in the world," it declared, "can more be done through friendship and for friendship's sake than in China."

The German press, while inclined to be critical, still admitted the fairness of the contracts and the probable benefit to be derived therefrom by China, and spoke in disapproval of the Japanese attitude assumed toward the new oil enterprise. Later a long article appeared in the chief German paper in China (*Ostasiatische Lloyd*), in which the existence of a very far-reaching policy of economic penetration by America was surmised. The writer imagined that all the factors—educational, financial, and industrial—were being guided according to a complicated but harmonious plan to achieve the actual predominance of American interests in China.

The German minister, Von Haxthausen, spoke to me about this article. "I hope," he said, "that you will not conclude that its views are those of myself and my legation."

I assured him that I felt highly flattered that anybody should have conceived that American action

proceeded with such careful planning and such cunning grasp of all details.

The Franco-Russian semi-official sheet, the *Journal de Pekin*, continued its carping attitude against all American enterprise. It lumped together the Y.M.C.A., missionaries, Standard Oil, and the British-American Tobacco Company as engaged in a nefarious effort to gain ascendency for American influence in China. It failed, however, to surmise the subtle plan suggested in the German paper, but presupposed an instinctive coöperation of all these American agencies. This paper was occasionally stirred to great waves of indignation, as when it discovered that the Y.M.C.A. was undermining Chinese religious morale and destroying the sanctity of holy places by establishing a bathing pool in one of the temples. This deplorable desecration, which wrung from the breast of the Belgian editor of the Franco-Russian sheet moans of outraged virtue, had for its substance the fact that in the large monastery of Wo Fu Ssu—in the foothills fifteen miles from Peking, where the Y.M.C.A. had summer quarters—a large pool in the residential part of the enclosures was actually used for a dip on hot mornings. But no Chinese had ever hinted that his feelings were lacerated.

The American papers and Americans generally were somewhat encouraged by this constructive action. In the Chinese Press the veteran American lawyer, T.R. Jernigan, said: "It is clear that the Wilson Administration will use its influence to further the extension of the business of American merchants whether they act in a corporate capacity or otherwise."

On the side of finance as well as industry the Chinese

courted American interest. The Minister of Finance and Mr. Liang Shih-yi were frequently my guests; and we conversed particularly on the financial situation. Both took a view quite different from the traditional Chinese official attitude. They desired to have the Government make itself useful and take the lead in organizing both national credit and industry. They considered it possible to develop Chinese domestic credit to an extent that would materially supply the financial needs of the Government. Unfortunately, the great system of banking which had been built up by the Shansi Bankers' Guild was very inadequate to modern needs. Banking had rested wholly on personal knowledge of the character and credit of borrowers; no collateral was used, there was no dealing in corporate securities.

When China came into contact with the business methods of Western nations, this system could not help in developing new enterprises. That task fell largely to the foreign banks established in the treaty ports, who had no vision of the possibilities of internal development in China. The Shansi bankers, on their part, unable to adapt themselves to new conditions, saw their field of action gradually limited, their business falling off. These banks lost their grip on affairs. They felt themselves in need of financial assistance from the Government. The Minister of Finance was considering whether these old institutions might not be transformed into modern and adequate agencies of Chinese domestic credit. He and other native financiers became interested in the national banking system through which, in the United States, quantities of public debentures had been absorbed to furnish a sound basis for a currency.

It seemed impossible to utilize the Shansi banks as the main prop of a modern system. A new organization, such as the Bank of China, planned on modern lines, might be strengthened by American financial support and technical assistance. Mr. Liang Shih-yi was willing to give to American interests an important share in the management of the Bank of China in return for a strengthening loan. A New York contractor, Mr. G.M. Gest, was at this time in Peking on a pleasure tour with his family. Impressed with the need for the launching of new financial and industrial enterprises in China, his first thought had been to secure a concession to build a system of tramways in Peking. Chinese officials had previously told me of an existing Chinese contract which might be turned over to Americans. I was not very enthusiastic about this particular enterprise, because I feared it might destroy the unique character of Peking street life, without great business success or much benefit to anybody.

On inquiring further we found that French interests had just signed a loan contract which covered, among other things, the Peking tramways.

The financing was curious; the proceeds were presumably to be used to complete the port works at Pukow, on the Yangtse River, and to establish the tramways of Peking. However, it was plain that the loan had been made really for administrative or political purposes, its industrial character being secondary, as the work was indefinitely postponed. This subterfuge of so-called "industrial loans," of which the proceeds were to be used for politics, was later very extensively resorted to, particularly in the Japanese loans of 1918.

Learning of this state of affairs, Mr. Gest turned his

attention to the problem of Chinese domestic financing, and at the close of his short residence in Peking he had obtained an option for the Bank of China loan contract, which he followed up with energy upon his return to the United States.

American attention had been drawn to the contracts for the Hwai River conservancy and for petroleum exploration, and American commercial journals and bankers were again giving thought to the financing of projects in China. To show the attitude of New York bankers at this time, of their difficulties, doubts, and inclinations, I shall cite portions of a letter written me by Mr. Willard Straight, dated April 29, 1914. While I did not agree with Mr. Straight on several matters of detail, especially the withdrawal from the Consortium, we were both agreed as to the importance of continued American participation in Chinese finance and industry. The letter follows:

> As regards the Hwai River conservancy, you have doubtless already been advised that the Red Cross has made an arrangement with J.G. White & Company, whereby an engineering board will be despatched to China to make a detailed survey. The matter of financing was brought to the Group, who felt it impossible satisfactorily to discuss this question without more definite information regarding actual conditions and the probable cost of the work contemplated.
>
> When, upon receipt of the report of the engineering board, we take up the discussion of the financial

problem, the suggestions contained in your letter of the 24th of March will be very valuable. It might, as you say, be comparatively easy to issue a loan of ten million dollars at almost any time. That would depend, however, not on the size but on the nature of the loan. There is no market for Chinese securities in this country at this time, and it would be difficult if not impossible for the bankers to create one within any reasonable time without the active and intelligent support or at least the declared approval of the Government....

When the American Group first entered upon negotiations for the Hukuang loan, conditions in this country were good. Business men were looking abroad for new trade openings, the Taft Administration was anxious to encourage the extension of foreign trade and the Chinese Governmental Bubble had not been pricked. During our four years of experience a not inconsiderable public interest in China and her development was aroused, and had we issued the Reorganization Loan, as we had hoped to do, in February, 1913, we probably could have sold our twenty-million-dollar share to investors throughout the country. This we would have been able to do

despite the revolution and uncertain governmental conditions in China, because of public confidence due to the support of our own and the other interested governments.

Neither Mr. Taft nor Mr. Knox ever promised to send American battleships to threaten China, or to land marines to occupy Chinese territory, in case of default in interest payments. The public was misled by no false statements, but there was, nevertheless, a general belief that our Government was actively interested in the preservation of China's credit and in the development of that country.

This, as I told you in our conversation at the Century Club, was changed by the President's declaration of March 19, 1913. The fact that the President and the State Department felt that China, as a young republic, was entitled to extraordinary consideration and sympathy; the fact that our Government recognized Yuan Shih-kai's political machine, and the fact that the Administration subsequently gave out some general expressions regarding the Government's interest in the development of American trade, did not in any way restore in the mind of the investor the confidence which had been

destroyed by the specific condemnation of the activities of the only American banking group which had had the enterprise, the courage, and the patience to enter and remain in the Chinese field and which, despite its unpopularity among certain yellow journals and a number of Western Congressmen, stood for integrity, fair dealing, and sound business in the minds of the bond-purchasing public, upon whose readiness to buy the success of any bond issue must depend.

This confidence which would have enabled us to sell Chinese bonds had been created by four years of hard work on the part of the bankers and the Government. Once destroyed, it can be restored only by general governmental declarations, which will probably have to be stronger than any of those made by the Taft Administration, or, in the absence thereof, by effective, consistent, and repeated specific proof of the Government's willingness to assist and encourage our merchants, contractors, and bankers. As you know, it is more difficult to correct a bad impression than it is originally to create a good one.

I quite appreciate that it will be difficult for the President to take any action which would seem to be a

reversal of his former position, but I hope that the last paragraph of his declaration of last March, in which he stated that he would urge "all the legislative measures necessary to assure to contractors, engineers, etc., the banking and other financial facilities which they now lack" may be interpreted and developed along lines which will permit him actively to support the Red Cross plan.

If the Administration will publicly evidence its interest in and its support of this project during the next few months, so that when the matter is finally brought up to the bankers for decision they may be able to feel that the public has become interested and assured that our Government is behind the plan, it may prove to be the means by which we can again enter China. This I have pointed out to Miss Boardman who, I feel sure, fully understands the situation.

I sincerely trust that your great interest and your energy in endeavouring to extend our interests in China may have an effect upon our own Administration. I believe the bankers will always be willing to help if they are able to do so, but we are not, like our Continental friends, anxiously looking for chances to invest abroad, especially at the

> present time when we have so many troubles of our own, and instead of being merely shown the opportunity, we must be persuaded in the first place that it is sound business and in the second place that it is our patriotic duty to undertake it. And we must feel, in addition, that if we should undertake it our enterprise and energy will not serve merely to rouse a storm of jealousy on the part of those who will not assume any risks themselves, but who cry "monopoly" as soon as an interest capable of handling foreign business is given the active support of our Government.
>
> I am sorry that it is impossible to give a more optimistic picture, but I assure you that I shall do all in my power to support you and your efforts, which I sincerely trust may be attended with the success they deserve.

The intelligent support promised in this letter continued until the untimely death of Mr. Straight in Paris, while he was with the American Peace Commission.

CHAPTER IX

"SLOW AMERICANS"

"The Americans are altogether too slow!"

This exclamation from a Chinese seemed amusing. It came on the evening of the red dust-storm that enveloped Peking, during one of the long after-dinner conversations with Liang Shih-yi and Chow Tsu-chi; and it was the latter who thus gave vent to his impatience.

Liang Shih-yi, the "Pierpont Morgan of China," Chief Secretary to the President, was credited as being, next to Yuan Shih-kai, the ablest and most influential man in Peking. Mr. Liang is highly educated according to Chinese literary standards, and while he has not studied Western science, he has a keen, incisive mind which enables him readily to understand Western conditions and methods. His outstanding quality is a faculty for organization. He built up the Chinese Communications Service on the administrative and financial side. He declined taking office as a minister, but usually controlled the action of the cabinet through his influence over important subordinates, and managed all financial affairs for Yuan Shih-kai. Cantonese, short of stature and thickset, with a massive Napoleonic head, he speaks little, but his side remarks indicate that he is always ahead of the discussion, which is also shown by his searching questions. When directly questioned himself, he will always give a lucid and consecutive account of any matter. He did not rise above the level of Chinese official practice in the matter of using money to obtain political ends. To some he was the father of deceit and corruption, to others the god of wealth, while still others revered in him his great genius for organization. While by no means a romantic figure, he thoroughly stimulated a romantic

interest among others, who attributed to him almost superhuman cunning and ability.

When the noted Sheng Hsuan-huai became Minister of Communications in 1911, he used his influence and cunning to thwart Liang and throw him out of the mastery of the Board of Communications, known as the fattest organ of the Government. Mr. Liang stood his ground, and his influence greatly increased because of his ability to withstand so strong an attack. During the revolution Liang Shih-yi was also very influential in the Grand Council, attaching himself more and more strongly to Yuan Shih-kai. Always satisfied with the substance of power without its outward show, he steadfastly declined to become a responsible minister, and worked from the vantage ground of the Secretariat of the President. His life has frequently been endangered. He gained the hatred of the democratic party, with which he was once associated, because he aided Yuan in playing his complicated game of first confusing, then destroying, parliament. Nor were the Progressives (Chin Pu Tang) enamoured of him. Of great personal courage, he was indifferent to the blame and ridicule which for a while almost all newspapers heaped upon him. As he was still in a comparatively inferior position when these attacks began, they rather helped him by calling attention to his abilities and his personal importance. Thus his opponents advertised him. In possession of all the intricacies of the situation, when the parliamentarians first came to Peking, he sat back inconspicuously, and, supplied with influence and money, moulded the political situation as if it had been wax.

Of all the cabinet, Mr. Chow Tsu-chi, Minister of Communications, was personally most familiar with

American affairs, having lived for several years in Washington and New York in an official capacity. He speaks English fluently and prefers American methods. He hates unnecessary ceremony. Whenever he called upon me I had almost to engage in personal combat with him to be permitted to accompany him to the outer door, as is due to a high dignitary in China. He believes in learning improved methods from reliable foreigners, and will go as far as any Chinese in giving foreigners whom he trusts a free hand, though he would not yield to any one a power of supreme control. On this occasion he talked about the reorganization of the Bank of China, and the possibility of floating domestic bonds among Chinese capitalists. Mr. Chow was chanting a jeremiad about how the Chinese had been led to give valuable concessions to Americans, which had not been developed, and how this had brought only embarrassment and trouble to China.

We spoke, also, of the original Hankow-Canton railway concession which the Americans tried to sell to King Leopold; of the Knox neutralization plan, and of the Chinchow-Aigun railway concession, the only effect of which had been to strengthen the grip of Russia and Japan on Manchuria. When the Americans, as a mark of special confidence and trust, had received the option on a currency loan with the chance to reorganize Chinese currency, they had straight-way invited Great Britain, Germany, and France into the game. "Thus they saddled China with the International Consortium," Chow Tsu-chi moaned. And so on went the recital, through many lesser and larger enterprises that had proved abortive.

One had to confess that in China we certainly had

not taken Fortune by the forelock, nor even had we clung to her skirts. Mr. Chow Tsu-chi was especially grieved at the circuitous and dilatory methods of the Four-Power Group which held the contract to build the Hukuang railways. "The thirty millions of dollars originally provided has been almost entirely spent," he complained, "without producing more than two hundred miles of actual construction; and there is constant wrangling among the partners concerning engineering standards. Moreover, everything has to be referred from Peking to London, thence to New York, Paris, Berlin, and back and forth among them all, until it is necessary to look up reams of files to know what it is all about. And it may all have been about the purchase of a flat car."

I knew well enough that Americans, too, were much discouraged at the cumbersome progress of the Hukuang railway enterprise. The engineering rights on the section west from Ichang up into Szechuan Province had been assigned to America, and Mr. W. Randolph was at this time making a survey. He had great energy and unlimited belief in the future importance and profitableness of this line. But beyond the initial survey the available funds would not go, and no new financing could be obtained—this for a railway to gain access to an inland empire of forty millions of people!

In the American enterprises which had been launched recently, however, there was no little activity. The Standard Oil Company with commendable expedition, if perhaps with undue lavishness of men and supplies, sent to China geological experts of the first order, together with large staffs of engineers, drilling experts, and all needed machinery. The geologists were soon off

toward the prospective oil regions in Chihli and Shensi provinces. In Mr. Hsiung Hsi-ling's bureau and in the Standard Oil offices the outfitting of expeditions, the purchase of supplies, and the selection of a large Chinese personnel proceeded apace. Everyone was hopeful.

With the Hwai River conservancy matter, also, negotiations had gone rapidly in the United States. The American National Red Cross and the engineering firm of J.G. White & Company had agreed to finance the preliminary survey. The American Congress in May passed an act lending the services of an army engineer for the preliminary survey. Colonel Sibert of the Panama Canal Commission was designated as chairman of the engineering board. The outlook was favourable, action had been taken promptly.

The excitement stirred up among the Japanese by the sojourn in China of the Bethlehem Steel Company's vice-president, Mr. Archibald Johnston, now had a further sequel. The text of an alleged contract between the Chinese Government and the Bethlehem Steel Company was circulated early in May—by interested persons—which included among other provisions arrangements for construction of a naval base in Fukien Province. The bogus quality of the report was at once manifest. Through some influence, however, it was assiduously pushed forward in the press; it became the basis of a legend, which even got into the books of otherwise well-informed writers as authentic. It was on the subject of this spurious paper that the Japanese ambassador at Washington called on Secretary Bryan for information. Thus the matter of the possible building of a naval base in Fukien for the Chinese

Government by American contractors became a matter of State Department note. I was informed that the Japanese ambassador at Washington had left a summary of the conversation, of March 12th, between the Japanese minister at Peking and myself. Apparently the Japanese were attempting to get around my refusal to acknowledge that American enterprise in China could in any way be limited by the declarations or agreements of other powers than the United States.

The State Department inquired whether the newly reported contract for a loan of $30,000,000 was identical with the older contract of the Bethlehem Steel Company. I was informed that the Japanese Government did not object to the loan, but to the construction of any new naval base in Fukien, and that the Department had been told that the Chinese Government itself did not wish to construct there because of the Japanese objection. It was intimated to me that I might encourage the Chinese in the idea that such building, while legitimate, would be unwise.

I reported to the Department that the original Bethlehem contract had no connection with the spurious document recently circulated; that only a very small sum was to be devoted to harbour work in China, the location of which had not been fixed; and that the execution of the entire contract had been postponed because of financial conditions. While the Chinese Government was not contemplating any construction at this time, I stated that the attempt of any other government to establish a claim of special rights of supervision must be considered derogatory to Chinese sovereignty and to American rights of equal opportunity; I urged, therefore, that we avoid

any action or statement which would admit such a claim, or which would in any way encourage the making of it. The Chinese Government has never admitted that its right to plan the defence of its coastline is subject to veto by any other government. Such admission on our part that Japan has the right to claim special interests in Fukien would shake the confidence of the Chinese in our seriousness and consistency, and in our determination to protect our legitimate interests in an undivided China, freely open to the commerce of all nations, where Americans can do business without asking permission of any other outsiders.

Dr. Chen Chin-tao was then acting as Financial Commissioner of the Chinese Government in Europe and America. The danger of a further growth of the idea of spheres of influence in China had been accentuated. Railway concessions had been allocated to different nations according to territorial areas where the respective countries claimed certain priorities; if concessions were made otherwise, the combined influence of the powers seeking special spheres was used to defeat them. To meet this danger a plan was developed for granting a large construction contract to an international syndicate made up of British, American, French, and German companies, who would divide the construction on some basis other than localized national spheres of influence. Doctor Chen, with an American assistant, was charged to take up this proposal with various companies. On the part of France and Germany, contractors and governments seemed favourable to the idea. In Great Britain the firm approached was Paulding & Company, who had already in the preceding year received a railway concession in China extending through the Province of Hunan and

to the south thereof. This firm would readily coöperate, but the British Government objected. It would accept the principle of the international company only on condition that all lines traversing the Yangtse Valley should be constructed by the British participant in the syndicate.

This suggests the extent to which the sphere-of-influence doctrine dominated at this time the thought and action of the British Foreign Office.

The American Government, on its part, took exception to the size and duration of the concession, which it feared might gain a monopolistic character. Probably the difficulty would have been cleared up, since, after all, a specific and limited, though considerable grant, was intended. But the preliminary discussion had not resulted in agreement before the Great War supervened.

When Mr. Gest returned to the United States, he took up the matter of a loan to China with American financial interests, but they hesitated to act until the American Government expressed its approval and willingness to give support. Mr. Gest thereupon laid siege to the Department of State. He succeeded on the 3rd of June in securing from the Secretary a letter to the effect that the Department would be gratified to have China receive any substantial assistance from Americans in the nature of a loan upon terms similar to the present agreement. "This Government," the letter stated, "will, in accordance with its usual policy, give all proper diplomatic support to any legitimate enterprise of that character."

There had been much talk about the supposed determination of the Department of State to let American interests abroad shift for themselves, quite

without encouragement or special protection. The letter, though moderate in language, nevertheless attracted great attention and was taken to indicate a change of heart in the Administration. I may say at this point that the Department of State never at any time failed to back me in efforts to develop and protect American interests in China. But it was not always able, especially later on, when overburdened with the work of the war, to follow up matters which it had approved, when the opposition or indifference of other departments put other claims in the forefront.

I had for a season observed and worked with American commercial interests in China. I had definite conclusions as to what was needed in the way of organization to encourage American trade. The great defect lay in the absence of financial institutions for handling foreign loans, and for assisting in foreign industrial development, helpful to American commerce. The only American bank in China, the International Banking Corporation, then confined itself strictly to exchange business and to dealing in commercial paper; it had developed no policy of responding to local industrial needs and helping in the inner development of China. All the foreign banks had wholly the treaty-port point of view. They thought not at all of developing the interior regions upon which the commerce of the treaty ports after all depends. They were satisfied with scooping off the cream of international commercial transactions and exchange operations.

I strongly favoured creating banking institutions which would broadly represent American capital from various regions of our country, and would respond to the urgent need of China for a modern

organization of local credit.

There were but few American commission houses. In most cases American-manufactured goods were handled by houses of other nationality, who often gave scant attention to promoting American trade and used American products only when those of their own nation could not be obtained. It seemed worth while to establish additional trading companies, especially coöperative organizations among exporters, after the fashion of the "Representation for British Manufacturers, Ltd." Further, I strongly urged the American Government to station a commercial attaché in China. I was gratified by the appointment during the year of a commercial attaché in the person of Consul-General Julean Arnold, an official of great intelligence, wide knowledge, and untiring energy.

The Chinese cabinet, which had been under a provisional premier for several months, was finally reorganized in June, 1914. The chief change in the cabinet was the appointment of Mr. Liang Tun-yen as Minister of Communications, and the shifting of Mr. Chow Tsu-chi from that position to the Ministry of Finance. With these new ministers American contractors and financiers had much to do. Premier Hsiung Hsi-ling had withdrawn in February, and with him the two other members of the Chin Pu Tang or progressive party. These political leaders had served Yuan's purpose by aiding him to dissolve parliament; they could now be spared. But a new premier was not immediately found. Yuan at length prevailed on Mr. Hsu Shi-chang to take the premiership in June. The title of premier was changed to secretary of state.

I met Mr. Liang Tun-yen for the first time on June

2nd, at a luncheon given by Mr. B. Lenox Simpson, whose landlord he was. Mr. Liang is tall, aristocratic-looking, with a fine, intellectual face. He speaks English perfectly, as he received his earlier education in the United States. Then, as on frequent occasions in subsequent years, he expressed himself in a deeply pessimistic strain. He complained of recent inroads attempted by the French in Yunnan, and of the methods they employed to strengthen their hold. But this was only one cause for pessimism. In the future of his country he saw "no prospect of strong national action," or of "any sort of effective help from the outside." He considered the upper classes "incapable of sacrifices and vigorous action." He had recommended in 1901, he told me, that, instead of paying an indemnity, the Chinese should be allowed to spend an equal amount of public funds in sending abroad young men to be educated. All young Chinese, he said, should be sent abroad quite early, "before they have become corrupted."

When Mr. Liang Tun-yen assumed office, it was announced that he would subject the Ministry of Communications to a thorough cleansing. This implied that the ministry had been corrupt and systematically so, under the control of Mr. Liang Shih-yi. Outsiders watched for indications of how that astute manager would handle the new opposition.

Mr. Yeh Kung-cho, able and expert, had been chief of the Railway Bureau; he became a vice minister, but as he was a lieutenant of Liang Shih-yi's, it was understood that this position would probably be an empty dignity. A friend of Mr. Liang Tun-yen's, a highly respected engineer of American education, was appointed as the other vice minister. With no

formal or open breach between the different factions, manœuvring and counter-manœuvring there undoubtedly was. The influence of Mr. Liang Shih-yi, however, seemed not seriously shaken. He had organized the Chinese railway experts and engineers in a railway association, keeping in touch with them through Mr. Yeh Kung-cho. Thus he held in his hands the main lines of influence. Also, he continued to head the Bank of Communications, which is the fiscal agency for the Railway Board. So again it seemed that the opposition could not get at the source of this unusual man's power.

Mr. Chow Tsu-chi, as Minister of Finance, warmly urged the idea that the Americans, to whom the Government had shown itself so friendly, reciprocate by making a loan to the Chinese Government. He planned a loan of $40,000,000 for the purpose of refunding the entire floating indebtedness of his government. Hopes had been entertained that the Standard Oil Company would use its influence in bringing about such a loan, but that company was not willing to go outside of the special business of its contract with China. The option which had been given to Mr. Gest had not yet resulted in any completed transaction in the United States. So accustomed were the Chinese to the readiness of any nationality which held important concessions, in turn to support the Chinese Government financially, that they could not understand how America, with professions of great friendship and just now substantially favoured by the Chinese, should not be ready to reciprocate. The soundness of the desire of the Americans to have every transaction stand on its own bottom and not to use financial support as a bait to obtain concessions, could, of course, be appreciated by the Chinese. But at times their urgent

needs made them impatient.

The news of the assassination at Sarajevo reached us on July 1st. As this happened to be, though we did not then suspect it, the eve of a terrible convulsion in which all accepted conditions of life, national and international, were shattered and unsettled, I shall here insert parts of the memorandum which I drew up for my guidance at this time:

> It is evident that China finds herself in a critical situation, in the sense that the fundamental character of her political life and the direction of her political development are now being decided. While a vast community living under a complicated social system, which embodies the experience of thousands of years, cannot change its methods of a sudden and will undoubtedly for a long time continue to differ radically from Western political societies, yet it admits of no doubt that a new era of development has begun and that certain essential alternatives are being faced. Such alternatives are the continued unity of the nation or its division; its continued independence or the direct dominance of one or more foreign suzerains; its commercial unity or its division into spheres of influence; the tendency of its institutions of government, whether in the direction of the absolutism of Russia

and Japan, or the republicanism of the United States; and the character of its educational and legal system, either dominated by the ideas of America and England or of continental Europe or Japan. From these, there also follow important alternatives in industrial and commercial policy.

Under these circumstances, it is of great moment whether the Chinese Government will remain free, with the assistance of influences friendly to the development of China's nationality, to preserve the unity of the Chinese State and to develop its institutions; or whether its financial distress, combined with the plottings of a revolutionary opposition, will deliver it into the hands of those who are not favourable to the growth of China's national life.

The United States of America enjoys a position of great advantage for assisting the Chinese Government and influencing its development in the direction of free national life. The lack of a desire for political interference, the real sympathy felt in America with the strivings of the Chinese people, and cultural, educational, and charitable work unselfishly performed, have given the United States the undivided confidence of China. It is certainly

true that the Chinese people are anxious to follow in the footsteps of the United States if they may only be permitted to do so.

Any development of enterprise which increases American commercial interest in China is incidentally favourable to Chinese independence; because, through the enlistment of neutral interests, the desire of outsiders for political control can be counterbalanced. The organizing of an American investment bank and similar agencies for the development of American commerce in China, participation of American capital in railway building, and the development of mines and oil fields through American companies and under American business methods would all be welcomed by China as the strengthening of a favourable influence. Different Chinese ministers have repeatedly said to me that at this time China is in need of the active assistance of those who are amicably disposed and that China is willing to do her part in coöperating, and in extending advantages, if only such active support is forthcoming. If American capital, industry, and commerce are not ready at this time to give that comparatively slight assistance to China which the situation calls for, it

> is likely that American action in China in the future will be on a far more modest basis than present possibilities promise.

The war, of course, brought many changes in China. Much of the good work which had been started was either destroyed or long delayed. It marked the end of one phase of China's development.

CHAPTER X

FOLK WAYS AND OFFICIALS

Several voices whispered: "It's Prince Pu Lun."

It was at President Yuan Shih-kai's reception, New Year's Day, 1914; the diplomatic corps and high officials were there. The Empress Dowager's residence, now occupied by the President, was the scene. From the side rooms, whither we had withdrawn for refreshments after exchanging greetings with the President, we looked out into the main hall and saw that its floor had been entirely cleared, and a solitary figure in a general's uniform was proceeding across the floor toward the President. Walking alone and unattended, the representative of the Chinese Imperial Family had come to bring its felicitations to the President of the Republic. For the first time since the abdication, the Imperial Family was publicly taking notice of him who had displaced it in power.

When the guests began to depart I gathered up my

party and left the hall, together with Admiral Tsai Ting-kan. Outside was Prince Pu Lun, still solitary, walking with sad and pensive regard. We overtook him. I talked pleasantly with him on such non-committal matters as the Imperial collection of art, which was at this time being brought from Mukden. He seemed quite appreciative of this attention. I took him with me to the outer palace gate where his own carriage met him.

Except the automobiles used inside of the palace enclosure, few were then to be found in Peking; soon, with improved roads, many hundreds came. The Empress Dowager before her death had acquired a large collection of these foreign vehicles, which interested her greatly; but up to the time of her death the Board of Ceremonies had not succeeded in solving the problem how she might ride in an automobile in which there would also be, in sitting posture, one of her servants, the chauffeur. If they had had more time, I imagine that they might have found some way by which the chauffeur could kneel in driving the Imperial car, but, as it was, the poor Empress Dowager never had the pleasure of the swift rides she so much coveted.

Many popular superstitions still prevailed in parts of the provinces. The military attaché of the American Legation, Major Bowley, who later did distinguished service in the Great War as general of artillery, was active in visiting the military commanders in different parts of China and in observing their actions and getting their views. He had just returned from such a trip to Kiangsi Province, and related how

one of the generals there strove to improve his morale by drinking the blood of enemies who had been killed. He spared Major Bowley a cupful of this precious liquid, which was to be taken before breakfast. It is startling to discover among the people so highly civilized as are the Chinese occasional remnants of barbarous doctrines and practices. There is an inverted homœopathy in Chinese popular belief —to the effect that "equals strengthen equals"; thus, to eat muscle develops strength, to eat tripe aids the digestion, to eat heart or drink blood develops courage, and so on.

One evening, at a dinner at Mr. Liang Shih-yi's house a spirited discussion developed between the host and Mr. Anderson. The latter had related a local custom of the Soochow region according to which it was permissible for a community or a crowd of people to bite to death any person who was thoroughly disapproved of by all. Apparently the method of execution was in itself a guaranty of universal condemnation, as a great many people would have to coöperate to effect the desired result by this method. Mr. Liang protested that the expression "bite to death" was in this case used only metaphorically, and there followed a long debate on Chinese folk customs.

A dinner with General Kiang, Commander of the Peking Gendarmerie, afforded another sidelight on Chinese character. We had already been seated,

when an unusually tall Chinese entered, wearing Chinese civilian dress. He was introduced as Tutuh Yin (General Yin Chang-heng), and I learned that he had just returned from Szechuan, where he had become governor during the revolution, after putting to death the Imperial Governor-General, Chao Er-feng. General Yin was of striking appearance, with strong features, and vigorous in gesture. Now, it is the custom at Chinese dinners, particularly when military are present, to engage in extensive drinkings of health. The Chinese, who are usually very abstemious, drink wine that resembles sherry, and also a liqueur-like rice wine, which latter is potent. The proposer of the toast raises his little cup and drains it in one draught; the guest to whom he addresses himself is expected to do likewise; both say "Gambey" (a challenge to empty the cup). General Yin, who seemed in high spirits, was on his legs half the time "gambeying" to the other guests, especially to myself and the other Americans, the military attaché, the Chinese secretary, the commandant of the guard, and other officers. General Yin must have performed this courtesy at least forty times in the course of the evening, which with the attentions paid us by the other members of the table round, amounted to a considerable challenge of one's capacity. It must, however, be confessed that I largely shirked this test, in company with the amiable General Yin Chang, my Manchu neighbour, by irrigating a large plant in front of us with the liquid dedicated to friendship.

I saw General Yin Chang next morning. He asked whether I knew what had been the matter with Tutuh Yin the night before. I said that he seemed very animated and carried his liquor very well. General Yin then told me that after I had left, the

Tutuh Yin had sat down with him and talked seriously and intently, revealing his deep worry lest Yuan Shih-kai should have him executed. He stated that Chao Er-hsun, the brother of the murdered Viceroy, was in Peking, and with other men using every influence to destroy him. "So," the Manchu general said, "his bravado was just a cover for his worries."

Next day Yin Tutuh called on me at my residence. He expressed deep regret for having taken so much wine on the evening of the dinner. He said: "It is not my custom, but I was excited and worried because of the uncertainty of my affairs." He then launched forth into a literary discussion of Confucianism in its bearing upon modern thought. Not knowing that he was a student of the classics, I was surprised when he revealed this side of his nature. As a matter of fact, he greatly resembled the men of the Renaissance who combined harsh and cruel qualities with a deep love of literature. The last time I saw the Tutuh Yin, more than five years later, he presented me with his written works. There were gathered about twenty members of the Confucian Society, and the conversation again turned around the permanent qualities of Confucianism. When the concept of the "unknowable" was referred to, General Yin cited at length Herbert Spencer's views thereon. He said: "The greatness of Confucius lies in the fact that he centred his attention on those things which we know and can control, and that he aimed at the highest development of human action on this common-sense basis. He leaves the dreams about the unknowable to others."

Among our guests at a dinner was Dr. King Ya-mei, a Chinese lady noted for her wide information and

cleverness. We spoke about the recent advance of Russia in Mongolia. "Who can resist Russia!" she exclaimed. Like all thinking Chinese, she was deeply worried about the difficulties confronting her nation on all sides. Dr. C.C. Wang, who was also present, spoke of the lack of continuity in developing expert knowledge, because of the frequent shifts which are made in the public service.

Dr. King Ya-mei then told an amusing incident, which shows how natural community action and passive resistance are to the Chinese. In an orphan asylum at Tientsin a new set of regulations had been issued, but the orphans had paid no attention to them. After a good many children had been called to order without result, a meeting was convoked by the principal. When the orphans were asked why they did not obey the regulations, their spokesman said: "We are perfectly satisfied with the old regulations, and have no desire to change them."—"But the new regulations have been made by your teachers," rejoined the superintendent, "and they must be obeyed."—"We do not think," the spokesman replied, "that they are an improvement, and we propose to obey the old rules."—"But, then you shall be punished severely."—"If you try to punish us, we shall all go away; and then what will become of the orphan asylum?"

They had reasoned it out that they were an important part of the institution. That orphans should conceive the idea to go on strike shows how normal and self-evident that mode of social action seems in China.

I was visited by the newly appointed Chinese minister to Japan, Mr. Lu Tsung-yu, who later became quite notorious in China in connection with the loans of 1918. He was accompanied by Doctor Tsur, the president of Tsing Hua College and a leading American-returned student. Mr. Lu is a slight man of suave manners, keen intelligence, and a love of manipulation. On this occasion he developed the idea that coöperation between the United States, China, and Japan was possible and desirable, as these three countries had many parallel interests. It was his opinion that Japan could not create an extensive settlement in Manchuria. He had been stationed in that region several years when Hsu Hsi-chang was viceroy; and he told me that he had observed that the Japanese came as officials, soldiers, or railway employees, or in connection with mining enterprises: but they did not seem to have any impulse to settle in the country as farmers, and as small merchants they could scarcely compete with the Chinese. Mr. Lu had been educated in Japan, being one of the first batch of Chinese students at Waseda University; together with Tsao Ju-lin, at this time Vice Minister of Foreign Affairs, who also later played an important part in Chino-Japanese affairs; and Chang Chung-hsiang, the Chief Justice of China at that time, a man who exercised considerable influence in introducing into China the Japanese idea of judicial procedure and organization and who became Chinese minister in Tokyo in 1916. This trio of associates was popularly known as "the Three Diamonds."

An important meeting of the diplomatic corps dealt

with the procedure in the matter of claims against the Chinese Government on account of damage suffered during the revolution. The Japanese, French, and German representatives were inclined to insist that the Chinese Government be held responsible for all losses which could in any way be said to have been caused, directly or indirectly, by the revolution. In line with the traditional policy of fairness and moderation followed by the United States I strongly urged that only losses directly and physically traceable to violent action should be paid, eliminating such uncertain and contingent matters as anticipated profits. The British minister gave support to this view; his legation, too, had not encouraged the filing of indirect claims. After much discussion, the suggestion was accepted in the form proposed. By this action were ruled out indirect claims to the amount of nearly four million dollars, which had already been listed and included by some of the legations in their totals.

The British Legation, in which diplomatic meetings are held, is an old palace, formerly the residence of a Manchu prince, which was purchased by the British Government at the time when legations were first established at Peking. Fortunately, the fine architectural forms of the old structure had been retained sufficiently to leave this group of buildings justly proportioned, beautifully decorated, and free from jarring foreign notes. One passes to the minister's residence through two lofty, open halls, with tiled roofs and richly coloured eaves. The residential buildings are Chinese without and semi-European within, Chinese decorative elements

having been allowed to remain in the inner spaces. The diplomatic meetings always took place in the dining room, where a huge portrait of Queen Victoria, from the middle period of her reign, impassively—not without symbolic significance—looked down upon the company.

There were at this time about sixteen legations in Peking, so that the meetings were not too large for intimate conversation. The proceedings were usually carried on in the English language, partly out of deference to the Dean, and partly because English has come quite naturally to be the international language of the Far East.

The diplomatic corps in Peking meets frequently, and it has more comprehensive and complicated business than falls to such a body in any other capital. Matters of diplomatic routine occupy only a subsidiary place. Because of the system of extra-territoriality under which foreign residents remain exempt from Chinese law and subject only to that of their own respective nation, the foreign representatives in China are constantly concerned with the internal affairs of that country. The effects of any legislation by the Chinese Government upon foreign residents have to be considered by the diplomatic corps: if the most punctilious minister discovers that the measure in question in any way transgresses that absolute immunity from local law which is claimed, then objection will be made, and the unanimous consent, which is necessary to approve of such matters, is difficult or impossible to obtain.

Questions of taxation are constantly before the diplomatic corps, as the Chinese local officials quite naturally attempt to find some way to make the foreigners bear at least part of the taxation of a

government whose general protection they demand. The methods of proving claims and collecting indemnities give rise to much discussion, whenever there has been some outbreak of revolutionary activity. As certain revenues have been pledged for international loans, the diplomatic corps will object to the Chinese Government using these revenues at all before they have been released as not needed for defraying the debt charges. One of the most fruitful causes of irritation comes from attempts frequently made by one or the other minister to "hold up" the funds belonging to the Chinese until they have fulfilled some particular demand which he had made. The fact that it may be an entirely extraneous and irrelevant matter, such as the appointment of a national of the minister to a Chinese government job, does not seem to disturb the man who thinks he has found a clever way to achieve his purpose. The international settlement at Shanghai and the régime of foreign troops in Peking and along the Mukden Railway also give rise to a great many problems which are referred to the diplomatic corps. From questions involving the recognition of the Government itself to such matters as the advisability of bambooing prisoners at Shanghai, no question seems to be too big or little to come before this body.

The discussions tend rather to avoid general issues and to confine themselves to a statement and explanation of the position taken by each government. Occasionally the stubborn and unreasonable adherence of one or two representatives to what is considered by others as an unduly severe and exacting position, leads to joint efforts in an attempt to make a more fair and liberal policy prevail. The discussions are not infrequently longer than is necessary; the main points are lost

sight of, and discussion becomes entangled, because one side may be talking of one thing, whereas the other has quite a different matter in view. Until it is discovered that there is no real difference or only a difference in form, much valuable time may be consumed. At times, these conferences remind one of a university faculty meeting.

Weeks were filled with innumerable conferences on matters of business. In China it rarely happens that the decision lies with only one official. In order to have a proposal accepted, a great many men have to be consulted and won over. Impatient representatives, backed by strong national force, have frequently tried to cut short this procedure, and, planting themselves before the official whose assent they needed, have "pounded the table" until a promise was obtained. They sometimes succeeded by so powerfully getting on the nerves of the Chinese official that he saw no way to save his peace of mind but by giving in. At one time I expressed great surprise to the Minister of Finance, because, instead of insisting that reasonable arrangements for the renewal of a certain short-term loan should be made, he had given the representative in question—the agent of a munition company—a large order for additional materials which were not needed, only to secure an extension of time. He said, in self-defence: "The manners of the man were so abominable that I could not stand it any longer."

However, the method of the strong arm and mailed fist, while it has produced results in China, has also carried in itself the elements of its own defeat. The

Chinese may make a concession under such circumstances, but they will thereafter have no interest whatsoever in facilitating the business in question; on the contrary, it is likely to be delayed and obstructed at every point, so that it can be carried out only through constant pressure and show of force. The people of China have a strong and widespread sense of equity. He who proposes a reasonable arrangement and gives himself the trouble to talk it over with officials and other men concerned, in the spirit of arriving at a solution fair to all, will build on a sound foundation. Whenever foreign interests have acted on this principle, the results have been far more fruitful of good than where things have been carried through with a high hand by demand and threat, without reasoning or give and take. But to sit in conference with various people on all the phases of any proposal is a great consumer of time. One is kept busy day and night in following the roads and trails that lead to the final meeting of minds from which action is to result.

I had a visit from the Tuchun Tien, of Kalgan, after my return from America in the fall of 1918. I found that the Tuchun was in very bad grace at the American Legation. He had interfered with an automobile service which an American had tried to establish between Kalgan and Urga, in Mongolia, and had in other ways shown an apparent hostility to legitimate American enterprise. As the writing of notes had not secured any satisfactory results, I began to probe into the situation to find what lay back of the attitude of the general.

I found that he was "blood-brother" of Mr. Pan Fu, whom in turn I numbered among my friends. I therefore consulted Mr. Pan Fu about the situation. He said that there must be some misunderstanding, as the General was certainly not animated by any feeling of hostility to America; but that it was possible that the particular American in Kalgan had rubbed him the wrong way. So he promised to write the General a long letter.

A short time later he called on me and reported that General Tien had written him that he was soon coming to Peking and would be very glad to meet me. The Tuchun soon called on me, with Mr. Chow Tsu-chi, and we had a most friendly talk. Very little was said about any past difficulties in Kalgan, but a great deal about future prospects of goodwill and mutual help. In fact, our friendship was quite firmly established, and there was no further room for misunderstanding.

Tuchun Tien was an open-faced, friendly looking person who, though he had straggling side whiskers unusual with the Chinese, had nothing of the berserker in his bearing. Our conversation was long and cordial. When it had already lasted more than an hour, Mr. Chow looked at me apologetically and said, in English: "We had better let him talk, it does him good." As for myself, I was glad to hear his views.

Mrs. Reinsch and I gave a dinner to Mr. Robert Gailey of the Y.M.C.A. on the eve of his departure for America. About thirty guests were present, all members of the American mission societies in

Peking. I had just entered the reception room to be ready to welcome our guests when much to my surprise Prince Pu Lun was ushered in. It was evident that there had been some mistake about invitations, but as there appeared to be no other dinner given at the Legation, I made no effort to clear up the error and tried to make him thoroughly welcome. I had the table rearranged so as to seat the Prince between two ladies both of whom spoke Chinese very well. He appeared to be surprised at the composition of the company and the absence of wines, but was apparently well entertained by his neighbours. When the dinner was about half through, Kao, the head boy, came to the back of my chair and whispered to me: "Mrs. Lee's boy outside. Say Prince belong Mrs. Lee dinner." So after dinner I felt in duty bound to tell the Prince that Mrs. Lee had sent word that she would be very happy if he could come to her house in the course of the evening.

After a short conversation, in which he told me about his children of whom he is very fond, the Prince departed, to recoup himself at the house of the navy doctor for the abstinences laid upon him at the minister's dinner.

PART II

THE PASSING OF YUAN SHIH-KAI

CHAPTER XI

THE WAR: JAPAN IN SHANTUNG

On August 8, 1914, Japanese war vessels appeared near Tsingtau. Japan suggested on August 10th that the British Government might call for the coöperation of Japan under the terms of the Alliance. In view of possible consequences the British Government hesitated to make the call; the British in China considered it important that independent action by Japan in that country should be precluded.

Acting on its own account on August 15th, the Japanese Government sent the Shantung ultimatum to Germany. The British Government was then informed of the action taken. The German representative at Peking had discussed informally with the Foreign Office the possibility of immediately returning Kiaochow directly to China; but the Chinese Government was now pointedly warned by the Japanese that no such action would be permitted.

The Chinese Government then also seriously considered the policy of declaring war on Germany. It would have been as easy for the Chinese, as for any one else, to take Kiaochow from the Germans, but Japan was ready and anticipated them. In fact, the Japanese minister stated to the Chinese Foreign Office on August 20th that the Kiaochow matter no longer concerned the Chinese Government, which, he trusted, would remain absolutely passive in regard to it. The ultimatum to Germany, limited to August 23rd, demanded the delivery, at a date not later than September 15th of the leased territory of Kiaochow to the Japanese Government, "with a view to the eventual restoration of the same to China."

Basing its action upon the language of this ultimatum, the American Government on August 19th made a communication to the Japanese Foreign Office, noting with satisfaction that Japan demanded the surrender of Kiaochow with the purpose of restoring that tract to China, and that it was seeking no territorial aggrandizement in China.

On my return to Peking on September 30th, I found the Chinese in a state of natural excitement over the action taken by Japan. By this time the Japanese had invested Tsingtau; the British, who had also sent a contingent of troops, were kept by the Japanese in a very subsidiary position. The scope of Japan's plans was more fully revealed on September 29th, when the Chinese Government was informed that "military necessity" required the Japanese Government to place troops along the entire railway in Shantung Province. As this railway had never had German military guards, and as the portion near Tsingtau was already held by Japanese troops, the military necessity of such further occupation was by no means apparent.

Mr. Liang Tun-yen, Minister of Communications, called on me on October 1st, expressing deep concern over the action of the Japanese in Shantung. He stated his conviction that, in departing from the necessary military operations around Tsingtau, it was Japan's plan to stir up trouble in the interior of China with a view to more extensive occupation of Chinese territory. From Japanese sources he had information to the effect that the Japanese militarists were not satisfied with the reduction of Tsingtau, but wished to take advantage of this opportunity to secure a solid footing—political and military—within the interior of China. He was further informed that they

were ready to let loose large numbers of bandits and other irresponsible persons to coöperate with revolutionary elements in an attempt to create widespread uprisings, in order to furnish a pretext for military interference. When I called attention to the declarations regarding Kiaochow in Japan's ultimatum to Germany, the minister shook his head and said: "Unfortunately, Japanese policy cannot be judged by such professions, but only by the acts of the last twenty years, which make up a series of broken pledges and attacks upon the rights of China."

President Yuan Shih-kai had wished to see me; so I called on him informally on October 2nd. In stronger terms than Minister Liang he set forth his apprehensions. "From information in my possession," he stated, "I am convinced that the Japanese have a definite and far-reaching plan for using the European crisis to further an attempt to lap the foundations of control over China. In this, the control of Shantung through the possession of the port and the railway is to be the foundation stone. Their policy was made quite apparent through the threatened occupation of the entire Shantung Railway, which goes far beyond anything the Germans ever attempted in Shantung Province. It will bring the Japanese military forces to the very heart of China."

Thereupon Yuan Shih-kai requested that I ask President Wilson to use his good offices in conferring with the British Government, in order to prevail upon Japan to restrict her action in Shantung to the military necessities involved in the capture of Tsingtau, according to the original assurances given the Chinese Government. I communicated this request to the President through the Department of State.

With great promptness, however, the Japanese executed the plan they had adopted. They informed the Chinese that, being judges of their own military necessities, they would occupy the railway by *force majeure* immediately, but would leave its administration in Chinese hands—with the stipulation that Japanese conductors be placed on the trains. The Chinese found no means to resist this arrangement.

Mr. Eki Hioki, successor of Minister Yamaza, had arrived during the summer. He had for many years been minister in Chile, where I had met him in 1910; remembering his genial and sociable qualities, I was happy to renew this acquaintance. Mr. Hioki differed from his predecessor in his readiness to talk freely and abundantly. In our first conversation, when the relations between the United States and Japan came up, he adduced the customary argument that as the United States was preventing the Japanese from settling in America, we could not in fairness object if Japan tried to develop her activities and influence on the Asian continent. I could honestly assure him that American goodwill did go out in full measure to any legitimate development of Japanese enterprise and prosperity, but we also had duties toward our own citizens, who had been active in Chinese trade for more than 130 years, as well as toward China herself. We could not be expected to approve any action which would not respect the rights of these.

The Chinese people were becoming more and more alarmed about Japan in Shantung. The large number of petitions and manifestoes which came to me, as the representative of a friendly nation, from various parts of China, gave me an idea of how widespread was this anxiety. Some of these protests were written

with the blood of the petitioner.

Count Okuma's declaration, that a large increase in the military forces of Japan was needed to preserve peace in the Far East, was interpreted as meaning that Japan would take the present opportunity to make good her actual domination throughout eastern Asia. The Chinese felt that any understanding with Japan would inevitably lead to the total subjection of China to the political dominance of her neighbour. They distrust all professions of Japanese friendship. Whenever I tried to argue that a frank understanding between China and Japan was desirable, I was told that China could not trust Japan; that Japan must not be judged by her professions, but by her past acts, all of which show a determined policy of political advance veiled by reassuring declarations.

Thus the Chinese feared Japanese intrigue at every point. They believed that revolutionary activities, as in the past, were getting encouragement from Japan. The Japanese were ready to take advantage of and to aggravate any weakness which might exist in Chinese social and political life. They would fasten like leeches upon any sore spot. The tendency toward rebellion and brigandage, the counterfeiting of banknotes, the corruption of officials, the undermining of the credit of important private and public enterprises, the furnishing of more dangerous drugs when opium was forbidden—in connection with such mischiefs individual Japanese had been active to the great damage of the Chinese. But though it would be unjust, of course, to charge up this meddling to the Japanese nation as a whole the connivance of their militarist government was a fact.

The British looked upon the new adventure of Japan with a decided lack of enthusiasm. While welcoming

the losses inflicted on their enemy in war, they were evidently fearful of the results which might come from Shantung.

It was plain that the Russians, too, while allied with Japan, were quite aware of the dangers inherent in the Chinese situation. Taken with recent Japanese advances in Inner Mongolia, a situation was created in northern China which would be regarded as dangerous by the Russians. Discussing the unrest in China, the Russian minister said to me significantly: "The situation itself does not impress me as serious; the only serious thing about it is that the Japanese say it is serious."

In fine, the general temper and direction of Japanese action was not relished by the allies of Japan. Japan had taken advantage of a conflict which was primarily European, into the rigour of which she did not enter, for the purpose of gathering up the possessions of Germany in the Far East and the Pacific at a time when they could be but weakly defended.

This policy of Japan deeply affected American prospects and enterprise in China, as, also, that of the other leading nations. Since the American attitude of goodwill toward China had in the past been understood by the Chinese to imply a readiness to give them a certain support in times of need, large hopes were entertained as to what the United States would do. Rich and powerful beyond measure, she would, in the minds of the Chinese, help China to maintain her integrity, independence, and sovereignty. Other nations, not a little jealous of the past goodwill of the Chinese toward us, were not slow to point out that American friendship was a bubble which vanished before such concrete

difficulties as the violation of China's neutrality. But the Chinese, after all, saw that it did not lie within the sphere of its action for the United States to come to the rescue with direct political and military support. True, the Chinese had encouraged American activities in China. They had looked upon them as a safeguard to their own national life. Since they were conducted in a fair spirit and without political afterthought, the Chinese did hope and expect as a minimum that Americans would stand by their guns and not let themselves be excluded by political intrigue or other means from their share in the development and activities of China.

CHAPTER XII

THE FAMOUS TWENTY-ONE DEMANDS, 1915

"Japan is going to take advantage of this war to get control of China." In these words President Yuan Shih-kai summed up the situation when I made my first call on him after returning from Europe in September. Many Chinese friends came to see me and tell me their fears. Admiral Tsai said: "Here are the beginnings of another Manchuria. Aggressive Japan in Shantung is different from any European tenant."

Events had moved rapidly. Tsingtau had been taken, German control had been wholly eliminated from the leasehold and the railway. The Chinese Government notified Japan that permission to use part of the Province of Shantung for military operations would be withdrawn, since occasion for it had disappeared.

This the Japanese seized upon as a calculated and malignant insult; it was made the excuse for presentation of the demands.

The blow fell on January 18th. The Japanese minister sought a private interview with Yuan Shih-kai. This meeting took place at night. With a mien of great mystery and importance the minister opened the discussion. He enjoined absolute secrecy on pain of serious consequences before handing Yuan the text of the demands. He made therewith an oral statement of the considerations which favoured the granting of them.

The Chinese, fearing greater evils, did their best to guard the secret. They could not, however, keep in complete ignorance those whose interests would have been vitally affected; also memoranda of important conversations had to be set down. As soon as I received the first inkling of what was going on, I impressed it on the Chinese that, since the subjects under discussion intimately affected American rights in China, I should be kept fully informed in order that my government, relying on the treaties and understandings concerning Chinese independence, could take necessary steps to safeguard its interests. The Chinese were of course ready to comply with my request. My intercourse with Chinese cabinet ministers and Foreign Office members was not confined to formal interviews and dinners. We exchanged many visits during which we conversed far into the night, without wasting time over formalities or official camouflage.

In the conversation in which he presented the twenty-one demands, the Japanese minister dropped several significant hints.

The minister then spoke of the Chinese revolutionists

"who have very close relations with many Japanese outside of the Government, and have means and influence"; further, "it may not be possible for the Japanese Government to restrain such people from stirring up trouble in China unless the Chinese Government shall give some positive proof of friendship." The majority of the Japanese people, he continued, were opposed to President Yuan Shih-kai. "They believe," he went on, "that the President is strongly anti-Japanese, and that his government befriends the distant countries (Europe and America) and antagonizes the neighbour. If the President will now grant these demands, the Japanese people will be convinced that his feeling is friendly, and it will then be possible for the Japanese Government to give assistance to President Yuan." Yuan sat silent throughout this ominous conversation. The blow stunned him. He could only say: "You cannot expect me to say anything to-night."

Quite aside from the substance of the twenty-one demands, the threats and promises implied in this statement convinced the Chinese leaders that Japan was contemplating a policy of extensive interference in the domestic affairs and political controversies in China, making use of these as a leverage to attain its own desires. The Chinese considered it an ominous fact that the paper on which the demands were written was watermarked with dreadnoughts and machine guns. They believed that the use of this particular paper was not purely accidental. Such details mean a good deal with people who are accustomed to say unpleasant things by hints or suggestions rather than by direct statements.

A Japanese press reporter called at the Legation on January 19th, and related his troubles to one of the

secretaries. The Japanese minister refused absolutely, he said, to say anything about what passed between him and the President; therefore he had sought the American Legation, which might have knowledge which could help him. With his assumed naïveté the man possibly hoped to get a hint as to whether a "leak" had occurred between the Chinese and the American minister. But it was not until January 22nd that I learned the astonishing nature of the Japanese proposals. Calling on one of the Chinese ministers on current business, I found him perturbed. He finally confided to me, almost with tears, that Japan had made categorical demands which, if conceded, would destroy the independence of his country and reduce her to a servile state. He then told me in general terms their nature, saying: "Control of natural resources, finances, army! What will be left to China! Our people are being punished for their peacefulness and sense of justice." The blow evidently had come with stunning force, and the counsellors of the President had not been able to overcome the first terrified surprise, or to develop any idea as to how the crisis might be met.

An ice festival was being given on the next evening at the American guard skating rink. Mr. B. Lenox Simpson sought me out and accosted me quite dramatically, with the words: "While we are gambolling here, the sovereignty of the country is passing like a cloud to the east. It is Korea over again." He had received accurate information as to the general character of the demands. Two days later the representative of the London *Times*, who had been out of town, asked me casually: "Has anything happened?" "You may discover that something has happened," I replied, "if you look about." That evening he returned to me with all that he could

gather.

Although these correspondents, as well as the Associated Press representative, telegraphed the astounding news to their papers, nothing was published for two weeks either in America or in England. The Associated Press withheld the report because its truth was categorically denied by the Japanese ambassador at Washington. Its Peking representative was directed to send "facts, not rumours." On January 27th it was given out "on the highest authority" both at Tokyo and at Washington that information purporting to outline the basis of negotiations was "absolutely without foundation." Only gradually the truth dawned on the British and American press. The British censor had held up the reports for a fortnight, but on February 5th Mr. Simpson wrote me in a hasty note: "My editors are in communication with me, and we have beaten the censors." From 25th January on, the demands began to be discussed confidentially among members of the diplomatic corps but publicly by the press in Peking. As the impossibility of keeping the matter secret locally was now universally granted from this time high Chinese officials consulted with me almost daily about their difficulties. The acceptance of these demands, of course, would have effectively put an end to the equal opportunities hitherto enjoyed in China by American citizens; I therefore made it my duty to watch the negotiations with great care.

The Japanese were avoiding any interference with the formal "integrity, sovereignty, and independence" of China; they were developing special interests, similar to those enjoyed by Japan in Manchuria, in other parts of China as well, particularly in the provinces of Shantung and Fukien. They could place

the Chinese state as a whole in vassalage, through exercising control over its military establishment and over the most important parts of its administration. There would be three centres from which Japanese influence would be exercised—Manchuria, Shantung, and Fukien. Manchuria was to be made more completely a reserved area for Japanese capital and colonization, but with administrative control wielded through advisers and through priority in the matter of loans. In Shantung, the interest formerly belonging to Germany was to be taken over and expanded. A priority of right in Fukien was demanded, both in investment and development; this would effectively bar other nations and would assimilate this province to Manchuria. The northern sphere of Japan was to be expanded by including Inner Mongolia. From the Shantung sphere influence could be made to radiate to the interior by means of railway extensions to Honan and Shansi. Similarly, from the Fukien sphere, railway concessions would carry Japanese influence into the provinces of Kiangsi, Hupei, and Kwangtung. The Japanese interest already existing in the Hanyehping iron and coal enterprise, which was a mortgage with right to purchase pig iron at certain rates, was to be consolidated into a Japanese-controlled company. Added to these was the significant demand that outsiders be denied the right to work any mines in the neighbourhood of those owned by the Hanyehping company without its consent; nor were they to be permitted, lacking such consent, to carry out any undertaking that might directly or indirectly affect the interests of that company. This astonishing proposal sought to make the Japanese concern the arbiter of industrial enterprise in the middle Yangtse Valley.

Group V consisted of the sweeping demands which would have virtually deprived the Chinese Government of the substance of control over its own affairs. The employment of effective Japanese advisers in political, financial, and military affairs; the joint Chino-Japanese organization of the police forces in important places; the purchase from Japan of a fixed amount of munitions of war—50 per cent. or more; and the establishment of Chino-Japanese jointly worked arsenals, were embraced in these demands. The latter involved effective control over the armament and military organization of China.

So stunned was the Chinese Government by the Japanese stroke that it missed its first opportunity. It might have immediately given notice to the friendly Treaty Powers of the demands, which affected their equal rights in China, as well as the administrative independence of the Chinese Government.

A member of the Foreign Office consulted me about the best method of dealing with the demands; I expressed the opinion—which was not given by way of advice—that the detailed negotiation of individual demands, with a view of granting only the least objectionable, would be likely to give most force to considerations of equity. Time would be gained; the other nations interested would come to realize what was at stake. If certain liberal grants and concessions should be made, China could then with greater force refuse to create rights and privileges incompatible with her sovereignty. The situation would then be more fully and clearly understood by foreign nations.

As the negotiations proceeded the Japanese minister hinted to the Minister for Foreign Affairs that the Japanese public looked askance at the present Chinese administration, because of the hostility often

demonstrated by Yuan Shih-kai; still, this feeling might be conciliated. It might even be possible for the Japanese Government to give President Yuan assistance against rebel activities. The sinister quality of this hint was fully appreciated. It was at this point that the Japanese minister used the simile which promptly became famous throughout the Far East. He employed this picturesque language: "The present crisis throughout the world virtually forces my government to take far-reaching action. When there is a fire in a jeweller's shop, the neighbours cannot be expected to refrain from helping themselves."

Notwithstanding powerful efforts on the part of Japan to enforce silence by menacing China and by muzzling the press in Japan, accurate information got abroad; whereupon the Japanese Government presented to the powers an expurgated version of its demands, from which the more objectionable articles were omitted. Later on, it was admitted that the demands of Group V had been "discussed," and statements were again issued on "the highest authority" that these so-called demands were merely overtures or suggestions, which violated no treaty and involved no infringement of Chinese territory and sovereignty. The Japanese Legation in Peking asked local correspondents to send out a similar statement, which, however, was refused by them, as the true nature of the demands was already known.

The British, who had more extensive interests at stake than any other foreign nation, had shown agitation. British residents and officials expressed deep concern because their government, being necessarily preoccupied with events in Europe, could not give full attention to the Far East. As the action of Japan had been taken under the ægis of the Anglo-

Japanese Alliance, it seemed to the British that this was being used to nullify any influence which Great Britain might exercise, as against a plan on the part of Japan to seize control of the immense resources of China and of her military establishment.[2] It was believed that some sort of communication relating to the demands had been made to the British Foreign Office before January 18th. When the expurgated summary came out, the *Times* of London on February 12th published an editorial article describing Japan's proposals as reasonable and worthy of acceptance; it was understood in Peking that this approval related to the summary, not to the demands as actually made. But the Chinese officials were apprehensive lest a ready acquiescence of public opinion in the less obnoxious demands might encourage Japan to press the more strongly for the whole list. As late as February 19th, the State Department informed me that it inferred that the demands under Group V were not being urged. The full text of the actual demands as originally made had now been communicated to the various foreign offices; but because of the discrepancy between the two statements, they were inclined to believe that Japan was not really urging the articles of Group V.

The Japanese minister had at first demanded the acceptance in principle of the entire twenty-one proposals. This was declined by the Chinese Minister for Foreign Affairs. When the Japanese asked that Mr. Lu express a general opinion on each proposal, he readily indicated which of them the Chinese Government considered as possible subjects for negotiation. Forthwith the Japanese minister replied that the expression of opinion by Minister Lu was unsatisfactory; that negotiations could not continue unless it were radically modified. Mr. Lu was evasive

and Mr. Hioki on February 18th became more peremptory; he informed Mr. Lu that the negotiations might not be confined to the first four groups—that the whole twenty-one demands must be negotiated upon.

Thereupon I telegraphed inviting President Wilson's personal attention to the proposals which affected the rights and legitimate prospects of Americans in China. The President had already written me in a letter of February 8th: "I have had the feeling that any direct advice to China, or direct intervention on her behalf in the present negotiations, would really do her more harm than good, inasmuch as it would very likely provoke the jealousy and excite the hostility of Japan, which would first be manifested against China herself.... For the present I am watching the situation very carefully indeed, ready to step in at any point where it is wise to do so."

Shantung was first taken up in the negotiations. The negotiators were: the Chinese Minister for Foreign Affairs, Mr. Lu Tseng-tsiang; the vice-minister, Mr. Tsao Ju-lin; the Japanese minister, Mr. Eki Hioki; and Mr. Obata, Counsellor of Legation. Vice-Minister Tsao had been educated in Japan, and was generally considered as friendly to that country. The Japanese minister, genial in manner and insistent in business, was aided by a counsellor noted for tenacity of purpose and for a grim dourness. Point by point the demands on Shantung and Manchuria were sifted. By the preamble to Group II, in the original version, Japan claimed a "special position" in south Manchuria and in eastern Inner Mongolia. The Chinese took decided objection. The Japanese minister complained on March 6th of slow progress, giving thenceforward frequent hints that force might

be resorted to. Finally, on March 11th, the Chinese were informed that a Japanese fleet had sailed for ports in China under sealed orders.

After agreeing to important concessions in Manchuria and Shantung, the Chinese determined to resist further demands. Just here the American Government gave the Japanese ambassador at Washington its opinion that certain clauses in the demands contravened existing treaty provisions. For the Japanese ambassador had offered a supplementary memorandum which substantially gave the proposals of Group V as "requests for friendly consideration." They were "mere suggestions" to the Chinese! This method of disarming foreign opposition imposed one disadvantage—it would hereafter hardly do actually to use military force to coerce China into accepting the "friendly suggestions" contained in Group V. The only chance of getting these concessions was to keep the other governments in uncertainty as to the actual demands, that they might not take them seriously, and meanwhile to bring pressure to bear in order to force Peking to accept these very proposals. The Chinese would feel themselves abandoned by the public opinion of the world.

The Japanese increased their military forces in Manchuria and Shantung during the second half of March; for a time the movement stopped the ordinary traffic on the Shantung Railway.

The new troops were "merely to relieve those now stationed in Chinese territory," it was stated. Military compulsion was clearly foreshadowed; and thus beset, the Chinese had by the end of March almost entirely accepted the Japanese demands in Shantung and Manchuria. I had a long interview with President

Yuan Shih-kai on March 23rd. He seemed greatly worried but was still good-humoured. He said: "The buzzing gnats disturb my sleep, but they have not yet carried off my rice. So I can live." Then growing serious he went on: "I am prepared to make all possible concessions. But they must not diminish Chinese independence. Japan's acts may force upon me a different policy."

I wondered whether he was actually contemplating armed resistance. "Against any action taken by Japan, America will not protest, so the Japanese officials tell us. But the Japanese have often tried to discourage the Chinese by such statements," he added. "They say: 'America has no interest in the Chinese'; or, 'America cannot help you even if she wishes to.'"

Yuan felt that if America could only say, gently but firmly: "Such matters concerning foreign rights in China, in which we have an interest by treaties, policy, and traditions, cannot be discussed without our participation," the danger would largely dissolve.

Certain possible solutions were now suggested by the Department of State. They aimed to bestow desired benefits on Japan, but also to protect China and the interests of other nations in China. Personally, I felt that the demands of Group V should be wholly eliminated. Any version of them would tangle, would more inextricably snarl, the already complicated relationships of foreign powers in China, and choke all constructive American action.

The Japanese demands respecting Manchuria were substantially complied with during early April; and the Chinese thought this part of the negotiations closed. Not so the Japanese; they manœuvred to keep open the Manchurian question on points of

detail. Meanwhile, they persistently injected Group V into the negotiations.

For over two months the negotiations had now gone on with two or three long conferences every week. The furnishing of war materials, Fukien Province, and pointed references to a "certain power"—meaning the United States—occupied the Japanese part of the discussion on April 6th. The Japanese minister was strikingly peremptory in manner. Because of the pretensions of this "certain power" he must insist on the demands regarding harbours and dockyards. Control, direct or indirect, of any naval base in Fukien must be frustrated, for the sake both of China and of Japan. The present American administration might withdraw its "pretensions"; but what if they should be resumed in future? The only safe course was to exclude this power from any possibility of getting such a foothold. Meanwhile, local Japanese-edited papers harped upon the great influence which Ambassador Chinda was alleged to wield over Secretary Bryan. It would be futile to hope, they insisted, that America might in any way assert herself in support of China.

At this time I informed the Chinese Minister for Foreign Affairs that should the attitude or policy of the United States be mentioned by any foreign representative, and should statements be made as to what the American Government would or would not admit, demand, or insist upon, the Chinese Government would be more than justified in taking up such a matter directly with the representative of the United States, through whom alone authoritative statements as to the action of his government could be made.

The American Government had filed with the

Japanese strong objections to the granting of any special preference to any one nation in Fukien. It had also emphasized the right of its citizens to make contracts with the central and provincial Chinese governments, without interference and without being regarded as unfriendly by a third power. So far as harbours and naval bases were concerned, as stated previously, the American Government did not object to any arrangement whereby China would withhold such concessions *from any and all* foreign powers. But Japan needed to allege some reason for making special demands with respect to Fukien; therefore it alleged the machinations of a "certain power."

No cause for apprehension existed. The talk of "pretensions" related to the Bethlehem Steel Company's contract, made five years earlier, which did not, however, touch Fukien, although a spurious version of the contract, circulated in Peking shortly before, gave this impression. An unfounded report spread by interested parties was thus made the basis for a demand against the Chinese Government.

Meanwhile, what the Japanese had put forth for foreign consumption in the way of news was being compared with what was actually done in Peking. This annoyed the Japanese press, not so much because its government had been caught in the act of trying to mislead its own allies, as because timely publicity and strong public opinion abroad were defeating the attempt to impose its demands on the Chinese. The Chinese relied on public opinion. It was their great desire, as they often said to me, that although the American people and its government might not furnish material assistance it should at least know the facts about the attack made on Chinese liberty; for they saw in the public opinion of

the world, and especially of the United States, the force which would ultimately prevail. Even with Yuan Shih-kai, man of authority though he was, this hope existed. Mr. Lu, the Minister for Foreign Affairs, said to me: "All that China hopes is that America and the world may know and judge."

Finally the *Japan Mail*, a semi-official Tokyo paper, published on April 1st the full text of the Japanese demands in English. Thus was admitted as a matter of course what had been categorically denied upon "the highest authority." While the secret negotiations were going on there was a byplay on the part of many official and non-official Japanese, who were evidently trying to create an atmosphere of antagonism to the Western nations. I received daily reports of conversations in private interviews, at dinners, and on semi-public occasions, in which Japanese were reminding the Chinese of all possible grievances against the West, and picturing to them the strength and importance that a Chino-Japanese alliance would have. Thus it was said many times: "Think of all the places from which we are at present excluded. Should we stand together, who could close the door in our face?" Or again: "Are you not weary of the domineering attitude of the foreign ministers in Peking? They do not pound the table in Tokyo. They would be sent home if they did." It was constantly repeated that all would be well if only China would let Japan reorganize her material and military resources. Visions of millions under arms, splendidly drilled and equipped—an invincible Chinese army officered by Japanese—were conjured up. To all such siren songs, however, the Chinese remained deaf.

A complete deadlock developed toward the end of

April. The Chinese desired to dispose of the grants concerning Manchuria. The Japanese would not agree to anything definite without including the demands under Group V. As a prelude to an ultimatum, the Japanese minister on April 26th presented "demands" with respect to Shantung and Mongolia, unchanged except for the wording of the preamble; this substituted the term "economic relations" for "special position." With respect to Hanyehping, they were softened to provide that the Chinese might not convert the company into a state-owned concern, nor cause it to borrow foreign capital other than Japanese. Certain railway concessions were to be granted, and the most important demands under Group V were to be embodied into a protocol statement by the Minister for Foreign Affairs.

Mr. Lu pointed out that the railway grants sought conflicted with the concessions already given to British interests; Mr. Hioki then proposed that China grant these same concessions to Japan, letting Japan "fight it out" with Great Britain. With respect to Fukien, China was to state, in an exchange of notes, that no foreign nation might build dockyards or naval bases there, nor should foreign capital be borrowed for that purpose. Japan, therefore, abandoned her attempt to secure preferential rights in Fukien Province.

The Minister for Foreign Affairs handed his answer to the Japanese minister on May 1st. The demands under Group V, Mr. Hioki was informed, could not possibly be accepted by a sovereign power. With respect to the other demands, a specific answer was given very closely approaching acceptance of the demands as revised by Japan. No railway

concessions were made, however, and it included certain technical modifications with respect to the Manchurian demands. Everything asked with respect to Shantung was granted, with the counter-proposal that China take part in the negotiations between Japan and Germany.

This was conciliatory; nevertheless, the Japanese were moving their troops. Everything indicated extreme measures. Japan's reservists in Mukden had been ordered to their station, Japanese residents in Peking were warned to hold themselves ready. At Tsinanfu, new entrenchments were being built. When it was known that an ultimatum would be delivered, the Chinese officials were perplexed and undecided. Should they await its delivery, or try to placate the Japanese by further concessions? The Chinese find it hard to obey a demand backed by force; they are used to arrangements based on persuasion, reason, and custom. To submit to positive foreign dictation would be the greatest conceivable *diminutio capitis* for the Government. Chinese officials visited me frequently. They seemed comforted in discussing their difficulties and fears. I could not, of course, give them advice, but I expressed my personal conviction that Japan could hardly find it feasible to include Group V—which she had explained to the powers as suggestions of friendship—in an ultimatum.

The position of the American minister throughout these negotiations had not been easy. The United States was the only power that had its hands free. The Chinese expected its resentment and strong opposition to any arrangements conflicting with Chinese independence and the equal rights of Americans in China. I could reiterate our repeated

declarations of policy and allow the Chinese to draw their own conclusions as to how far our national interests were involved. But when the minister I saw most frequently would ask: "But what will you do to maintain these rights you have so often asserted?" I had to be particularly careful not to express my own judgment as to what our course of action should be, in order not to arouse any hopes among the Chinese as to what my government would do. Instructions had been slow in coming.

It was my personal opinion that America had a sufficiently vital interest to insist on being consulted on every phase of these negotiations. The Chinese had hoped that America might lead Great Britain and France in a united, friendly, but positive insistence that the demands be settled only by common consent of all the powers concerned. But the situation was complex. The state of Europe was critical. The most I could do, and the least I owed the Chinese, was to give a sympathetic hearing to whatever they wished to discuss with me, and to give them my carefully weighed opinion. Our own national interests were closely involved. It was my positive duty to keep close watch of what was going on. While not taking the responsibility of giving advice to the Chinese, I could give them an idea as to how the tactical situation, as it developed from week to week, impressed me. Dr. Wellington Koo all through this time acted as liaison officer between the Minister for Foreign Affairs and myself, although I also saw many other members of the Ministry. In discussing the consecutive phases of the negotiations, as they developed, Doctor Koo and I had many interesting hours over diplomatic tactics and analysis, in which I admired his keenness of perception. Some objection was hinted by the Japanese Legation to Doctor Koo's

frequent visits to my office and house, but his coming and going continued, as was proper.

Councils were held daily at the President's residence from May 1st on. Informally, the ministers of the Entente Powers advised the Chinese not to attempt armed resistance to Japan; I believe the Government never seriously contemplated this, although some military leaders talked about it. Indeed, violent scenes took place in the Council; it was urged that submission would mean national disintegration. It would rob the Government of all authority and public support, while resistance would rally the nation. The advance of Japan might be obstructed until the end of the Great War; then European help would come. They pressed the President with arguments that Japan might, indeed, occupy larger parts of China; but this would not create rights, it would expose Japan to universal condemnation. However, in the existing circumstances of World War, the Government feared that to defy Japan would mean dismemberment for China.

Then President Yuan Shih-kai and the Foreign Office made their mistake. They were panic-stricken at thought of an ultimatum. They were ready to throw tactical advantage to the winds. Losing sight of the advantage held by China in opposing the demands of Group V, they offered concessions on points contained therein, particularly in connection with the employment of advisers.

But when the Foreign Office emissary came to the Japanese Legation with these additional proposals and the Japanese minister saw how far the Chinese could be driven, he stated calmly that the last instructions of his government left no alternative; the ultimatum would have to be presented. This was

done on May 7th at three o'clock in the afternoon.

The Chinese might have foreseen that the demands of Group V would not be included in the ultimatum. Nevertheless, they were astonished at their omission, and annoyed at unnecessarily committing themselves the day before. At first sight, the terms of the ultimatum seemed to dispose of these ominous demands. In the first sense of their relief from a long strain, the Chinese understood the stipulation of the ultimatum that "the demands of Group V will be detached from the present negotiations, and discussed separately in the future," as an adroit way of abandoning these troublesome questions. They were soon to learn that their hopes were not in accord with the ideas of the Japanese.

Why, when the Chinese were virtually ready to agree to all the demands actually included in the ultimatum, should the Japanese not have accepted the concessions, even if they fell slightly short of what was asked? Thus they would avoid the odium of having threatened a friendly government with force; a matter which, furthermore, would in its nature tend to weaken the legal and equitable force of the rights to be acquired. The Japanese made two fundamental mistakes. The first was in their disingenuous denials and misrepresentation of the true character of the demands; the second, in the actual use of an ultimatum threatening force. That these mistakes were serious is now quite generally recognized in Japan. Why they were made in the first place is more difficult to explain.

Possibly, in the light of subsequent events, when Yuan Shih-kai realized that he must unavoidably make extensive concessions, he may have sought a certain *quid pro quo* in the form of Japanese support

for his personal ambitions. This would accord with the hint dropped by the Japanese minister at the beginning of the negotiations. If this explanation be correct, one might possibly understand that Yuan himself in his inmost thought preferred that he should be forced to accept these demands through an ultimatum. The possibility of such motives may have to be considered, yet from my knowledge of the negotiations from beginning to end, I must consider utterly fanciful the charge made by Yuan's enemies that it was he who originally conceived the idea of the twenty-one demands, in order that he might secure Japanese support for his subsequent policies and ambitions.

A reason for the harsh measure of the Japanese Government is admissible. The Japanese may have feared that public opinion throughout the world, which was disapproving the character and scope of these negotiations, would encourage the Chinese to hold out in matters of detail and gradually to raise new difficulties. Moreover, the men who wielded the power of Japan were believers in military prestige and may have expected good results from basing their new rights in China directly on military power.

The ultimatum gave the Chinese Government a little over forty-eight hours, that is, until 6 P.M. on May 9th, for an answer. On May 8th, the cabinet and Council of State met in a session which lasted nearly all day, finally deciding that the ultimatum must be accepted in view of the military threats of Japan.

In their reply to the ultimatum a serious tactical mistake was made. I had been informed that it would be accepted in simple and brief language; that the Chinese Government would say it had made certain grants to the Japanese, which would be enumerated,

making no mention of Group V. Toward evening of the 9th a member of the Foreign Office came to me, quite agitated, saying that the Japanese Legation insisted that the demands of Group V be specifically reserved for future discussion. "What form," I asked, "has the Chinese answer taken?" "This," he replied: "'The Chinese Government, etc., hereby accepts, with the exception of the five articles of Group V, all the articles of Group I, etc.' But," he added, "when the draft was submitted to the Japanese Legation, they insisted that after the words 'Group V' there be added the clause 'which are postponed for later negotiation.'" It had been thought necessary, my visitor explained, to state in the reply that something had been refused, in order to save the face of the Government. But it is perfectly plain that if Group V had not been mentioned at all, the Japanese would have found it hard to insist upon its being kept open; for it could not be avowed before other nations as part of the matter covered by the ultimatum. As it was, the demands in Group V were given the character of unfinished business, to be taken up at a future date. Thus portentously, they continued to hang over the heads of the Chinese.

Partly in an exchange of notes, partly in a convention, the concessions exacted through the ultimatum were granted. None of these was ever ratified by the parliamentary body, as the Constitution requires. Because of their origin and of this lack of proper ratification, the Chinese people have looked upon the agreements of 1915 as invalid.

The State Department had cabled on May 6th counselling patience and mutual forbearance to both governments. The advice was needed by Japan, but the instructions came too late; the ultimatum had

been presented. I should have found that its delivery would have seemed like whispering a gentle admonition through the keyhole after the door had been slammed to.

The Department cabled on May 11th an identical note to both governments, which I delivered to the Minister for Foreign Affairs on the 13th. It was published in the Peking papers on the 24th, together with a telegram from Tokyo asserting "on the highest authority" that the report of the existence of such a note was only another instance of machinations designed to cause political friction.

When he received the note Minister Lu said that he had tried throughout to safeguard the treaty rights of other nations, with which China's own rights were bound up. To a question from him I replied that the American Government was not now protesting against any special proposal, but insisted that the rights referred to in the note be given complete protection in the definitive provisions of the Treaty. The newly acquired privileges of the Japanese in Manchuria were touched on in the conversation; I pointed out that any rights of residence granted to the Japanese, by operation of the most-favoured-nation clause, would accrue in like terms to all other nations having treaties with China; they ought to be informed, therefore, of all the terms of the agreement affecting such rights. On May 15th the Department confirmed this view by cabled instructions, which I followed with a formal note to the Minister for Foreign Affairs.

It appeared that the Chinese Government was comforted by an expression in which the United States in clear terms reasserted its adhesion to the fundamental principles of American policy in the Far

East.

So ended the famous negotiations of the Twenty-one Demands. Japan had gained from the unrepresentative authorities at Peking certain far-reaching concessions. But in China the people, as an anciently organized society, are vastly more important than any political government. The people of China had not consented.

FOOTNOTES:

[2] For instance, Putnam Weale wrote: "Though Englishmen believe that the gallant Japanese are entitled to a recompense just as much now as they were in 1905 for what they have done, Englishmen do not and cannot subscribe to the doctrine that Japan is to dominate China by extorting a whole ring-fence of industrial concessions and administrative privileges which will ultimately shut out even allies from obtaining equal opportunities.... In China, though they are willing to be reduced to second place and even driven out by fair competition, they will fight in a way your correspondents do not yet dream of to secure that no diplomacy of the jiujitsu order injures them or their Chinese friends."

CHAPTER XIII

GETTING TOGETHER

There arrived in Peking in the fall of 1915 the members of a commission sent by the Rockefeller Foundation, to formulate definite plans for a great scientific and educational enterprise in China. They were Dr. Simon Flexner, of the Rockefeller Institute for Medical Research, of New York; Dr. George A. Welch, of Johns Hopkins University; and Doctor Buttrick, the secretary of the Foundation. By early September, 1919, the cornerstone of the Rockefeller

Hospital and Medical School in Peking had been laid.

The China Medical Board had acquired the palace of a Manchu prince. When their plans were first being formulated, the owner had just died, and this magnificent property could have been bought for $75,000 Mex. I cabled to New York at the time, advising quick action, but the organization had not been sufficiently completed to make the purchase. When, four months later, they were ready to buy, the price had risen to $250,000. The fact that a rich institution desired to acquire the property had undoubtedly helped to enhance the price; but real property was then so rapidly rising in value all over Peking, especially in central locations, that the price asked, as a matter of fact, was not excessive, and a similar site could not have been secured for less. A still further increase of values throughout the central portion of the city was soon recorded; in fact, in many localities of China land values have risen after the manner of an American boom town.

The stately halls of the palace had been dismantled and torn down because they did not suit the uses of the hospital. The materials recovered, however, were in themselves of great value. The Board had decided, in consonance with the judgment of the architects, that the Chinese style of architecture should be used, modified only sufficiently to answer the modern purpose of the buildings.

We gathered on a sunny day of early September, when the air of Peking has the fresh balminess of spring, to dedicate the cornerstone of the first building to be erected. Admiral Knight, who was visiting us at the time, accompanied me. Mr. Alston, the British chargé; Dr. Frank Billings, who had just returned from Russia where he had been chairman of

the American Red Cross; and other representatives of the American and British community were present, together with many Chinese. Mr. Fan Yuen-lin, Minister of Education, represented the Chinese Government, and Bishop Norris, of the Anglican Church, offered prayer. I made a brief address in which I paid tribute to the achievements of American and British medical missionaries, and expressed my high idea of the value and significance, for science and human welfare, of the great institution here to be established.

Incidentally, it had seemed to me—and I so expressed to Doctors Welch and Flexner during their visit—that much of value might be found in the Chinese *materia medica*. In my own experience there had been so many instances where relief had been afforded in apparently hopeless cases that I thought it worthy of special study. For example, a new chauffeur whom I had engaged accompanied my old chauffeur in the machine one day; as he jumped out, his arm was caught between the door and a telegraph pole and crushed. We immediately had him taken to the hospital, where the doctors decided that only an immediate operation afforded any prospect of saving his arm, and that even a successful operation was doubtful. I was told that evening that his mother had taken the young man away, notwithstanding the entreaties of our Chinese legation personnel. We gave him up for lost. But within six weeks he reported for his position, only admitting: "My arm is still a little weak." A Chinese doctor had cured him with poultices.

Similar cases often came to my attention. Mr. Chow Tzu-chi had frequently suffered severely from rheumatism. He had tried every scientific remedy

without avail. One day I was glad to find him chipper and in fine spirits. He said, "I am cured"; and he told me that a Chinese doctor had fixed golden needles in different parts of his body. Within a day his pains had disappeared. The empirical knowledge accumulated by Chinese doctors through thousands of years may be worth something.

In their hours of leisure from the scientific tasks of their mission, the members of the Rockefeller board saw much of Chinese life on the lighter as well as its more serious side. One evening we went together to a Chinese restaurant where we met some native friends and had an excellent dinner, of the best that Peking cooking affords. The American guests were delighted with the turmoil in the courts of a Peking restaurant. We were entertained after dinner by a well-known prestidigitator. This man often performs in Peking, where he is known among foreigners by the name of Ega Lang Tang. These words mean nothing, being only an arbitrary formula which he uses in his incantations. His tricks, many and astounding, culminate when, after turning a somersault, he suddenly produces out of nothing a glass bowl as large as a washtub two feet in diameter filled with water in which shoals of fish are gaily swimming about.

In another way American initiative of an educational nature was welcomed in Peking. Among officials and literary men were many who were interested in the scientific study of economic and political subjects. With them and with American and European friends I had often discussed the desirability of establishing an association devoted to such work. The old literary learning which had up to a very recent time organized and given cohesion to Chinese intellectual

life had largely lost its power to satisfy men, whereas the scientific learning of the West had not yet become sufficiently strong to act as the chief bond of intellectual fellowship.

As all political and social action, and all systematic effort in industry and commerce, depend on intellectual forces, it is evident that disorganization and confusion would soon threaten Chinese life unless centres were formed in which the old could be brought into harmonious and organic relationship with the new, so as to focus intellectual effort. Such centres would wield great influence.

With the Minister for Foreign Affairs, Mr. Lu Tsen-tsiang, and a number of other friends who were equally impressed with the need for such a centre of thought and discussion, we decided in November, 1917, to take steps toward forming a Chinese Social and Political Science Association.

The first meeting was held at the residence of the Minister for Foreign Affairs on December 5, 1915, when plans were discussed. In an address which I made on this occasion I expressed my idea of the significance of the society as follows:

"The founding of the Society is an indication of the entry of China into full coöperation in modern scientific work. This initial step foreshadows a continuous effort through which the experience and knowledge of China will be made scientifically available to the world at large. The voice of China will be heard, her experience considered, and her institutions understood by the world at large; she will be represented in the scientific councils. At home the work of such an association, if successful, should result in a clearer conception of national character and destiny. The knowledge gained by its

work would be of great value in constructive administrative reform. But its greatest service would lie in the manner in which it would contribute to a more deep and more definite national self-consciousness...."

Virtually all the Chinese officials, of modern education, as well as many teachers and publicists, interested themselves in the new society. The idea was supported by men of all nations; alongside of Americans like Doctor Goodnow, Doctors W.W. and W.F. Willoughby, and Dr. Henry C. Adams, were the British, Dr. George Morrison, Sir Robert Bredon, Professor Bevan, and Mr. B. Lenox Simpson; the French, M. Mazot and M. Padoux; the Russians, M. Konovalov and Baron Staël-Holstein; and the Japanese, Professor Ariga. The society thereafter held regular meetings, at which valuable addresses and discussions were given; it published a quarterly review, and it established the first library in Peking for the use of officials, students, and the public in general.

Through the assistance of the Prime Minister, Mr. Hsu Hsi-chang, a portion of the Imperial City was set aside for use by the library—a centrally situated enclosure, called the Court of the Guardian Gods. This had been used as a depository for all the paraphernalia of Imperial ceremonies, such as lanterns, banners, emblems, state carriages, and catafalques. When I first visited it, large stores of these objects still remained. They were not of a substantial kind, but such as are constructed or made over specially for each occasion; and, while they were quite interesting, they had no intrinsic value. That the officials and the Imperial Family should combine to set aside so valuable an area for a

modern scientific purpose was an indication that China is moving.

Attached to the French Legation was the brilliant sinologist Paul Pelliot, whose explorations in Turkestan had secured such great treasures for the French museums and the Bibliothèque Nationale. Though he acted officially as military attaché, M. Pelliot really had a far broader function, being liaison officer between French and Chinese culture.

Before the war the Germans had an educational attaché. On account of the close relationship between Chinese and American education through the thousands of American returned students, I strongly urged the appointment of an attaché who could give his attention to educational affairs. I was so pressed with other business that hundreds of invitations to address educational bodies throughout China had to go unaccepted. If there had been an assistant who could have met the Chinese on these occasions, he could have been exceedingly helpful to them. But I was told from Washington that there was no provision for an attaché with such functions.

The intimate feeling of coöperation between the British and American communities expressed itself in many meetings, in some of which the Chinese, too, participated. Thus, on December 8, 1917, there was held a reception of the English-speaking returned students. The Minister for Foreign Affairs; a number of his counsellors; the British minister, Sir John Jordan, and his staff; the American Legation; the missionaries; all who had received their education in the United States or Great Britain, were here present. It was a large company that gathered in the hall of the Y.M.C.A., including a great many Chinese women.

The hum of the preliminary conversation was suddenly interrupted by a loud voice issuing from a young man who had hoisted himself on a chair in the centre of the room. He proceeded to give directions for the systematic promotion of sociability and conversation. The Chinese guests were to join hands and form a circle around the room, facing inward; within that circle the British and American guests were to join hands, forming a circle facing outward. At the given word the outer circle was to revolve to the right, the inner circle to the left. At the word "halt," everyone was to engage his or her vis-à-vis in conversation. To eliminate every risk of stalemate, the topics for conversation were given out, one for each stop of the revolving line, the last being: "My Greatest Secret."

The young man who proposed this thoroughly American system of breaking the ice had just come out from Wisconsin, and it was his business to secure the proper mixing in miscellaneous gatherings. The British seemed at first somewhat aghast at the prospect of this rotary and perambulatory conversation; yet they quite readily fell in with the idea, and when the first word of halt was given, I noticed Sir John duly making conversation with a simpering little Chinese girl opposite him.

A little later, in December, there was formed an Anglo-American Club, which celebrated its début with a dinner at the Hotel of Four Nations. This was the beginning of the closest relationship that has ever existed between the Americans and British in the Far East. In my brief speech I expressed my genuine feeling of satisfaction that this coöperation should have come about.

My relations with educational authorities and

activities in Peking were most pleasant. When Commencement was celebrated at Peking University I had the distinction of an honorary LL.D. conferred upon me. This courtesy was performed in a very graceful manner by Doctor Lowry, my wise and experienced friend, under whose presidency this institution had been built up from small beginnings. I was so interested in the promise of this American university in the capital of China that I consented to act as a member of the Board, and I had interested myself in its development as far as my official duties would permit. To my great satisfaction, the university had at this time become interdenominational, representing four of the Christian mission societies active in China. A liberal spirit pervaded the university, inspiring its members with a desire to serve China by spreading the light of learning, without narrow denominational limitations, relying on Christian spirit and character to exert its influence without undue insistence on dogma. By a pleasant coincidence, I on that very date received a cablegram telling me that my alma mater, the University of Wisconsin, had also given me the honorary LL.D.

An opportunity for general meetings of Americans and British, including, also, other residents of Peking, interested in things of the mind, was afforded by a lecture course arranged by the Peking Language School. I opened the course with an address on the conservation of the artistic past of China, which was given at the residence of the British minister. Sir John Jordan in his introductory remarks said that the time was at hand when foreigners residing in China would take a far deeper and more intimate interest in Chinese civilization than they had done before. I spoke of the danger of losing the expertness and the

creative impulse of Chinese art and of the readiness it had always shown in the past to develop new forms, methods, and beauties. Subsequent lectures were given alternately at my residence and at the theatre of the British Legation, and the entire course emphasized our common interest in Chinese civilization.

During the height of the student movement in 1919 the Peking police closed the offices of the *Yi Shih Pao* (Social Welfare), a liberal paper in Peking. The paper had made itself disliked by publishing news of the Japanese negotiations and criticizing the militarist faction. A number of Americans had previously interested themselves in the paper, because of its liberal tendencies and because of its devotion to social welfare work; they proposed to take it over, but the transfer had not yet been carried out. The Chinese editor of the paper appealed to me to assist him in the liberation of an associate who had been imprisoned. As no legal American interest at the time existed in the paper, however, it was not possible to use my good offices in its behalf, although I had at all times made the Chinese officials know that the suppression of free speech in the press was a very undesirable procedure. The suppression of the *Yi Shih Pao* was a result of the desire of the reactionary faction in Peking to choke every expression favourable to the national movement; they had been encouraged to imitate the stringent press regulations of Japan.

Later on the Americans completed their purchase of the *Yi Shih Pao*. The question as to how far American protection should be extended over newspapers printed in Chinese, but owned by Americans, then came up for decision. As Americans had become

interested in the *bona fide* enterprise of publishing newspapers in Chinese, it was not apparent how such protection as is given to others for their legitimate interests could be refused in this case. I therefore recommended to the Department of State that no distinction be made against such enterprises, and several vernacular papers were subsequently registered in American consulates.

When I told the Acting Minister for Foreign Affairs that American registry had been given the *Yi Shih Pao*, I informed him of the character of the American press laws, under which newspapers are in normal times entirely free from censorship, but are responsible in law for any misstatements of fact injurious to individuals. Many of the reactionary officials had persistently opposed the idea of having American-registered vernacular papers in China. But, manifestly, they could not make any valid protest against such an arrangement. In fact, we never had any expression of official displeasure; on the contrary, nothing could have been more welcome to the people of China and to the great majority of officials than to know that vernacular papers were to be published in China by Americans.

The publication in Peking of news from abroad was much facilitated by wireless. Early in 1919 I entertained at lunch several American newspapermen, with whom I had a conference on the press and news situation in the Far East. They were Mr. Fleisher, of the *Japan Advertiser*; Mr. McClatchey, of the *Sacramento Bee*; Mr. Sharkey, of the Associated Press; and Mr. Carl Crow, representative of the American Committee on Public Information. Mr. Walter Rogers, an expert in this matter, had been in Peking shortly before.

The great difficulty with which we were confronted in any attempt to develop the news service between China and the United States was the expense of telegraphing by cable, which made it impossible to transmit an adequate news service. We were therefore all agreed that it was essential to use the wireless and that every effort should be made for arrangements whereby the wireless system of the American Government would carry news messages at a reasonable rate.

The importance of a direct news service was demonstrated during the war, when under an arrangement by the Committee on Public Information a budget of news was sent by wireless daily to the Far East. For the first time in history had there been anything approaching a fairly complete statement of what was going on in the United States. The service of news of the Peace Conference was also particularly appreciated by everybody in China. China had never been so close to Europe before.

The only agency supplying news in China is Reuter's. Its news budget is made up in London. It proceeds to Spain, Morocco, and down the west coast of Africa to the Cape; thence up the east coast of Egypt, Persia, India, and Ceylon. At each of the main stations on the way items of only local interest there are withdrawn. What is left at Ceylon as of interest to the Far East is sent on to Singapore and Hong-Kong, as well as by another route to Australia. It is quite natural that with such a source and such a routing, this service should carry next to nothing about America. I once had it observed for a whole month in June, 1916, when the only American item carried was that Mr. Bryan had shed tears at the National Democratic Convention!

CHAPTER XIV

WAR DAYS IN PEKING

During my first absence in America Mr. Peck had been appointed consul at Tsingtau, and Dr. Charles D. Tenney had been sent as his successor. My predecessor, Mr. W.J. Calhoun, in a letter concerning Doctor Tenney, bore witness to his unusual acquaintanceship with the Chinese and knowledge of Chinese affairs. Speaking of Doctor Tenney's joy in returning to China, Mr. Calhoun remarked: "There is a strange thing about foreigners who have lived very long in China: they never seem to be contented anywhere else. They are apparently bitten by some kind of bug which infuses a virus into their blood, and makes life in that country the only thing endurable."

Existence of a state of war deeply affected social life in Peking. The mutual enemies could, of course, not see each other. Their social movements, therefore, were considerably restricted. The neutrals, however, having relations with both sides, were if anything more busy socially than at other times. Dinners had to be given in sets, one for the Entente Allies, the other for the Central Powers. The Austrian minister decided that as his country was at war and his people were suffering, he would not accept any dinner invitations at all, except for small parties *en famille*. The other representatives of belligerent powers kept up their social life on a reduced scale. Dancing was gradually restricted, and finally passed out almost entirely.

Mr. Rockhill had died at Honolulu in December, 1914. He had been retained by President Yuan as his personal adviser, and was returning to China from a

brief visit to the United States. I felt the loss of a man of such unusual ability and experience, to whom China had been the most interesting country in the world. In all the difficulties which followed, his advice would have been of great value to the Chinese President and Government.

The report of the Engineers' Commission which investigated the Hwai River Conservancy project made that enterprise look even more attractive than I had anticipated. The value of the redeemed land alone would be more than enough to pay the cost of the improvements. I felt that the work would give great credit to the American name. Not only would it assure the livelihood of multitudes through the redemption of millions of the most fertile acres in China, but it would give to the Chinese a living example of how, by scientific methods, the very foundations of their life could be improved. During the winter of 1914-15 a terrible famine was again devastating that region, threatening hundreds of thousands of peasants with extinction. Never had the sum of twenty millions of dollars produced such benefits as would be assured here. But after urgent appeals to the Department in Washington, the National Red Cross, and the Rockefeller Foundation, it was found impossible to secure the necessary capital during the year of the option. The best I could do was to ask for an extension, which was granted, although the Chinese themselves were impatient to see the work begun.

We received reports during the first winter of the war about the suffering endured by German and Austrian prisoners in Siberia. They had been captured during the summer and early autumn, and transported to Siberia in their summer uniforms.

Subjected to the intense cold of a Siberian winter, they were herded in barracks unprovided with ordinary necessities; these were sealed to exclude the cold and all kinds of disease were soon rampant. The Legation at Peking, being nearest to Siberia, superintended the relief work there of the American Red Cross; there was also a German relief organization (called *Hilfsaktion*), of which a capable and enterprising woman of Austrian descent, Madame Von Hanneken, was the moving spirit. The Legation's work increased; innumerable appeals came to it directly, and in lending its good offices to the German association care had to be taken that no use of it be made that could be properly objected to. Madame Von Hanneken was on friendly terms with the Russian Legation, which gave her society needed facilities. Its direct representatives were European neutrals, chiefly Danes and Swedes. The work of the American Red Cross among the war prisoners in Siberia, as well as the efforts of the Y.M.C.A. to introduce among them industrial and artistic activities to alleviate their lot, make a story of unselfish effort.

I tried to encourage the Chinese to build good roads. The Imperial roads around Peking were surfaced with huge flagstones which, through rain and climate, had lost alignment; they tilted and sloped at angles like the logs of a corduroy road. Vehicles might not pass them, while the Chinese carts picked their way as best they could over low-lying dirt tracks by the side of these magnificent causeways. The Chinese proverbial description of them is: "Ten years of heaven and a thousand years of hell." The country thoroughfares have worn deep; it is a Chinese paradox that the rivers usually flow above and the highways lie below the surface of the land.

In the *loess* regions the roads are often cut thirty or forty feet deep into the soil.

I first suggested the building of a road from Tientsin to Peking, but the railways did not encourage this enterprise, and it was delayed several years. Mr. E.W. Frazar, an American merchant from Japan who accompanied me to Tokyo in 1915, had successfully established motor-car services in Japan. He had come to north China to establish a branch of his firm there; he was willing to get American capital for road building and to make a contract therefor with the Chinese Government. This particular contract was not concluded, but an impetus had been given to the idea among the Chinese, and the building of roads was gradually taken up, beginning with highways around Peking. The leading men became interested when they began to realize its effect on real estate values.

Governor-General Harrison of the Philippine Islands spent a week in Peking, sightseeing, making many purchases of antiques and Peking products. He was much taken with the Chinese rugs and ordered a number of huge carpets to be made for the Malacañan Palace. We both strongly felt that something should be done to prevent the total disappearance of the American flag from the Pacific, and this we knew would occur if the existing companies carried out their threats of retrenchment and withdrawal. Had one been able to foresee the enormous demand for shipping which was soon to arise, he might have outdistanced the richest of existing millionaires. The Chinese Government did give to an American a contract to establish a Chino-American steamship line, with a government guarantee of $3,000,000; unfortunately, it shared the

all-too-common fate of American undertakings in China and was not carried out.

The lunar New Year of the Chinese Calendar was changed to the Republican (Min Kuo) New Year. On January 1st Peking was given a festal aspect. The Central Park, a part of the old Imperial City, had been opened to the public, and under innumerable flags crowds streamed along the pathways, stopping at booths to buy souvenirs and toys, or entering the always popular eating places where both foreign and Chinese music is played by bands large and small. On various public places fairs were held; extensive settlements of booths built of bamboo poles and matting sprang up overnight. There, curios, pictures, brass utensils, wood carvings, gold fishes, ming eggs, birdcages, and other objects useful and ornamental were on sale. Wandering troops of actors and acrobats performed in enclosures to which the public was admitted for a small fee. Before one of these stockades I saw a large sign reading: "Chow and Chang—champion magicians educated *from* America." So, even here, American education was valued. The art collection in the Imperial City was open at half the usual admission fee; the grounds of the Temple of Agriculture and of the Temple of Heaven were crowded with holiday visitors, and at all theatres were special performances. For three or four days the city wore a holiday aspect.

But the old New Year was not abandoned. On the days before the lunar year ended the streets became alive with shoppers preparing for the grand annual feasting. Quantities of fattened ducks, pigs, chickens, and fishes, loads of baked things and sweets were transported in carts, rickshaws, and all sorts of vehicles or by hand, everyone chattering and smiling

in happy anticipation. The Chinese New Year is the traditional time for settling all outstanding accounts. Slates are wiped clean, partnerships are wound up, and all balances settled. When New Year's eve comes, having strained themselves to meet their obligations, all cast dull care aside. Families and clans gather for a gargantuan feasting, the abundance and duration of which outdistances anything seen in the West.

The official celebration of the Republican New Year at the President's Palace had to be modified. Because of the war the diplomatic corps could not be received as a unit. It was therefore arranged that the President receive the foreign representatives in three groups: the Allies, the Neutrals, and the Central Powers. High Chinese officials and picturesque Mongolian dignitaries were received on the first day, the diplomatic representatives on the second. As the President chatted informally with each minister, Madam Yuan received in an adjoining apartment, talking quite naturally with the ladies of the party about such feminine matters as the size of families and the choice of dress materials.

A short time ago a young American teacher, Hicks, was murdered and his two companions seriously wounded while they were ascending the Yangtse River in a boat. The attack was at the dead of night; the survivors recalled only flaring torches and swarthy faces, although they believed that their assailants wore some sort of uniform. The Chinese Government disavowed responsibility, considering it an ordinary robbery, and asserting that if the assailants wore uniforms they must have been insurgents, as no regular troops were near that place. The crime was revolting, destructive of the sense of security of foreign travellers, and I insisted

absolutely on payment of an indemnity. Money payment is by no means satisfactory; it does give the injured parties redress and testifies to the desire of the Central Government to protect foreigners, but does not bring the consequences of the crime home to the really guilty parties. I therefore always tried to have the personal responsibility in such matters followed up and specifically determined; in this case it was impossible. The Chinese Government finally agreed to the very handsome indemnity of $25,000 for the death of young Hicks, the largest pecuniary award for loss of life ever made in China. It was an ironical circumstance that just after this had been settled, an American driving his automobile at excessive speed in the Peking streets struck and killed an old Chinese woman. When I stated to the Minister for Foreign Affairs that I would ask this man to pay $300 to the relatives, he replied with a twinkle: "How much was it we paid you for the last American who was killed?"

However, he did not really intend to dispute the reasonableness of even so enormous a difference. Foreigners in China, on account of their employment as managers or head teachers, necessarily have to be considered, from a purely pecuniary point of view, to have a value far above the average. Moreover, should large indemnities be paid for the death of poor people among the Chinese, they would be constantly tempted to let themselves be injured or even killed, in order to provide for their families.

Among the Chinese who visited me during the first year of the war were the military and civil governors of Chekiang Province. Contrary to tradition, both were natives of the province they governed, and good governors, too. The civil governor, Mr. Chu

Ying-kuang, who was under forty, was a man of great public spirit and wisdom, eager to discuss constructive ideas and effective methods in government and industry. Governor Chu wrote me a letter of thanks, which may be considered an example of Chinese epistolary style. It ran:

> During my short stay in the Capital I hurriedly visited your Excellency and was so fortunate as to draw upon the stores of your magnificence and gain the advantage of your instruction. My appreciation cannot be expressed in words. You also treated me with extraordinary kindness in preparing for me an elaborate banquet. Your kindness and courtesy were heaped high and your treasures were lavishly displayed. My gratitude is graven on my heart and my hope and prayer is that the splendour of your merit may daily grow brighter and that your prosperity may mount as high as the clouds.
>
> I, your younger brother, left Peking on the 29th of last month for the South, and on February 2nd arrived at Hangchou. The whole journey was peaceful so that your embroidered thoughts need not be exercised. I reflect fondly on your refined conversation and cannot forget it for an instant. I respectfully offer this inch-long casket to express my sincere gratitude and hope that

you will favour it with a glance.

Respectfully wishing you daily blessings,

Your younger brother.

The new German minister, Admiral von Hintze, arrived shortly after the New Year. I saw him frequently after his first visit, as he had few colleagues with whom, under the conditions of war, he could meet. In order to avoid capture as an enemy, Admiral von Hintze had come from the United States incognito, as a supercargo on a Norwegian vessel. He had been minister in Mexico, and before that the Emperor's representative at the court of the Czar, and was a man of wide knowledge of European affairs and of diplomatic intrigue. For a man of his intelligence, he was inclined to give undue weight to rumours. Peking was amused shortly after his arrival when he sent orders to the Germans resident in all parts of the capital to hold themselves ready to come into the Legation Quarter immediately upon notice being given. He had read books on the troubles of 1900 and on the assassination of his predecessor, Baron Kettler; he therefore saw dire menaces where everything seemed quite normal to older residents. Especially, he imagined himself surrounded by emissaries and retainers of the enemy. Several times he would say to me: "My first 'boy' is excellent. He could not be better. The Japanese pay him well, so he has to do his best to hold his job."

Being himself a clever man and familiar with opinion outside of Germany, Admiral Hintze thoroughly disapproved of the acts of unnecessary violence by which the Germans had forfeited the good opinion of

the world, especially the sinking of the *Lusitania* and the execution of Edith Cavell. "What a mistake," he exclaimed, "for the sake of one woman! Why not hold her in a prison somewhere in Germany until the war is over?" The stupidity of such acts deeply offended him. Had he become Minister for Foreign Affairs at an earlier date, some bad mistakes might have been avoided. When the first reports of the resumption of exacerbated submarine warfare were received, he remarked to me: "Do not believe these reports that Germany will resume unlimited submarine warfare. I can assure you that they will not be foolish enough to do such a thing."

I noticed soon after Admiral Hintze's arrival that his relations with his Austrian colleague were not the most cordial; these two seemed to coöperate with difficulty. They were men entirely different in temperament. The German was a man of the world, inspired with the ideal of German military power and looking on international politics as a keen and clever intellectual game. Concerning Hindenburg, he said to me: "There is a man who makes no excuses for his existence." The Austrian minister was a man of scholarly impulse, with a broad sympathy for humankind, deploring the shallow game of politics, and hoping for a more humane and reasonable system of government than that of the political state.

Mr. Sun Pao-chi, Minister for Foreign Affairs, resigned on January 28th to head the Audit Board, and was succeeded by Mr. Lu Tseng-tsiang. Mr. Lu had enjoyed an extensive experience in Europe. He had acquired a thorough mastery of French and married a Belgian lady, to whom he was deeply devoted. Like his predecessor, he abstained from internal politics. He was called to office when the

exceedingly difficult negotiations with Japan concerning the twenty-one demands were begun, and it became his duty to carry through a very painful and ungrateful task. Mr. Lu was interested in general political affairs in their broader aspects, and gave special attention to international law.

I was frequently a guest at the house of Mr. Liang Tun-yen, the Minister of Communications. He was easy-going, prepared to talk business there rather than at the Ministry, where I would see him frequently also, about the Hukuang railways. The engineer of the British section was steadfastly trying to secure standards of British engineering and manufacture, to which it would be difficult for American manufacturers to conform. The Legation was beset with protests concerning orders for materials which Americans did not like, since they embodied the special practice of one partner to the contract. Thus matters of a technical nature had to be argued between the Legation and the Ministry of Communications. Mr. Liang himself was not a railway expert. For example, he once spoke enthusiastically about clearing up the Grand Canal, exclaiming: "then you could go from Peking to Shanghai in a houseboat." We often fell back on the more general features of the political situation in China, concerning which Mr. Liang displayed a gentle skepticism for all proposed reforms. With respect to railroad concessions, he was hostile to the idea of percentage construction contracts, believing it dangerous to measure the returns of an engineering firm by the sum expended on the works. I argued that since the professional standing of such a firm was involved it could not afford to run up the cost of the works merely to increase its own commission. But I did not overcome his skepticism.

CHAPTER XV

EMPEROR YUAN SHIH-KAI

"Yuan Shih-kai is trying to make himself emperor, we hear from Peking," Mr. E.T. Williams remarked to me at the Department of State when I saw him there in July, 1915. The report said that an imperialist movement in behalf of Yuan Shih-kai had been launched in Peking. As there had been frequent reports during the year of such attempts to set up an empire, I was not at first inclined to give much credence to the rumours.

Upon my return to San Francisco in September, this time to take steamer for China, I met Dr. Wellington Koo, who had just come on a special mission. I had been confidentially informed that he would probably be designated as minister to the United States, to take the place of Mr. Shah. The Department of State had directed me to delay my departure in order to confer with Doctor Koo upon recent developments in China. On the day we spent together we went over all that had happened since my absence. The reports which had already been received that a movement had been started to make Yuan Shih-kai emperor I then considered improbable, in view of all the difficulties which the enterprise must encounter, both internationally and from the Chinese opposition. Doctor Koo confirmed this feeling and said that Yuan Shih-kai himself was very doubtful. He mentioned the Goodnow memorandum, however, as a possible factor. I was considerably surprised later to discover that the main object of Doctor Koo's mission was to sound public opinion in America and Europe concerning the assumption of the imperial dignity by Yuan Shih-kai, and to prepare the ground

for it. During my return voyage to China the matter quickly came to a head, so that when I arrived in Peking on October 1st I was confronted with an entirely new situation.

To understand the movement it is necessary to review briefly the significant facts of Peking politics during the summer of 1915. A concerted effort had been made to combat the Liang Shih-yi faction. The opposition centred in the so-called Anhui Party, which was largely militaristic, but in which civilian leaders like the Premier, Hsu Shih-chang, the Chief Secretary of the cabinet, Yang Shih-chi, the Minister of Finance, as well as the Minister of Communications, were prominent.

Charges of corruption were lodged against Chang Hu, Vice-Minister of Finance; Yeh Kung-cho, Vice-Minister of Communications; and the Director of the Tientsin-Pukow Railway. Including these, twenty-two high officials were impeached during July, besides several provincial governors. The Anhui Party was trying to eliminate radically the influence of the so-called Communications Party, which had tried to maintain itself through the vice-ministers and counsellors of several important ministries, the chiefs of which were Anhui men.

It appears that several Anhui leaders were involved in a movement to establish a monarchy, with Yuan Shih-kai as emperor. Care was exercised in picking the Committee of Ten to make a preliminary draft of the Permanent Constitution; it was believed by many that influences were at work for putting into that instrument provisions for reëstablishing the monarchy. Report had it that on July 7th General Feng Kuo-chang, military governor at Nanking, had urged that the President assume the throne, for

which he was rebuked by Yuan in severe terms. Dr. Frank J. Goodnow, the American constitutional adviser, returned to Peking in mid-July for a short stay; he was asked on behalf of the President to prepare a memorandum on the comparative adaptability of the republican and monarchical forms of government to Chinese conditions. Doctor Goodnow complied. As a matter of general theory, he took the view that the monarchical form might be considered better suited to the traditions and the actual political development of the Chinese. He saw special merit in the fact that under the monarchical system, the succession to power would be regulated so that it could not be made an ever-recurring object of contention. On the expediency of an actual return at the time from the republic to the monarchy Doctor Goodnow expressly refrained from pronouncing a judgment. The memorandum was prepared simply for the personal information of the President. Advisers had been so generally treated as academic ornaments that Doctor Goodnow did not suspect that in this case his memorandum would be made the starting point and basis of positive action.

Meanwhile, Mr. Liang Shih-yi and his group, seeing their power threatened, decided to do something extreme to recover the lead. They concluded that the monarchical movement was inevitable; thereupon they seem to have persuaded Yuan Shih-kai that the movement could be properly handled and brought to early and successful issue only through their superior experience and knowledge. It was they who arranged for the memorandum of Doctor Goodnow. They had remained in the background until the middle of August, when an open monarchical propaganda began, based avowedly on the opinions expressed by the American adviser and thus given a very

respectable and impartial appearance.

They formed the Peace Planning Society (Chou An Hui). Its aim was to investigate the advantages and disadvantages accruing from the republican form of government. Doctor Goodnow's views were widely heralded as categorically giving preference to monarchy for China, notwithstanding disclaimers which he now issued. The fact that an American expert should pronounce this judgment was cited as especially strong evidence in favour of the monarchical form, since it came from a citizen of the foremost republic in the world.

It became known in early September that the movement was in the hands of capable organizers. Notwithstanding Yuan Shih-kai's repeated disclaimers, he failed to take positive action to suppress the agitation; he was therefore believed to be at least in a receptive mood. The high officials in Peking with few exceptions had become favourable to the movement. The Vice-President, General Li Tuan-hung, was at first opposed, but even he appeared to be reconciled at last, being not entirely a free agent. The members of the Anhui faction, now that the lead had been taken out of their hands, were less enthusiastic for the change. Several political leaders began to withdraw from affairs. General Tuan Chi-jui, the Minister of War, and Mr. Liang Chi-chao, the Minister of Education, resigned, undoubtedly because of their tacit disapproval of the movement, although other reasons were alleged.[3] The Premier and Mr. Liang Tung-yen, the Minister of Communications, though not on principle opposed, considered that on account of his previous allegiance to the Imperial Family, Yuan Shih-kai could not with propriety assume the Imperial office. Within the

inner circles of the movement there was no question of the desire of the President to have it put through. For a time, early in September, he was even thinking of forcing the matter, but began to be apprehensive regarding the action of certain foreign powers who might attach difficult conditions to their recognition of the new régime.

It was suggested that the Legislative Council might simply confer the title of emperor on the President, and the constitution might then be amended to make the presidency hereditary. Thus, it was naïvely believed, legal continuity could be preserved sufficiently to obviate the necessity of seeking a new recognition. A republic with a hereditary president seemed to some politicians the key to the difficulty. This proposal served to direct the minds of those who were managing the movement to the importance of letting a representative body participate in it, and of not carrying it through by a *coup d'état*.

On my return to China Mr. Chow Tsu-chi and other leaders waited on me, saying that present uncertainties involved such drawbacks to peace and prosperity that from all the provinces the strongest appeals were coming, to prevail upon Yuan to sanction the movement. Mr. Chow went so far as to say: "There is such a strong demand for this step that we shall have great trouble if it is not taken. There will be military uprisings." When I looked incredulous, Mr. Chow proceeded: "Yes, indeed, the people can only understand a personal headship, and they want it, so that the country may be settled." Though I took this all with a grain of salt, I was surprised at the apparent unanimity with which the inevitableness of the change seemed to be accepted.

When I asked how the President would reconcile such a step with the oath he had taken to support a republican government, I was told that this was, indeed, the great obstacle; that probably it could not be overcome unless the whole nation insisted and made it a point of duty that Yuan Shih-kai continue to govern the state under the new form.

The attempt to reëstablish the monarchy seemed to me a step backward. I had always felt that, whereas the Chinese had no experience with elective representative institutions, nevertheless they were locally so largely self-governed that they were fitted by experience and tradition to evolve some form of provincial and national representation. Yet I was strongly convinced that it is under any circumstances injudicious for one nation or the officials of one nation to assume that they can determine what is the best form of government for another nation. The fundamental principle of self-government is that every people shall work out that problem for itself, usually through many troubles and with many relapses to less perfect methods.

The Legation had during my absence asked for instructions about a possible eventual decision to recognize the new form of government. It had suggested that acceptability to the people, and, consequently, ability to preserve order, should be among the factors determining our attitude. This position had been approved by the State Department. In the many conversations I had with the President and members of the cabinet, I confined myself to expressing the opinion that the Government would strengthen itself and gain respect at home and abroad in such measure as it made real use of representative institutions and encouraged local self-

government.

The Council of State on 6th October passed a law instituting a national referendum on the question. Each district was to elect one representative. The delegates from each province were to meet at the respective provincial capitals and to ballot upon the question. The election was fixed for the 5th of November, the date for balloting on the principal issue on November 15th. Those desiring constructive and progressive action had allied themselves with the monarchical movement. They hoped to strengthen constitutional practice and administrative efficiency after the personal ambitions of Yuan Shih-kai had been realized. With Yuan in the exalted position of Emperor, Mr. Chow Tsu-chi explained to me, the government itself would be in the hands of the prime minister and cabinet; they would carry it on constitutionally and in harmony with the legislative branch. As Mr. Chow put it: "We shall make Yuan the Buddha in the temple."

The original promoters of the movement were not wholly pleased with the efforts to engraft on it principles of constitutional practice and popular consent. As certain military leaders might resort to a *coup d'état* on October 10th, the anniversary of the outbreak of the revolution in 1911, the review of troops set for that date was countermanded.

Mr. Liang Shih-yi and Mr. Chow Tsu-chi afterward explained to me their preference for the monarchical form. Mr. Liang said: "Chinese traditions and customs, official and commercial, emphasize personal relationships. Abstract forms of thinking, in terms of institutions and general legal principles, are not understood by our people. Under an emperor, authority would sit more securely, so that it would

be possible to carry through a fundamental financial reform such as that of the land tax. The element of personal loyalty and responsibility is necessary to counteract the growth of corruption among officials. The Chinese cannot conceive of personal duties toward a pure abstraction."

With President Yuan Shih-kai I had a long interview on October 4th. He assumed complete indifference as to the popular vote soon to be taken. "If the vote is favourable to the existing system," he said, "matters will simply remain as they are; a vote for the monarchy would, on the contrary, bring up many questions of organization. I favour a representative parliament, with full liberty of discussion but with limited powers over finance." Education and expert guidance in the work of the Government were other things about which he was planning. "There is a general lack of useful employment," he added with some hilarity, "on the part of the numerous advisers who hover around the departments. With an administrative reorganization all this will be changed. These experts will be put to work in helping to develop administrative activities." And he reverted to his favourite simile of the infant: "Even if we feel that all their medicine may not be good for the child, yet we shall let them take it by the hand to help it to walk."

It was plain that Yuan Shih-kai, while seeming very detached, was trying to justify the proposed change on the ground of making the Government more efficient and giving it also a representative character.

Doubtless Yuan Shih-kai had thought originally that the Japanese would not obstruct the movement, though ever since the time of his service in Korea he had not been favourably regarded by them. His

supporters, indeed, claimed that the assurances first given to Yuan by the Japanese were strong enough to warrant him in expecting their support throughout. By the end of October, however, the Japanese Government came to the conclusion that the project to put Yuan Shih-kai on the throne should, if possible, be stopped.

A communication came from Japan to the United States, Great Britain, France, and Russia, which expressed concern because the monarchical movement in China was likely to create disturbances and endanger foreign interests. Japan invited the other powers to join in advising the Chinese President against continuing this policy. The American Government declined this invitation, because it did not desire to interfere in the internal affairs of another country. The other powers, however, fell in with the Japanese suggestion, and on October 29th the Japanese Chargé, and the British, French, and Russian ministers, called at the Foreign Office and individually gave "friendly counsel" to the effect that it would be desirable to stop the monarchical movement.

The British minister asked whether the Minister for Foreign Affairs thought disturbances could surely be prevented; whereat the Chinese rejoiced, believing it a friendly hint that everything would be well, provided no disturbances should take place. As the machinery for holding the elections had been set in motion, the Chinese leaders believed that any action to stop them would bring discredit and loss of prestige.

The final voting in the convention of district delegates at Peking, on December 9th, registered a unanimous desire from the elections of November

5th to have Yuan Shih-kai assume the imperial dignity. Mr. Chow Tsu-chi remarked to me: "We tried to get some people to vote in the negative just for appearance's sake, but they would not do it." Prince Pu-Lun made the speech nominating Yuan as emperor, which earned him the resentment of the Manchus. On the basis of these elections, the acting Parliament passed a resolution bestowing on Yuan Shih-kai the imperial title, and calling upon him to take up the duties therewith connected. He twice rejected the proposal, but when it was sent to him the third time he submitted, having exhausted the traditional forms of polite refusal.

When Yuan was actually elected Emperor, the Entente Powers were puzzled. They announced that they would await developments. The Chinese Minister for Foreign Affairs informed them that there would be some delay, as many preparations were still required before the promulgation of the empire could be made. But it was generally believed that the movement had reached fruition. The Russian and French ministers had already expressed themselves privately as favourable to recognition. The German and Austrian ministers hastened to offer Yuan their felicitations, which embarrassed the Chinese not a little. The majority of foreign representatives at Peking were favourable to recognizing the new order on January 1st, when the promulgation was to be made. Messages of devotion and sometimes of fulsome praise came to the Emperor-elect (already called Ta Huang Ti) from foreigners. Foreign advisers, including the Japanese but not the Americans, set forth their devotion in glowing phrases. Doctor Ariga, the Japanese adviser, expressed his feelings in the traditional language of imperial ceremony. It was even announced that the

new emperor had been prayed for in foreign Christian churches. I could not, however, verify any such case.

Suddenly, on Christmas Day, came the report that an opposition movement had been started in Yunnan Province.

A young general, Tsai Ao, who had for a time lived in Peking where he held an administrative post, had left the capital during the summer and had coöperated with Liang Chi-chao, after the latter resigned his position as Minister of Education. Liang Chi-chao attacked the monarchical movement in the press, writing from the foreign concession at Tientsin. General Tsai Ao returned to his native Yunnan, and from that mountain fastness launched a military expedition which was opposed to the Emperor-elect.

So the dead unanimity was suddenly disrupted. Now voices of opposition came from all sides. The Chinese are fatalists. The movement to carry Yuan into imperial power had seemed to them irresistible; many had therefore suppressed their doubts and fears. But when an open opposition was started they flocked to the new standard and everywhere there appeared dissenters.

A small mutiny took place in Shantung early in December. In the Japanese papers it was called "premature."

A night attack was executed near Shanghai on the settlement boundary, which was participated in by several Japanese. Being easily suppressed, it was not thought important.

Yuan Shih-kai had long been in training for the emperorship, he loved to use the methods of thought

and expression of legendary monarchs. Keeping close to national traditions in the days of his power he always took care to use words indicative of self-deprecation and consideration for his subordinates. The members of the cabinet repaired on December 13th to the President's house to offer their congratulations. Replying, the Emperor-elect said: "I should rather be condoled with than congratulated; for I am giving up my personal freedom and that of my descendants for the public service. I would find far greater satisfaction in leisurely farming and fishing on my Honan estate than in this constant tussling with problems of state."

When one of the ministers suggested that there should be a great celebration of the new departure, Yuan Shih-kai replied: "It would be better not to think of celebrating and of glory at the present time, but only of work, and work, and work. My government should be improved and soundly established. In that case, glory will ultimately come, but otherwise, if artificially enacted, it is bound to be shortlived."

These sayings were reported by his faithful ministers as being quite in keeping with the character of a self-sacrificing, benevolent monarch.

The empire to be established was to be quite *comme il faut*; it was to have a complete ornamentation of newly made nobility. The Vice-President was to have the title of prince, and there were to be innumerable marquises, counts, and barons. The military governors and members of cabinet were to become dukes and marquises, while the barons would be as many as the sands of the sea. The attitude of Vice-President Li Yuan-hung was not quite plain. Aside from the princedom he was also offered the marriage

of one of his sons to one of Yuan's daughters. One of his wives seemed especially fascinated by these glittering honours; she was said to have virtually prevailed upon General Li to resign himself to the situation. The President was very kind to him and had supplied him with a bodyguard which watched his every movement—for Yuan Shih-kai's information.

New styles of robes for the Emperor and for his high officials and attendants were designed under direction of Mr. Chu Chi-chien. They were fashioned after the ceremonial robes of the Japanese Imperial House. The great coronation halls in the Imperial City were thoroughly cleansed and repainted. New carpets were ordered; the making of a nicely upholstered throne was entrusted to Talati's, a general merchandise house in Peking, which fact greatly amused Countess Ahlefeldt.

Meanwhile, with foresight and astuteness, General Tsai Ao and Liang Chi-chao were planning their movement against Yuan. By establishing the first independent government in the remote province of Yunnan they made sure that Yuan Shih-kai would be unable to vindicate his authority over all China at an early time. With Yunnan as starting point, it was hoped that the provinces of Kweichow, Kuangsi, and Szechuan could be induced to associate themselves with the anti-monarchist movement. Though Canton had a large garrison of Yuan's troops, it was hoped that inroads would be made even there.

FOOTNOTES:

[3] Mr. Liang Chi-chao wrote a characteristic letter of resignation to the President:

"On a previous occasion, I had the honour to apply to Your Excellency for leave to resign and in answer to my request, Your Excellency granted me two months' sick leave. This shows the magnanimity and kindness of Your Excellency toward me.

"The recent state of my health is by no means improved. The 'pulses' in my body have become swollen and I am often attacked by fits of dizziness. My appearance looks healthy, but my energy and spirit have become exhausted. Different medicines have been prescribed by the doctors, but none has proved effective. My ill-health has been chiefly caused by my doctors' 'misuse of medicine.' I have lately been often attacked by fits of cold, which cause me sleepless nights. I am quite aware of the gravity of my disease and unless I give up all worldly affairs, I am afraid that my illness will be beyond hope of cure.

"In different places in America, the climate is mild and good for invalids. I have now made up my mind to sail for the new continent to recuperate my health. There I shall consult the best physicians for the care of my health. I am longing to spend a vacation in perfect ease and freedom from worldly cares in order to recuperate my health. I am sailing immediately. I hereby respectfully bring this to the notice of Your Excellency."

He did not, however, proceed to America.

CHAPTER XVI

DOWNFALL AND DEATH OF YUAN SHIH-KAI

Everybody thought that the monarchy was to be proclaimed on New Year's Day, 1916. Disaffection, it was realized, though hitherto confined to a remote province, might spread; delay was dangerous. Business in the Yangtse Valley and elsewhere was dull. Merchants blamed the Central Government, and murmurings were heard. General Feng Kuo-chang, who had at first encouraged Yuan Shih-kai, now reserved his independence of action.

The revolt remained localized in Yunnan throughout January. With the rise of an opposition, Yuan was now more ready to accentuate the constitutional character of the new monarchy. His Minister of Finance, Mr. Chow Tsu-chi, told me that a constitutional convention would be convoked when the monarchy was proclaimed. This would provide a representative assembly and a responsible cabinet. Constructive reforms were to be announced. No further patents of nobility were to be awarded, the titles already granted would be treated as purely military honours.

If Yuan and his advisers had acted boldly at this time in promulgating the monarchy, recognition by a number of powers would probably have followed, especially as the continuity of the personnel of the Government made recognition easier. But hesitation and delay strengthened the opposition. Yunnanese troops had by the end of January penetrated into the neighbouring provinces of Szechuan and Kuangsi. To learn what was going on in these provinces I sent the military attaché, Major Newell, up the Yangtse River to Szechuan, and the naval attaché, Lieut.-Commander Hutchins, to Canton. Efforts of the generals loyal to Yuan to expel the Yunnanese from

Szechuan Province were unsuccessful.

After the peculiarly complex manner of Chinese political relationships, Yunnan began to exercise an influence in Szechuan Province which was to last for years. The Yunnanese were protected by natural barriers of mountains; to make headway against them was difficult, even had the troops of the President shown greater energy. How hollow was the unanimity which had been proclaimed in the November elections now became thoroughly apparent. Encouraged by the open opposition, ill-will against Yuan Shih-kai began to be shown in other localities, particularly in Hunan and in the southernmost provinces, Kuangsi and Kuangtung. Rivalries hitherto held in check by Yuan's strong hand also came to the fore. In central China the two men holding the greatest military power, Generals Feng Kuo-chang and Chang Hsun, began to cherish resentment against the President; for, in exchanging notes upon meeting, they discovered that Yuan had set each of them to watch the other.

Even now the monarchical movement might have gained strength from the moderates, who feared the Japanese. They did not wish to see the national unity disrupted. "Get a constitution and a representative legislature," they advised Yuan Shih-kai; "put in play a constructive programme of state action; reform the finances and the audit, simplify the taxes, extend works of public use, build roads, reclaim lands, develop agriculture and industry, and all might yet be well." Mr. Liang Shih-yi and Mr. Chow Tsu-chi hoped, once the question of succession was definitely settled, to "put in commission" the dictatorial power of Yuan. As Mr. Chow this time put it: "Yuan will have the seat of honour but others will order the

meal."

Toward the end of January the formal proclamation of the empire was further postponed. Mr. Chow Tsu-chi was to go on a special mission to Japan, probably to induce the Japanese Government to be more favourable to the new monarchy, and to bear handsome concessions to the Japanese. But the Japanese Government declared that for personal reasons the Emperor of Japan could not receive a Chinese embassy at that time. Possibly various other concessionaire governments intimated to Japan that they did not expect her to entertain any special proposals at this time. Nevertheless, the Japanese must have made strong representations to cause Yuan Shih-kai, who was a decisive and determined man, to risk all by hesitating at this critical moment.

To present some Americans I called on Yuan Shih-kai on February 16th. Mr. and Mrs. Ulysses S. Grant were visiting Peking, and Yuan was glad to have me present the son of the famous American President who had himself visited China and established cordial relations with Li Hung-chang, Yuan's great master. Significantly the President said to Mr. Grant: "Your honoured father had great power, but he could safely resign it to others when the time came. You have great political experience in the West." It was quite a little party, including the newly appointed commercial attaché, Mr. Julean H. Arnold; the commandant of the guard, Colonel Wendell C. Neville; and two young writers, Miss Emerson and Miss Weil, who have since devoted themselves to Far Eastern studies and literary work. While the Emperor-elect betrayed traces of strain and worry, he had his accustomed genial manners. Apropos of the commercial attaché and the commandant he made a

little pleasantry about commerce and war coming hand in hand. After a brief interview the visitors were taken by the master of ceremonies to see the gardens, while I remained with Yuan Shih-kai for a long conversation. This was interpreted by Doctor Tenney and by Dr. Hawkling L. Yen, of the Foreign Office; it was understood by us all that the conversation was personal and unofficial.

"I have not sought new honours and responsibilities, but now that a course of action has been formally decided upon, it is my duty to carry it out," Yuan said. "The people coöperated in this, I desire that they shall coöperate at all times."

I asked how soon he would announce definitely his constitutional policy. I had some doubt as to how far he intended to apply any, and his answer was evasive. "It is hard," he replied, "to make a constitution before the monarchy is actually reëstablished. Then, too, if the Emperor heads the Government, the powers of departments under him would need to be more restricted than under a republic." His advisers, it seemed, were unduly optimistic in expecting Yuan to stand squarely for constitutional government, with power devolving on the parliament and the different departments. I reminded him of the British monarchy in its various historic forms to refute his idea.

"Well," he responded, "the new constitution must wait for a People's Convention. This is soon to be called; its action must not be in any way anticipated."

He then fell back on his record, stating that he had pressed the Manchu Government to adopt a constitution. He also referred to the title chosen for his reign, "Hung Hsien," which means "great

constitutional era."

A mandate of February 22nd announced the postponement of formal accession to the throne. Mr. C.C. Wu, who brought me information concerning certain state plans of Yuan Shih-kai, said that this mandate would put an end to the innumerable petitions sent to accelerate the formal coronation. He added that essentially the Government, so far as domestic matters were concerned, was already a monarchy, that only in its international aspects had it failed to assume this character.

Suddenly, on March 18th, the Province of Kuangsi demanded the cancellation of the monarchy; events were moving more rapidly.

At this juncture I had to decide whether to allow the Lee Higginson loan to be completed without a caution or warning, or to assume responsibility of virtually stopping that transaction. As soon as it became clear that open opposition to Yuan Shih-kai's government was no longer confined to one province and its immediate sphere of influence, it seemed no longer proper for any American institution to furnish money to the Chinese Government. Many appeals had been made by the Opposition based on the demand that, since the country was divided, no loans should be made to the Government. In ordinary circumstances the protests of factions would not have weight, but when several provinces expressed their disapproval of a basic governmental policy the case was different. To have to counsel delay in execution of the loan agreement was intensely disappointing to me, fervently as I had wished the American financiers to participate in Chinese finance, in order that credit and resources might be organized and developed for the benefit of all. Unfortunately, in the

lull after the disposal of the twenty-one demands the Chinese had immediately embarked on this doubtful political enterprise, consuming precious energies and money. The sums spent on military expeditions, in favourably attuning doubtful military leaders, and in the creation of the alleged unanimous consent through a popular vote, had been thrown away. They merely added to the burdens carried by the Chinese people.

With the disaffection of yet more provinces the Government on March 22nd promulgated a decree cancelling the monarchy, and announcing that Yuan Shih-kai would retain the Presidency of the Republic.

This sudden and unilateral concession, without a guaranteed *quid pro quo* by way of submission to the Central Government by the revolting forces, came as a surprise. Doubtless the step was taken because the President feared that the Province of Kuangtung, whose military governor had urged him to compromise, would join the revolutionaries. Moreover, the former Secretary of State, Hsu Shih-chang, who had been in retirement, advised it. The Anhui Party in Peking saw an opportunity to regain control and oust the Cantonese leaders, in whose hands the monarchical movement had been since August. The President believed that the return of such men as Hsu Shih-chang and Tuan Chi-jui would strengthen him in the eyes of the revolutionists. Hsu Shih-chang personally had lived up to the canons of Confucian morality in failing to approve the action of Yuan Shih-kai when he tried to assume the rank of his former master, the Emperor. This gained him universal respect in China. But his impelling motive was personal loyalty to the old Imperial Family rather than attachment to its government.

Of course, the cancellation of the monarchy failed to satisfy the revolutionists. They interpreted it as a confession of weakness and defeat. Nor was it more welcome to the adherents of the President in the provinces, especially the military, who felt that he was surrendering without getting anything in return. Thus the President lost his friends and failed to placate his enemies. Had the southern leaders been content, the chastened Yuan might have been satisfied to be formal head of a constitutional government. But they were not. His authority and prestige had been too gravely compromised; revolutionists were appearing in various parts of China; Tsingtau was being used as a base for revolutionary activities in the Province of Shantung with connivance of the Japanese authorities. The Peking Government was thrown into confusion. The official world was apprehensive as to what the President would do, while the foreign community feared military riots.

The leaders of the so-called Anhui Party had evidently expected that it would be easy to proscribe the Cantonese leaders, Liang Shih-yi, Chow Tsu-chi, lately Minister of Agriculture and Commerce, and Chu Chi-chien, Minister of the Interior, and have them banished or executed. But contrary to their expectations these men did not at that critical time take to the woods. To the amusement of everyone, the leaders of the other party then became frightened and began to remove their families from Peking and to plan for places of safety for themselves. With somewhat grim humour, Minister Chu Chi-chien declared that as conditions in Peking were perfectly normal, and as any unwarranted show of nervousness by officials would tend unnecessarily to disturb the populace, officials would no longer be

permitted to remove their families from the city.

It now became a question whether Yuan Shih-kai could remain even as President. I had a conversation with Mr. Hioki, the Japanese minister, who spoke at length about the shortcomings of Yuan, and his tendency to use all the functions of state, including particularly the financial, to satisfy his personal ambitions. Mr. Hioki did not believe that Yuan Shih-kai could possibly restore his authority. The month of April was a period of great depression in Peking. All constructive work, and even planning therefor, had been entirely suspended. The new ministry came in on April 24th, under General Tuan Chi-jui as Minister of War. This fact indicated shiftings of power, as General Tuan had never supported the President in his imperialist ambitions. The Cantonese leaders stepped out of the Government, maintaining their influence thereafter by the familiar methods of Liang Shih-yi. Mr. Tsao Ju-lin, who belonged to the Communications Party, but had been specializing in establishing closer relations with the Japanese, became Minister of Communications. The President agreed to turn over to the cabinet full governmental powers, and to make the ministers responsible to the national parliament, which was to be summoned forthwith. Yuan ceased his personal control over all important branches of the Administration. The control of the army was transferred from the President to the Board of War. He was stripped of all military forces but his Honanese bodyguard, which numbered about twenty thousand.

The name of Yuan Shih-kai, however, was retained as a symbol of authority, for all the military leaders owed him allegiance. Mr. Liang Shih-yi, as president of the Bank of Communications, still controlled the

finances, and his associate, Mr. Chow Tsu-chi, was placed in charge of the Bank of China.

The Government was driven to such extremes by its financial needs that in May the cabinet declared a moratorium suspending specie payments on notes of the government banks. The term "moratorium," which had just then come into prominence in Europe, was greeted by the Chinese financiers as the password to save them—a respectable name for what was otherwise not so honourable. Through this step, whatever confidence still remained in Yuan Shih-kai was dissipated. Because of the complex nature of Chinese affairs peculiar consequences followed. Thus, the postal administration offices and those of certain railways independently announced that they would not accept notes but would demand payment in silver.

All reports of local troubles coming from reliable sources in various parts of China spoke of the participation of Japanese in revolutionary activities. Specific reports from Shantung indicated that the revolutionaries there were favoured by the Japanese. At Tsingtau bandits had come over from Manchuria and were openly drilling early in May under the noses of the Japanese military. About a thousand of these rebels left Tsingtau on May 4th over the Shantung railway, carrying machine guns to the centre of the province, where they took part in the disturbances. Meanwhile, the same railway, under Japanese control, had refused to carry Chinese government troops on the ground that neutrality must be maintained. When questioned about the rebels transported, the railway officials stated that the rebels must have been in civilian clothes and must have carried their armament as baggage.

It is not clear whether the Japanese were systematically working for the establishment of an independent government in the south, or whether they were merely covertly encouraging opposition to the Central Government, to foment division and unrest. But the plans of Japan for gaining a dominant position in China were certainly favoured by the final breakdown of the authority of Yuan Shih-kai.

Japanese correspondents at this time started the report that Chinese merchants in the Yangtse Valley were so provoked with Americans for making a loan to the Chinese Government—the Lee Higginson loan—that they were planning a boycott against American goods. The Japanese paper, *Shun Tim Shih Pao*, incidentally drew on its imagination, and published a yarn to the effect that in addition to the $5,000,000 loan already agreed to, the American firm had promised to hand over to the Peking authorities $15,000,000 before the end of July. As a matter of fact, beyond the original payment of $1,000,000, nothing was ever paid over. The Chinese did not take up the suggestion of a boycott; although, had the making of the loan proceeded, such a result might have followed. In Peking, on the other hand, the Japanese tried to impress upon Chinese officials that the non-completion of the Lee Higginson loan offered new proof that Americans could not be relied upon when it came to a showdown.

Throughout this difficult period the European Allied Powers felt that they lacked a free hand, and that any joint action undertaken might easily assume such form as to create a Japanese hegemony. The Japanese at all times urged that as they were on the spot it would be only natural to entrust them with the representation of the interests of the Allies. Many

representative Europeans in China plainly intimated to us the hope that the American Government might show a strong interest in Chinese affairs, and might not fail to insist on the maintenance of existing treaty rights and of Chinese sovereignty.

I knew from the Chinese who saw him daily that Yuan Shih-kai suffered under the strain of his troubles and disappointment. As early as March Mr. Liang Tun-yen besought me to visit the President and give him encouragement, as worry and despair were breaking him down. Yuan had lived a sedentary life of intense work and great responsibility. He had developed Bright's disease, but his strong constitution had fought it off. Now when great trouble beset him his strength failed. Mr. Chow Tzu-chi remarked to me: "The President's power of quick decision has left him; he is helpless in the troublesome alternatives that confront him. Formerly it was 'yes' or 'no' in an instant, to my proposals. Now he ruminates, and wavers, and changes a decision many times." Yuan contemplated resignation, and seemed taken with the idea of visiting America. I was sounded as to giving him safe conduct and asylum. The Opposition, it seemed, would make no objection to his leaving the country. He was confined to his room during the latter half of May, but continued to give his personal attention to telegrams and important correspondence. In the first days of June his health seemed to improve. I went with my family to Peitaiho to instal them in their summer residence, and to rest for a few days. I had left a special code with Mr. MacMurray, in which the word *Pan* stood for Yuan Shih-kai. I was shocked on the afternoon of June 6th to receive the brief telegram: "Pan is dead."

By the night train I returned to the capital. Yuan's

sons, the ex-Premier Hsu Shih-chang, and several officials close to the President, were with him when he died. During the night he had made solemn declaration to the ex-Premier that it had not been his wish to become Emperor; he had been deceived into believing that the step was demanded by the public, and was necessary to the country. After saying this he seemed exhausted, and continued to sink until the end came. He had weakened himself and further aggravated his illness by indiscriminately taking medicine prescribed by a foreign physician together with all sorts of Chinese remedies which his women urged upon him.

The ministers of the Allied Powers at once called on General Tuan to inquire whether the Government was prepared to prevent disorders. Some time previously the Japanese minister had asked me whether I would consider it suitable for the diplomatic corps, in the event of danger of disturbances, to make such an inquiry. I felt it unnecessary and undesirable, as it might cause apprehension among the public.

The German and Austrian commandants were included in the conference to agree on measures of protection—probably the only instance during the war where the belligerents of both sides met to consider common action. Subsequently the Belgian minister requested the American Legation to take over the patrol of the city wall immediately back of the Belgian Legation, which had thus far had German sentinels. It illustrates the complexity of all things in China that, as late as 1916, German troops were concerned in the formal protection of the Belgian Legation.

Yuan Shih-kai before his death wrote a declaration to

the effect that in the event of his disability the Presidency should devolve on General Li Yuan-hung. The accession of the Vice-President was announced immediately. The members of the cabinet, as well as Prince Pu-Lun, as chairman of the State Council, waited on President Li on the 7th of June; with a simple ceremonial, including three deferential bows, the cabinet expressed its allegiance to the new President. He was accepted peaceably and with unanimity by all the provinces.

General Tuan Chi-jui and Mr. Liang Shih-yi coöperated in arranging for the transfer of authority to the new President. That this was done so quietly and in so orderly a fashion caused the foreigners to regard Chinese republicanism with much higher respect.

The body of Yuan was not transferred from Peking to his Honan home until June 28th, when the mausoleum on the ancestral estate was ready. As part of the Imperial movement, Yuan Shih-kai had previously begun the construction of this large tomb. The commemorative ceremony took place on the 26th in Peking. The great hall of the Presidential palace, where we had often witnessed New Year receptions and other festivities, was used. There were gathered the foreign representatives with their staffs and the high officials of the Chinese Republic. It was a strange mingling of old and new. The President's body lay on a high catafalque, in the very place where he had so often received us. In front of the entrance to the inner apartments stood rows of tables bearing the usual funeral offerings as well as the weapons, clothes, and other objects of personal use of the departed. Here were gorgeous Mandarin coats of the old régime, including the famous Yellow

Jacket, and generals' uniforms of the new, and innumerable decorations sent by all the countries bestowing such honours; also tall riding boots, soft Chinese slippers, long native pipes and foreign smoking sets, swords, and pistols.

The service was a litany conducted by Lama priests from temples in Peking and Mongolia. Some of the priests wore a huge headdress resembling a dragoon's helmet; others, a large round hat not unlike that of a cardinal. As they intoned the ritual their deep voices rolled as if they issued from an underground cavern. The music accompanying the singing was Chinese, supplied by flutes and stringed instruments; but at the beginning the President's band had played a Western funeral march. The second part of the service consisted of the burning of incense in memory of the departed. First, the sons of Yuan, wearing the white garments of mourners, came forth from an inner apartment and took their station before the catafalque. They prostrated themselves, struck their foreheads heavily against the floor, and wailed with loud voices. Yuan Ko-ting, as chief mourner, offered sacrifice. Meanwhile, the women of the Presidential household peered through the windows of the apartments which opened into the central hall.

When the sons of Yuan had withdrawn, the singing of the priests was taken up again, now in a different key and accompanied by the tinkling of many bells clear as silver, but some of them as deep as the sea. Buddhist prayers were intoned in voices sonorous and deep as the grave. The new President next offered sacrifice at the bier of his predecessor.

What contrasts of character and aims, what mingling of old and new forces, what a rush of incongruous

ideas and practices were typified in this ceremony, with all its accompaniments! And these were embodied, too, in the personality of the dead leader and in his successor!

The foreign representatives next paid their respect to the memory of Yuan. We rose and each in turn deposited before the catafalque a huge wreath, and returned after making the customary three bows of high ceremony. Following the diplomats came the Secretary of State and high Chinese officials, as well as the foreign advisers.

The procession to the railway station, on June 28th, testified to the genius of the Chinese for pageantry. They had preserved some of the colour and brilliance of an Imperial procession, and what was remarkable, had so arranged the parade that the modern elements—troops in modern uniform, brass bands, officials in evening dress, and diplomats in their varied uniforms—myself alone wearing ordinary civilian dress—did not impart to the pageant a jarring note. In fact, throughout the ceremony at the palace and the subsequent procession, there was a gratifying absence of dissonance, notwithstanding the multifariousness of the elements included.

The huge catafalque upon which the body of Yuan lay was borne by a hundred men by means of a complicated arrangement of poles. It was covered with crimson silk embroidered in gold; its imperial splendour accentuated the tragedy of the occasion. Old Chinese funeral customs, such as the throwing into the air of paper resembling money, were observed. Heading the procession rode twenty heralds, then followed in succession three large detachments of infantry, bearing their arms reversed. Between each two detachments marched a band.

After the infantry came Chinese musicians, playing weirdly plaintive strains on their flutes. Then came the beautiful and fascinating part of the cortège—a large squadron of riders in old Chinese costume, carrying huge banners, long triangular pennants, and fretted streamers of many colours, which, as they floated gracefully in the air, made a charming picture. The Chinese have a genius for using banners with dazzling effect. Then followed lancers escorting an empty state carriage; Buddhist monks beating drums and cymbals; the President's band; long lines of bearers with sacrificial vessels preceding the sedan chair in which was set the soul tablet of Yuan; then still other lines of men bearing the food offerings, the mementoes of Yuan's personal life, and the wreaths, all from the funeral ceremony of two days before. High officials came next, on foot, in military uniform or civilian full dress, and here indeed the frock coats and top hats did seem somewhat out of keeping. A throng of white-clad mourners preceded the catafalque; the sons of Yuan walked under a white canopy. Yuan Ko-ting in the midst of it all seemed a pathetic figure.

The vast throngs that lined the route behind lines of troops looked on in respectful silence. There was no sign of grief, rather mute indifference. Yuan had not won the heart of the people, who regarded him as a masterful individual dwelling in remote seclusion whose contact with them came through taxes and executions. I believe a Chinese crowd is incapable of the enthusiastic hero-worship which great political leaders in the Occident receive. The people have not yet come to look upon such men as their leaders. The Peking population, imbued still with traditions of imperial splendour and the remoteness and semi-divinity of their rulers, are as yet only onlookers at

the pageant of history.

The tragedy of the great man who had died as a consequence of his ambition made this occasion impressive to the foreigners present, even to the most cynical. It was the last act in one of the most striking dramas of intrigue, achievement, and defeat. The foreign representatives left the cortège before it issued from the southernmost gate of the Imperial City, stopping while the mourners and the catafalque moved past. A piece of paper money thrown into the air to pacify the spirits fell on me, and I kept it as a characteristic memento. I walked back to the Legation Quarter with the Russian minister, Prince Koudacheff, who, like myself, was deeply impressed; we agreed that in ceremony and pageantry the Chinese stand supreme.

Thus, with the fluttering of bright banners and the wailing of the reed flutes, another crowded chapter in the history of the new China drew to its close.

CHAPTER XVII

REPUBLICANS IN THE SADDLE

The passing of Yuan Shih-kai left the ground clear for the nurturing of a real republic in China. Would those in control be real republicans, or would they be merely politicians? Politics, with all that this term implies in modern times, was exotic, its importation into China might have disastrous results. Concentration on industry, on local government by the Chinese people, and the building up from these

of a sound and democratic national consciousness were needed. It was upon this foundation that Li Yuan-hung might have founded his rule.

His first reception to foreign ministers was given by President Li Yuan-hung shortly after the funeral of Yuan Shih-kai. Li had removed from the island in the Imperial City before the death of Yuan; and this was a step toward freedom, though he had continued to be surrounded with guards ostensibly for his protection, but really there to watch him and restrict his movements. His friends were still apprehensive for his safety, and I was repeatedly approached with inquiries as to whether in case of need I should receive him at the American Legation, or possibly, even, send a guard detachment to bring him in. The latter I could not do; but, while it is not proper to give specific assurances of protection in advance, I could say that it was customary to grant asylum to political refugees. I learned that some Americans were ready to try a rescue of the Vice-President should his situation become perilous. Upon the death of Yuan Shih-kai, General Li's situation of uncertainty and danger was ended at least for a while.

He received the diplomats in a private residence, whence he did not remove to the palace for several months. The ceremony was simple. The foreign representatives were introduced in three groups: Allies, Neutrals, and Central Powers. The President received us standing, attended by his ministers and twelve generals, all in uniform. General Tuan Chi-jui looked disconsolate, standing with bent head and with epaulets sloping down on his chest. I do not know whether his spirit was as sad as his outward demeanour, but he probably saw many difficulties ahead. The President made a few remarks of a

friendly nature, but throughout he looked far more serious than was his wont; and his face was not wreathed in smiles.

On the afternoon of the day of Yuan's funeral I visited the new President informally; passing through several interior courts where soldiers were on guard and through a smiling flower garden I came into the library, simply furnished, where the President was working. Piles of papers and books on the desk and side tables indicated that he had been seeking information from many sources. We spent an hour or so discussing the political situation. He felt relieved at being no longer guarded and confined; but his newly acquired state had not changed his simplicity of manner. Quite in his usual optimistic mood, he said: "I have found a way to secure the coöperation of all factions. I will declare the Provisional Constitution of 1912 to be in force, and summon the old parliament; but its membership should be reduced by one half; it is too unwieldy. It will be summoned for this purpose only and to finish the Constitution; the reduction will come by amending the parliamentary election law."

I asked the President whether he did not consider it impossible thus to limit the function of the parliament, when once it was summoned. Would it not, I asked, almost certainly try to assume a controlling power in the Government, and would not this, in the absence of mature leaders, cause confusion?

"No," the President insisted; "the parliament will be confined to the specific function indicated by me."

As the community of Americans at Shanghai had repeatedly invited me to come to that city, I carried out a long-delayed intention by journeying

southward to celebrate the Fourth of July there. My chief engagement—following, among others, an address at the Commencement exercises at St. John's University, an American University Club lunch, a reception given in my honour on the Flagship *Brooklyn*—was an address before the American Chamber of Commerce at dinner in the Palace Hotel, on July 1st. I spoke about the requirements of the new period upon which American commercial interests in the Far East were entering. In European countries and Japan, I said, the relation between the Government and the large industries and banking institutions is close. Together they develop national enterprise abroad. Not so in America. The Government and the concentrated capital of the United States do not act as a unit in foreign affairs. We believe that it is better to leave the initiative to private enterprise, confining the action of the Government to protecting opportunities for commerce abroad. In their work of organization, American merchants and representatives have the function of discovering, testing, and approving commercial policies and projects which are to be executed with home capital. On their wisdom and experience in China, New York and Chicago have to rely.

At the reception given by the Consul-General in Shanghai on the Fourth of July, I met Mr. Tang Shao-yi, the Kuo Min Tang leader who had been Premier and Minister of Finance in the first cabinet under the Republic. I found him unprepared to assume any responsible part in politics, although the prominence of his opposition to Yuan Shih-kai might have made him ready to help. As President Li had urged him to come to Peking, Mr. Tang said he would go when parliament had been reconvoked. But I apprehended

and understood from others that he was loth to go because his enemies in Peking were still too powerful.

After a brief vacation at the summer residence of my family at Peitaiho, whither I had proceeded on the U.S. ship *Cincinnati*, I returned to Peking on the 27th of July, as much business awaited me there.

A change of government took place. The appointment of a new cabinet was announced on June 30, 1916, with a personnel completely different from that under Yuan Shih-kai. Mr. Tang did not leave Shanghai. A provisional cabinet was therefore constituted under General Tuan Chi-jui, Dr. Chen Chin-tao acting as Minister of Finance and Mr. Hsu Shih-ying as Minister of Communications. I had long known Doctor Chen, who had received his education in the United States and had lived abroad many years as Financial Commissioner of the Chinese Government. He was one of the few men in Chinese official life familiar with Western finance and banking—a scholarly man, slow and somewhat heavy in speech and manner, studious, and desirous of carrying modern methods of efficiency and careful audit into all branches of the Administration. Everyone met him with confidence.

The southern leaders did not come to Peking because they wished their complete ascendency to be recognized before taking part in the Government. Their demands that the Constitution of 1912 be revived and that Parliament be restored had been complied with. They further insisted on punishment for the leaders of the monarchical movement. Accordingly, on July 13th a mandate was issued providing for the arrest and trial of eight public men, including Liang Shih-yi, Chu Chi-chien, and Chow

Tsu-chi. All of these men happened to be beyond the jurisdiction of the Chinese Government, so the mandate had the effect only of a decree of exile. General Tuan, the Premier, smilingly remarked in cabinet meeting that if the monarchists were really to be punished, few men in public life would go free.

With an entirely new personnel of government, all threads of negotiations, past and present, had to be taken up anew. I was already acquainted with the Premier and with Doctor Chen, but the other cabinet members I had met casually or not at all. With Doctor Chen and his associate of the Ministry of Finance, Mr. Hsu Un-yuen, who had been appointed managing director of the Bank of China, and with General Hsu Shu-cheng, the Premier's chief assistant, I frequently talked over the financial situation of China. The monarchical movement had been defeated, the Republic more firmly established; now, they suggested, it was highly appropriate for America to support China financially. They requested that the loan contract made by Lee, Higginson & Company be carried out, and further steps taken for strengthening and organizing Chinese credit.

I told the Premier about the railway and canal negotiations. He wished to encourage American participation in Chinese development, but did not commit himself on the new American proposals. On the matter of a loan he reënforced the position taken by the Minister of Finance and General Hsu. General Tuan had won the confidence of the Chinese people through his disapproval of Yuan's monarchical ambitions, and now occupied a strong position. "I do not expect much good," he said, "from the return of parliament; there will be endless party struggles and interference with the Administration. But as to this

curious modern method of governing through talk, which fundamentally I see no virtue in, I am willing to give it a fair trial."

When I called on the Minister of Communications, I took care that the conversation should be, not on business, but on literature and the surroundings of Peking. He liked calligraphy; also, he had written short literary pieces, one of which was a poetical description of the Summer Palace. After a pleasant hour with tea the minister escorted me not only through all the various gates of the inner courts, but to the very door of my carriage. One of my colleagues on his initial visit to the minister had a less fortunate experience. The interview, which concerned a certain action long delayed, was somewhat spirited, for the diplomat insisted with great emphasis that something be done forthwith. By contrast the minister made me specially welcome, pleased that I did not immediately descend upon him with demands. When, thereafter, matters of business had to be taken up, there was the same cordiality, even when difficult things were discussed.

During the first month of its renewed life, beginning the 1st of August, the parliament did nothing to justify the unfavourable expectations of its critics. It was not rash or irresponsible, its members subordinated their private and partisan views to the urgent needs of national unity and coöperation. The military party pursued a waiting policy, seeming ready to give parliament a chance to show what it could do. Meanwhile, the financial situation of the Government became difficult, as the provinces had not yet been prevailed upon to give adequate support.

Among the newly arrived leaders of the democratic

party whose abilities and character I was appraising was Mr. Sun Hung-yi, the Minister of the Interior. I went to him, passing through narrow and crooked streets to his house in a remote part of the city. It was surrounded by military guards, carriages, and automobiles. The courts swarmed with people; soldiers were lounging about, while countless long-coated individuals hurried to and fro or sat in conversation in the rooms or on porches. Mr. Sun, who met me in an interior apartment, was tall, broad faced, with sparse whiskers and hair standing up rebelliously in wisps. He wore a long brown coat, bestowing little care on his appearance. "The parliament," he said, "cannot confine itself to its principal task, the finishing of the Constitution; it must also control public administration."

A contest for power was inevitable, it seemed, between the Premier and the parliament.

Mr. Sun was a typical politician. Here he was, his innumerable retainers about him, all intent on the game, while he was cunningly deploying his forces for tactical advantage in politics. He betrayed no ideas of statesmanship, only a desire for party dominance; though later he did show signs of developing a broader vision.

I also met Mr. Ku Chung-hsiu, the Minister of Agriculture and Commerce, a most complacent and oily person, who would be recognized the world over as the suave political manipulator.

Of such calibre, then, were the men who, under President Li Yuan-hung, were to lay the foundations of the new government.

PART III

THE WAR AND CHINA

CHAPTER XVIII

AMERICAN ENTREPRENEURS IN PEKING

As the second year of the Hwai River conservancy option was about to expire, something positive had to be done in order to make an actual beginning on this work. Mr. W.F. Carey, whose various enterprises have already been referred to, had arrived in Peking in December, 1915, with his family and a large staff. He brought over his whole organization, for his firm's arrangements with the New York capitalists made him feel ready, not only to negotiate, but to start work. He had completed extensive railway construction work in Canada and the United States; his organization was ready for China. He was a man accustomed to attacking his work with full force and getting it out of the way. He knew there was plenty of work to do in China, and he was ready to start doing it without delay.

Tested and highly recommended as the conservancy undertaking had been by the engineering commission under Colonel Sibert, the financiers associated with the Siems-Carey Company yet hesitated. It was then suggested that they do part of the work and reserve an option on the entire enterprise. The negotiations with Mr. Chow Tsu-chi, Minister of Finance, developed that the only part

which might be dissociated from the whole was the restoration of the Grand Canal. But it would hardly be profitable to undertake this unless at least the whole portion from the Yangtse River to Techow were to be made navigable. Enough traffic might then be counted upon to afford by means of tolls security for the loan, together with certain tracts of land which would be drained. A period of four months was given to investigate the feasibility and cost of this work, while the option on the more extensive enterprise of the Hwai River conservancy was extended.

The men representing American firms who came with Mr. Carey created in Peking the impression of an onslaught of American enterprise. The International Banking Corporation and the American International Corporation had sent a new representative. The firm of Anderson, Meyer & Company, hitherto Danish, had been acquired by American capital, and a representative had been sent to Peking. Social life in the American colony was visibly enlivened by this influx. It was amusing to see how large groups of people from St. Paul, Kansas City, Chicago, and various Eastern towns, suddenly planted in these entirely foreign surroundings, could in an incredibly short time make themselves thoroughly comfortable, and establish intimate relations with their new neighbours. The various American representatives took large houses in the city outside of the Legation Quarter, where they entertained a great deal.

But by the legal talent mustered for the negotiations the Chinese were rather taken aback. Not much given to legal refinements, nor to setting down in the written contract detailed provisions for every

imaginable contingency, the meticulous care of the American legal draughtsmen impressed the Chinese as savouring of suspicion.

Their own business arrangements are more simple and general, with reliance on a mutual sense of equity; moreover, all contracts with foreigners had hitherto been made in a less technical manner. An American lawyer would not be satisfied with this. He would think of the other corporation lawyers at home, sitting in their offices on the thirty-fifth floor, to whom the ordinary Chinese way of drawing up contracts would seem criminally lax. To overcome the concealed resentment of the Chinese took time, together with much talk about how the common interest would be promoted by completely defining all responsibilities assumed. The argument which really impressed them was that other foreign nations had frequently interpreted simply drawn contracts entirely to the disadvantage of the Chinese.

Mr. Carey, also, did not personally believe in much legal refinement, but bowed to the mature judgment of the profession. He had won his way from the ranks, and his Irish originality had not been befogged with theoretical discussion. He immediately felt at home with the frank and human Chinese, and constantly had many of them at his house, where they partook of true American hospitality and shared in frolics of dancing and poker. The Chinese are fond of this American game, in which human nature plays so large a part; the impassiveness of their countenance lends itself admirably to the tactics of poker. It was amusing to hear Liang Shih-yi, who otherwise spoke not a word of English, enunciate from behind a pile of chips, in staccato tones: "Full house,"—"Two pair." This eminent financier was a

worthy match for any poker expert.

Mr. Carey brought his unwarped intelligence to bear with great freshness on Chinese affairs, which he discussed in the language of an American contractor and business man who reduced everything to terms of getting something done. To observe how a man of his training, instincts, and tradition, so utterly different from the Chinese, remained in constant, intimate intercourse and joyous mutual understanding with them, made one believe that there must be real bonds of sympathy between Americans and the Chinese. Mr. Carey abbreviated many of the Chinese names, thus making them far more pronounceable. Mr. Chen Pan-ping, the Minister of Agriculture, thus became Ping-pong; the Secretary of State, Hsu Shih-chang, was Susie.

When the preliminary contract for the Grand Canal had been signed, Mr. Carey and all his associates departed for Shantung and Kiangsu under the guidance of Mr. Pan Fu, a young capitalist and official from Shantung Province, who was anxious to have the constructive work begun early.

A mistake made by Americans in other parts of the world was not avoided in China. Several of the new organizations that came in at this time and during the war made their entry with a considerable blare of trumpets and pounding of gongs, announcing the millions that were backing them and describing the manner in which they would rip things up generally when they got started. As a great part of international business is diplomacy, such methods of blatant advertisement are not best calculated to facilitate the early operations of a new enterprise. They raise expectations of "easy money" in the people dealt with, and they engender cynicism and

rock-ribbed opposition on the part of competitors. Great enterprises in foreign trade are usually built up with quieter methods. My observations on this score by no means refer to all new American enterprise in China, but there was enough of this sort of brass-band work to give people an idea that it was the approved method of American entry into foreign markets. The subsequent flattening out of several of these loudly heralded ventures did not help matters.

I had on February 29th a long interview with Dr. Jeme Tien-yow, an American-educated engineer, who had won repute through the survey and construction of the Peking-Kalgan Railway, of which he was chief engineer. He was looked upon as a living example of what the Chinese could do for themselves in engineering. At this time he was managing director of the Hukuang railways. I had had extensive correspondence with him, directly and through the Consul-General at Hankow with respect to the engineering standards to be applied on his lines, as it was difficult to find a middle ground between the American and British manufacturers and those of other nations concerned. Doctor Jeme was on the whole favourable to America, but clung to European standards, much to the disadvantage of American equipment. We went over all the disputed points with regard to solid cast wheels or tread wheels, shapes of box cars, types of engines, and so on—a curiously technical conversation for a foreign minister to hold with a railway director as a matter of official business. Doctor Jeme was slow, undemonstrative, quite willing to discuss, but not ready to yield any point in which he thoroughly believed. The argument cleared up some matters and left others the subject of continued correspondence.

I was trying to induce the American group to take the lead in furnishing funds so that the building of the Szechuan line of the Hukuang railways could be undertaken. I also hoped that, notwithstanding the war, the British and French groups might continue to furnish enough funds to complete the line from Hankow to Canton.

Doubtless the greatest national need of China was the completion of these trunk lines, both to connect the north and south of the country, and to open a land route to Szechuan Province, which could then be reached only by boat on the Yangtse, subject to all contingencies of an uncertain and dangerous navigation. It should not have required argument to induce the capitalists to advance money for a short railway which would open an inland empire of forty millions of people, especially when they had already bound themselves by contract to furnish the funds.

The $30,000,000 originally advanced had been spent, without more than two hundred miles of actual construction to show for the vast sum. This was due partly to the need of buying out earlier Chinese companies at extravagant figures, but also in large part to the cumbersome and expensive organization of this international enterprise. Only by actually finishing one of these basically important lines and putting it in operation could the money already expended be made to count.

At home the group seemed favourable to going ahead to the completion of the work. Mr. Willard Straight in February went to London to seek the consent of the British and French partners. But beyond settling some minor details about alignments no definite result was secured. Chinese development was blocked disastrously through this failure to

complete the existing contracts. In comparison with the amounts spent in Europe by America, the cost of entirely carrying out this enormously important work would have been infinitesimal; a thousandth part of our war expense would have permanently changed the face of China.

Indeed, completion of such an enterprise would far transcend mere business. What the Chinese needed was the organization of their national life. In every particular this depended upon communications—trunk lines north and south, east and west—which would have largely overcome obstacles to Chinese progress. The nation's mind, instead of being focussed on building up, unifying, and organizing the different parts of the country, remained localized and scattered. A thousand times the energy needed to achieve this unique work was spent by us in Europe. That is part of the cost of war.

Mr. Charles Denby, interested in automobile manufacture, called one morning and asked that I take a motor ride up the Tartar City Wall—a thing which had never before been attempted. I yielded to the idea, and without further inquiry joined him, together with the commandant of the guard, Colonel W.C. Neville. Leaving the rear gate of the Legation and approaching the broad ramp leading up to the wall, I was surprised to see gathered there all the American marines, as well as many other people, including motion-picture men. I had not counted on this publicity; it was, however, too late to have any regrets, so we were whisked up the steep incline and took a ride on the top of the great wall. This first automobile ascension of the monumental structure excited a good deal of attention. A British paper tried to raise a laugh by ironically criticizing the British

minister for not supporting British industry by taking air flights, or doing other things which might serve to attract attention to national products. I did not mind what was said, as I had enjoyed the excitement of the ride.

Mr. Carey's party had by this time finished its survey. Laborious negotiations had gone on for an acceptable contract to improve the ancient Grand Canal. Mr. Carey also sought a contract for the building of railways. These matters were entrusted to Mr. Roy S. Anderson, who carried on the detailed negotiations. I had given Mr. Carey an introduction to the various officials concerned, and had from time to time supported his efforts, but did not take part in the details. The business was carried on with Mr. Tsao Ju-lin, the Minister of Communications, while the canal matter lay with Mr. Chen Pan-ping, Minister of Agriculture and Commerce, a younger man, educated in Japan and a member of the Christian Church. Mr. Chow Tsu-chi, the Minister of Finance, and Mr. Liang Shih-yi, wielded a directing influence in the negotiations. I was careful to abstain from anything which could possibly savour of pressure, or a desire to take advantage of the difficult financial necessities of the Government. The contracts were made not on the basis of any temporary or local interest, but to furnish a foundation for long-continued constructive work.

The Chinese Government gave to the American concern the right to build fifteen hundred miles of railway, to be selected from five alignments mentioned in the contract. Mr. Carey started for America on May 18th, to secure ratification of the agreements. With him he took the most favourable concessions which the Chinese Government had ever

granted to foreigners. All the most advantageous provisions of former contracts had been embodied; the American contractors were to get a commission of 10 per cent. on the cost of construction and equipment, and were to share, also, in the profits of operation. A broad policy of development was adopted, embracing the encouragement of industries along the railways to be built.

The Chinese Government, accustomed to financial support from nations which had valuable concessions, hoped that the Americans would now offer such assistance. The concessions were in no sense made dependent upon loans, but collateral loan negotiations were proceeding, and Mr. Carey took with him proposals concerning loans and securities offered. His associates made every effort to secure a loan to China, but as they now turned over their holdings to the American International Corporation, and as the latter was negotiating to take over the American group agreements with Great Britain, Russia, France, and Japan, the matter became hopelessly tangled up with international affairs and no action resulted. The Americans understood that Japan would coöperate in a joint loan but would oppose any separate action by the United States. American finance was still too provincial to act independently in such a matter. Also it would approach each piece of business as a separate unit, not ready to exert itself in behalf of a loan in order to create a more favourable situation for other transactions. European and Japanese combinations in China took a different view; they were organized to represent a broad national interest in Chinese business. While the attitude of individual American corporations corresponded to the individualism of our business, yet the national

commercial interest of America was bound to suffer because an organization did not exist which was broadly representative, which would look upon all parts of Chinese commerce and finance in their interrelation, and gather from every individual exertion favourable cumulative effects in other fields of enterprise.

In yet another respect American practice was unsuited to the conditions of business in China. After negotiating in a painstaking manner for months, the corporation's representatives had finally signed a formal agreement that was more advantageous than any ever granted before. The results of this successful negotiation were set before the home office, which took the position that its hands were still completely free. The provisions of the contract were minutely reëxamined; on several points it was concluded that still more favourable arrangements might be made. The representatives were instructed to reopen the negotiations, making the consent of the home corporation dependent on the acceptance of these additional terms.

Such a method could not be used in China more than once. The Chinese expect that when an agreement is arrived at with business representatives in Peking, it will be adhered to, unless very radical changes of conditions occur. They have been dealing on this basis with the agents of European corporations, whose experience is considered by their home offices as entitling them to handle the details of the negotiations without reporting minutely to home officials far less informed than they. To disavow the activity of a local representative in China, except under absolute necessity, is to discredit the whole negotiation. The representative who should wield

great influence is suddenly reduced to the dimensions of a clerk with whom the Chinese will not take up anything of importance thereafter.

That the Americans would not make a loan disappointed the Chinese officials. They were used to looking for financial support to powerful groups, who desired or had obtained concessions. When, in addition, proposals came for many changes in the signed contracts, the displeasure of the Chinese knew no limits. The storm broke just before the funeral of Yuan Shih-kai. I was appealed to for aid in predisposing the Chinese officials to look upon the new proposals with more favour. The Minister of Communications as well as Mr. Chu Chi-chien, the Minister of the Interior, whom I interviewed, were dejected because the loan had been so abruptly refused. They had counted on America to take part in Chinese finance, in order that the Chinese Government might not be entirely at the mercy of the Five-Power Consortium, or rather of Japan, which was now the only active member of that group. I tried to explain the action of the Americans on the basis of sound business practice. I pointed out that in the United States, capital, industry, and commerce are not mobilized for foreign enterprise as is the case with the big foreign banking institutions of Europe. I tried to encourage them to set American firms to doing constructive work in China, and assured them that out of such relationships there would naturally grow a readiness to afford financial support.

They did not dispute my point, but, in the words of Cleveland, they felt themselves confronted by a condition, not a theory.

CHAPTER XIX

GUARDING THE "OPEN DOOR"

Negotiations had been proceeding all through the autumn of 1916, between the Corporation and the Chinese Government, concerning the modifications which the former desired to introduce into the Grand Canal contract signed in May. The negotiations on the part of the Chinese were in the hands of the Minister of Agriculture, and of Mr. Pan Fu, a young Shantung capitalist and official of progressive ideas. As the Minister of Agriculture was not well disposed, it was found difficult to get him to agree to the additional advantages which the Corporation desired to secure before finally ratifying the contract. Shortly before Christmas, however, a basis of agreement had been reached. Just at this time there came from America the astonishing news that the American corporation had invited Japanese capitalists to coöperate in this contract, on condition that such coöperation would be acceptable to the Chinese Government.

The representatives of the American corporation in Peking had no thought nor inkling whatsoever of this change in policy. The step had been taken without warning and without consulting either the American Government or the representatives of the company in China. It may be imagined in what position it left the latter, to whom the Chinese had entrusted these important rights solely because of the confidence they had in Americans, both as to their ability to carry through an enterprise of this kind, and as to their complete freedom from all political afterthought. Unmindful of the fiduciary relationship which their representatives had established in China,

the American corporation, without first sounding the Chinese and without giving any intimation to the American Government—through whose approval and support they had been able to gain these rights—turned around and made an agreement to bring the subjects of another nation into the contract. It is to be doubted if the nationals of any other country would have acted in this manner.

If the action had been taken out of deference to rights which the Japanese might claim in the future as a part of a sphere of influence to be asserted in Shantung, then indeed it was one of superlative international courtesy. New York bankers, however, were at this time still notoriously the most timid beings known to experience, when it came to matters of foreign investment. To make up for this they did, when they once got started, throw away American money in amazing quantities on reckless foreign enterprises in Europe and South America.

What made this action so inexcusable was not that Japanese coöperation had been invited or accepted, but that the one enterprise selected for such coöperation was the one in which America, through the National Red Cross, had long been interested and which had been committed to Americans as a special mark of confidence. One might have thought that goodwill to the Japanese might have been amply demonstrated had our people declared their complete readiness to coöperate on any one of the numerous unfinished enterprises which the Japanese controlled in Manchuria and elsewhere.

It was no easy task for the representatives of the American corporation to tell the Chinese what had been done in New York. The proviso that the arrangement was conditional upon its being

acceptable to the Chinese was of course pathetically ineffectual, because after the arrangement made in New York the Chinese could certainly not refuse to accept any outside partners without giving very serious offence to them. I told the Chinese that we wished them to act with perfect freedom and consult their own best interests in dealing with the American corporation. But the Premier met all my explanations with: "What can we do? The corporation has tied our hands."

The Chinese had shown special favour and bestowed their contracts upon the American nation; by their own act Americans had changed this disposal in such a way as to let in a third party. Personally, I had not the least objection to the Japanese or any other nation; although it seemed that in China coöperation with the Chinese would be the normal method. Yet my experience with the Hukuang railways had made me very doubtful of the practical advantages of international coöperation in industry. It is a cumbersome, expensive way of doing business, full of delay and circumlocution. I felt that the different nations should mutually facilitate each other's enterprises and coöperate in constructive planning from which all might derive advantage; but I felt strongly that individual enterprises should be managed by a particular group or corporation without complicated international machinery.

The railway concessions made to the Siems-Carey Company, which were to be financed by the American International Corporation, were also making trouble. Protests were made by the Russian Legation with regard to the alignment from Tatungfu toward Lanchow; these rested upon an old assurance given by the Chinese to Russia that any line

northward or eastward from Peking and Kalgan should first invite Russian capital. But the protests had a weak leg to stand on, for the proposed line led southwestward from Kalgan, away from Russia's dominions. They had the less force in that the European Powers could not at this time furnish money for the construction of the much-needed railways which had been committed to their care; the more need, therefore, that America, which had means, should build other necessary railways to provide China with inter-provincial transit.

But that was the method of diplomacy—to hunt about for some ground of protest to the Chinese Government, in order to obtain from it a few counterbalancing advantages. The American policy of equal opportunity had the verbal agreement of the other important powers, but we had to be vigilant if Americans were to be protected in their right to do business in various parts of China on the basis of this policy. Everywhere we met attempts to solidify the inchoate desires and lusts to secure exclusive rights, until the "spheres of influence" should be firmly outlined.

I always took the position with the Russian minister that the American concession in this case did not conflict with any promise given to Russia. He spoke to me about the wish of Russia to use Mongolia as a protective barrier. If Mongolia were to be developed through railways and colonization, he felt that friction between Russia and China might come about through this mutual approach of large populations. To keep so vast a territory barren and unproductive just to serve as frontier marches seemed to me unjustifiable. But I did not dispute the policy, rather insisting that a railway that connected one of the

eighteen provinces of China with another could have but remote bearing on the fears expressed by my Russian colleague. I told him the survey would go on, but whether the road would be built would depend upon the judgment of the engineers as to whether it would be commercially profitable. The conversations were very leisurely. He did not say so, but I could see that the minister fully expected the Americans to go ahead, while he would use his protests as a means of getting some "compensation" out of the Chinese.

I was therefore not a little surprised when on one of my visits to him the Russian minister met me with a quizzical smile, and handed me a telegram which he had just received from Washington. The dispatch was from the Russian ambassador, and read in substance as follows:

> A representative of the American International Corporation has just called on me. He stated that the corporation regretted beyond measure that the impression had been given that it might contemplate undertakings in China which would be unwelcome to the Russian Government, and to which the latter would object. He stated that it was far from the intention of the corporation to do anything in China that would thus be objectionable to the Russian Government.

Never was the ground cut from under any one exerting himself to safeguard the interests of others as was done in this case. There was nothing to do but

to say: "They are very courteous, and wish to save your susceptibility. They would probably not ask for any branches in the direction of Urga, and confine themselves just to building the main line to Kansu." The Russian minister did not take an undue advantage of me.

The next protest came from the French Legation. They had dug up a note sent them on September 26, 1914, by the Minister for Foreign Affairs of that time. This note, conveying an entirely unnecessary gift by that good-natured minister, had been kept secret; it acknowledged the handsome manner assumed by the French minister during the negotiations about a small frontier incident. Just to show absence of ill feeling, the Foreign Minister assured the French minister that in case in future any mining or railway enterprises were to be undertaken in the Province of Kwangsi, French capital would be consulted first. It was a grim joke that an official should thus light-heartedly and without *quid pro quo* sign away important rights in contravention to all the announced policies of his and other governments, including that to which the grant was made. The French protest related to the southern part of the line from Chuchow in Honan, to Chinchow, on the coast of Kwangsi.

I took the stand that the note which had turned up was contrary to the expressed policy of the various governments concerned, and could have no bearing on the relations of American citizens with China; moreover, it had been secret, and neither the public nor any other government knew about it. As the French minister whom the Chinese had asked the French Government to withdraw because of his domineering attitude was not at this time complacent

in this or any other matter, I suggested that the Department of State take up this question directly with the French Minister for Foreign Affairs. I expressed the hope that the French, our military and diplomatic associates, would wish particularly to adhere "to the letter and the spirit of the declarations of equal commercial opportunities."

The Continental Commercial Bank Loan had been announced in November, 1916. I was happy that this result had been achieved. An advance of only $5,000,000 was made, but even that small sum was an important aid to the Chinese Government. The fact that a big Western financial institution had taken up relations with China was promising. What foreign banking there was in New York was tangled up with European interests, followed the lead of London, and had not manifested much readiness to exert itself for the development of American interests abroad.

The French protested this loan because it carried the security of the tobacco and wine tax which had been assigned to some previous French loans. I saw Doctor Chen, and Count Martel called on me. I took the position that as the French loan—which was small in amount and would require only a very minor portion of the proceeds of the tax—remained entitled to be the first lien, the French interests were in no way prejudiced. I imagine, what they really objected to was the eventual appointment of an American auditor or co-inspector for this revenue. As this, however, would go to strengthen the security for their loan, I do not see that they had any reason for complaint. The representative of the French bank which was interested saw me and made a tentative suggestion that if adviserships were established the French might take the wine tax, and the Americans

the tobacco tax. I felt, however, that the hands of the Chinese were perfectly free when the loan was made; there could be no objection, except on the supposition that wherever the Chinese do business, no matter how small, with respect to any subject matter, they impliedly give a lien on all future dealings. To the general suggestion of American-French coöperation in matters for which both parties could find capital, I was by no means averse.

In this same month the affairs relating to the Standard Oil Company's exploration were finally wound up. The geological experts they sent over had not "struck" oil enough to pay. Drilling expeditions had come over, which by the spring of 1915 had found traces of oil, and the Chinese were considering giving them further areas for investigation. But as they wished to modify their contract relating to production and refining activities, Mr. E.W. Bemis, vice-president of the company, came on and negotiated for a whole summer with the officials. He left without concluding an agreement. Not only had he received the support of the Legation at Peking and of the American Government, but the Chinese were anxious to extend the privileges of exploration; his decision to abandon the negotiations must therefore have been based on a total change of policy. The company had apparently decided not to develop production in China, but to continue merely its marketing business. It was to be expected that competitors would be discouraged from undertaking similar explorations. Mr. Hsiung Hsi-ling, ex-Premier and chief of the National Oil Administration, called on me at this time and gave me an account of his final negotiations with the company. He had offered to establish a joint Chinese and American enterprise if more extensive search should reveal oil deposits of

great value.

The mineral situation in China was being surveyed during this time by representatives of the New York Orient Mines Company, Mr. John W. Finch, Dr. F. Bain, and Mr. Joseph E. Johnson, Jr. The attitude of these men, whose training as observers and clean-cut scientific methods gave their conclusions a particular cogency and definiteness, interested me. They had found that the iron deposits of China were not so extensive as is usually supposed. They believed, also, that the market for iron products could only gradually be developed with the growth of the general industry. They had analyzed the organization of the Hanyehping Iron Works, and learned that its lack of success was due to faulty planning, which necessitated the bringing of both the coal and iron ore from a distance to the central point of manufacture. They believed that for the time there was room for only one first-class iron and steel enterprise in China. As smaller enterprises would hardly pay, they favoured a national industrial plant, to be equipped on a scale to assure every advantage of short transport and economic production. The Premier gave them permission to investigate China's ore deposits, with a view to suggesting a basis upon which a national industry could be founded with temporary American financial assistance.

The Chinese Government had fully decided to adhere to its policy of nationalizing the iron deposits, and the decree already issued by Yuan Shih-kai was to be reënacted by parliament. The Chinese were eager to establish a national steel industry. It should help supply the national needs for iron products, with the aid, if necessary, of foreign capital. They would not take the sole assistance of the Japanese, because they

knew that in that case the Chinese industry would be confined to the production of pig-iron and would become the slave of the steel industry of Japan. China would furnish raw materials; Japan, the finished products.

Another secret agreement, this time with Japan, came to light. A loan of 3,000,000 yen had been concluded with Japanese banks in the latter part of 1916, and the secret agreement attached thereto gave Japanese interests the right to meet the lowest price of any competitor in bidding on any materials for the Chinese telephone and telegraph service. Of course, this would have destroyed the equal opportunity for other nationals in this business. The contract had been signed by a notoriously corrupt official, who was completely under Japanese influence and had since fled to escape prosecution for corruption.

I protested strongly. I told the Minister of Communications that the provision was monopolistic, therefore in conflict with the treaties. His answer disavowed the existence of the provision. But I knew it did exist among the original agreements; nevertheless, the awards actually made at this time, after my protest, were in accordance with the bids submitted, and with the recommendations of the experts.

In a talk I had with the Premier during the spring of 1917 I advised him to take up quickly the offer of the American International Corporation to float the first bond issue of $6,000,000 on the railway to be constructed by the Siems-Carey Company. The Ministry of Communications was obstructing it, acting under Japanese influences. I told the Premier that Mr. Carey's authority to conclude the loan might

be revoked at any time, whereupon he promised to instruct the acting Vice-Minister of Communications to complete the transaction forthwith.

The Ministry of Communications was then in charge of one Chuan Liang, who had, in fact, long been considered as representing the Japanese element. He had married a Japanese woman. Chuan refused obstinately, first, to take up the negotiations, then, to advance them when they were begun. The rate of interest and terms of issue offered were fair, considering existing market values; but the American company agreed to make a concession and raise the issue price.

Chuan continued to be stubborn. I spoke to the Premier, General Tuan, about it; President Li himself gave his support, and the orders to make the loan were thus reënforced. Still delay. After General Tuan's retirement, Dr. Wu Ting-fang as acting Premier again issued orders, which were repeated for the third time by General Chiang when he, in turn, displaced Doctor Wu. All these high officials concurred. Yet, in an astounding manner, the acting vice-minister, together with a ring of petty officials in his ministry and in the cabinet office, blocked the carrying out of the orders issued by the President, the Premier, and the whole cabinet.

But Dr. Wu Ting-fang was anxious to see the contract carried out. He suggested that I write a note demanding its execution, which I did on June 6th. Wu intended to have the successive orders published in the *Government Gazette*, and, thus published, to be communicated to me officially by the Foreign Office in response to my note. But the petty ring delayed the publication. Meanwhile, the answer of the acting vice-minister was prepared and inserted in the

Government Gazette on the 27th, before the Foreign Office could communicate it to me. It presented unfairly the proposals of the American company, its language was almost insulting.

During all this time the high Chinese officials, who were my friends, were at a loss to explain to me how this subordinate's defiance of their orders could be successful. They intimated that the obstruction must be due to Japanese influence exercised in opposition to American enterprise in China. We noted that immediately upon publication of the vice-minister's answer and before we knew about it ourselves, a secretary of the Japanese Legation quite officiously expressed to one of the American secretaries his surprise at such a publication.

But by this act the vice-minister had overstepped the mark. The leaders of the Communications party, who were holding aloof from politics with General Tuan, strongly condemned Chuan, who had always been dependent on them. He showed a remarkable change. He even sent emissaries to me, pleading for forgiveness and stating that he was in no way animated by hostility to American interests, but had acted on an honest though mistaken view of the transaction.

Calling on me on July 2nd, he repeated his apology. On the 30th of June the Ministry of Communications had formally accepted the offer of funds by the American company. Thereafter negotiations were again interrupted by political changes and disturbances.

This incident will serve to illustrate the complexity of Chinese affairs, and the condition of disorganization in which the Chinese Government was at this time.

The creation of a Chino-American Industrial Bank was the subject of many discussions I had with Chinese officials and financiers. This occupied a good deal of my attention during 1918, while Mr. Hsu Un-yuen, after his retirement from the presidency of the Bank of China, was devoting his time to working out a plan and securing the support of prominent Chinese for this undertaking. Mr. Hsu Sing-loh was also working on it independently; Mr. Hsu was secretary of the Minister of Finance, educated in England, and exceptionally well informed. In December of 1918 I accompanied Mr. Hsu to the house of Mr. Yang, a capitalist interested in the China Merchants Steamship Company, where we met with the Premier, Mr. Chien Neng-hsun, and Mr. Chou Hsueh-hsi, who had recently been Minister of Finance. Here we talked over matters of banking and finance, with Mr. Chou leading the conversation. He was sure the Government would give a favourable charter that would enlist the necessary capital. Chinese ideas about an industrial bank were vague; in some mysterious way it was thought that it could produce capital for developing industries, or, rather, could manifold its capital for such uses. Three industries were ready—cotton, steel, and scientific agriculture—for an extensive development. He did not know how bad it is for a bank to lock up its capital in long-time commitments. I asked those present as to how ready the Chinese public would be to absorb the long-term bonds. Mr. Chou thought they would take them, if strongly backed, at a relatively low interest. All desired to go ahead. Ultimately the bank was founded, but by another group.

Before parting on that day our wealthy host brought forth from the strong-boxes many great treasures of

Chinese art, including paintings of the Sung and Ming periods. China boasts only one museum. Only through seeing such private collections can one form an estimate of the richness and extent of Chinese art treasures. For an hour I looked on delightedly while one after another of these precious works of Chinese painting were unrolled before us. Chinese pictures are very modest. They come out when called, but retire again readily to the quiet of the storeroom. Also, darkness has not the dulling effect on the water-colours used by Chinese painters that it exercises upon pictures done in oils.

Incidentally, Minister Chow and other prominent officials had been interested in a savings bank combined with a lottery, which announced the sale of so-called premium bonds. There were to be quarterly drawings, at which a certain number of the bonds would receive prizes, ranging as high as $100,000. Mr. Chow explained to me that it would be futile for a Chinese savings bank to offer a matter of 5 or 6 per cent. interest for funds. Nobody would heed it, because of the profitableness of commercial enterprise. In order to strike public attention and to cause people to bring their money for deposit, the inducement of winning a large amount must be provided. The assurance that the original deposit itself would not be lost, but would ultimately be repaid, would be the second attraction.

The minister said that it was the plan of the bank to reduce the amount of prizes and to increase their number so that gradually the payment of a reasonable interest would be approached, as the people got accustomed to the idea of placing their funds in such an institution. The fact that this country, whose people are so frugal and

parsimonious and where there is so much accumulated capital, should hitherto have been without savings banks appears remarkable to a stranger. But the high return on commercial loans, and the ever-present gambling instinct of the Chinese, account to some extent for this absence.

CHAPTER XX

A DIARY OF QUIET DAYS, AUTUMN OF 1916

September 3: Judge Elbert H. Gary has just been in Peking for ten days with Mrs. Gary and a small party. I took them to call on President Li who is now living in a private residence with extensive rockeries and gardens, in the East City. We threaded our way to a central pavilion where the President received us. He talked amiably about his desire to see the great resources of China developed with American coöperation. In the evening I gave a dinner to Judge Gary and the new Ministers of Finance and Communications. Charles A. Coolidge, the Boston architect, was also present. On the following day I arranged for the American guests to see the Winter Palace; Mr. Coolidge afterward said to me that the trip through the palace grounds had been the most interesting experience of his life from the point of view of architectural beauty. Someone with Judge Gary told me that every lunch, afternoon reception, and dinner engagement, for the entire stay in Japan, was already arranged for, together with many engagements for breakfast; adding: "The Japanese certainly know a great man when they see him, more

than the Chinese." As a matter of fact, the Chinese are so unartificial that they do not think of organizing their hospitality to any distinguished guest. What they do is quite spontaneous; they are truly hospitable, but they do not understand the first elements of the art of advertising.

September 9: I took a trip to Dajessu with the Austrian minister. This temple lies about twelve miles beyond the summer palace. We walked part of the way; a Chinese fell in with us, and, as is customary, opened conversation. Without seeming unduly inquisitive he elicited information about the size of our families, our age, income, and the cost of our clothing, the material of which he greatly admired. When the Austrian minister told him that he had about four hundred men under him, our companion looked rather dubious, and finally asked: "Why, then, if you have so many attendants, are you walking?" The explanation that we preferred to walk did not seem to remove his doubts. He told us in turn all the details of his family and business affairs.

We spent the week-end at the beautiful temple, from which we took walks to the surrounding mountainside. A deserted temple on a high hill overlooking the valley is picturesque as any castle on the Rhine. We ascended to the summer residence of Mr. Hsu Un-yuen, a temple perched on a precipitous spur of the main mountain range. The temple had evidently been erected originally for a semi-residential purpose, though it was in a quite inaccessible place, where neither worshippers nor vacationists would ordinarily have sought it out. We found Mr. Hsu and his wife enjoying the magnificent view from a terrace opening out from the living apartments.

September 13: I gave a dinner to Mr. C.T. Wang, the vice-president of the senate, and a few representative members of parliament. We engaged in a general after-dinner discussion of politics. Most of the men present were Progressives. They argued volubly. The arguments and illustrations were such as one would hear in a Western country. I missed, as usual, a thorough discussion of underlying facts, traditions, and practices of Chinese life, out of which institutions should develop. I mentioned this; Mr. Wang said that they needed a guiding principle of organization, which they must get from the experience of constitutional countries. The question uppermost was the proposed election of provincial governors by the people of the respective provinces, instead of their appointment by the Central Government. Most of those present considered this change necessary, as through union and mutual support the appointive military governors could exercise great power and defeat the aims of Parliament.

September 14: Failing to get financial assistance from America, the Chinese have been considering Japanese offers of loans. Dr. Chen Chin-tao, forced by the situation and the importunities of the ministers, who need money, has signed a preliminary agreement for a loan of eighty million yen, on which an advance of five million yen is to be paid over immediately.

September 18: The House of Representatives to-day in secret session discussed the Japanese loan. I am informed that it was strongly attacked on the ground that certain mines in Hunan Province had been pledged to secure the advance. The Minister of Finance was not present, the vice-minister appearing

to answer questions. The minister was violently condemned for signing the preliminary agreement without the consent of parliament. The argument was made that it related to an advance, but not to the main loan itself. That argument was not considered valid.

September 19: Negotiations were concluded with the Minister of Communications for a satisfactory adjustment of the American railway contract. Most of the proposals made were accepted, so that the American corporation ought certainly to be thoroughly well satisfied, considering all the changes and difficulties that have occurred since the original contract was made. That of the 17th May was allowed to stand, the changes being introduced by way of annexes. After the Chinese have thus gone to the limit of making the undertaking attractive to Americans, it is to be hoped that there will be no further delay; that, at least, some important constructive work will be done by Americans.

September 21: We welcomed a little son to-day in the family. I do not know that any children were born to any American minister in Peking before our little daughter Pauline came, in February, 1915. The two little ones were born into a strange world in which parents may well fear for the health of their children, because of frequent epidemics. Still, aside from such visitations, the Peking climate seems to be most favourable to children; they thrive and grow apace. Claire, the eldest daughter, aside from a terrible attack of appendicitis in which Dr. M.A. Stewart, of the Navy, saved her life, has been the very spirit of health. The faithful Chinese servants surround the children with every care.

October 3: I gave a men's dinner, attended by the

ministers of Portugal, Russia, and Japan, and by Mr. Obata, the Japanese counsellor; Count Martel, the French first secretary; Mr. Aglen, Inspector-General of Customs; Mr. Alston, the British counsellor; Mr. Herrera de Huerta, formerly Mexican Chargé; Mr. Mitrophanow, of the Russian Legation; Doctor Willoughby, Doctor McElroy of Princeton, and other guests. It was really a dinner of welcome to the new Japanese minister, Baron Hayashi, who has recently arrived to take the place of Mr. Hioki. It was probably thought better to displace the minister upon whom had fallen the disagreeable duty of forcing through the Twenty-one Demands of 1915. Baron Hayashi, who had been ambassador in Italy, brings a long diplomatic experience and very careful methods. He is very silent, speaks little except when few or only one other person are present. In a larger company or at a meeting, he gives the impression of detachment and deep reflection. In social intercourse he is more retiring than his predecessor. He impresses me as a thoughtful, fair-minded man.

October 4: I am told that a guest at last night's dinner, a visitor from a distant country, complained because he had not been ranked with the ministers. As I had no information, nor have it now, that he was entitled to such ranking, I shall not worry. This is the first instance of any dissatisfaction with the seating. My predecessor related to me that a secretary of the British Legation once took his sudden departure before dinner for this reason. I have not always closely adhered to rank in seating, particularly at dinners where there are Chinese, in order to avoid a grouping which should make conversation impossible; but in such cases, of course, I always speak to whichever guest is slightly prejudiced by the arrangement and explain the reason to him. I

have never noticed the least sign of displeasure. At a very formal dinner, it is of course always safer to follow rank and let the conversation take care of itself. Any enjoyment people get out of such a dinner they set down as pure profit, anyhow.

October 7: Ambassador and Mrs. Guthrie arrived today. They will be our guests for several weeks. Mr. Guthrie has not been very well, so has come for a rest. We spent the day together, talking over Chinese and Japanese affairs and relations. We agree on most points.

In the evening we dined at the officers' mess, after which there was dancing. Mrs. Ollie James and Mrs. Hall of Washington came with the Guthries. They were at the dinner, at which great cheer prevailed. Colonel Neville, the new commandant of the marines, radiates good fellowship. He is sociable, efficient, and ready to coöperate in all good causes. His officers and men seem to revere him, and a very fine spirit reigns in the marine compound.

October 11: I presented Ambassador Guthrie to the President, who had invited us for luncheon. We were only six at the table. Mr. Quo Tai-chi, the youthful English-speaking secretary of the President, interpreted. The President had many questions to ask about Japan. Then, he spoke quite hopefully about the outlook in China. Financial difficulties will be overcome through coöperation of parliament and the cabinet, so that the Government may count on popular consent to an increase in taxes.

President Li now occupies the palace where Yuan Shih-kai had lived. We met in a small apartment in the building constructed for the Empress Dowager, which was tastefully furnished in the best Chinese style.

October 13: The dinner season has fully set in. There are dinners every night, and will be, throughout the winter. This evening we entertained for the Guthries, having Prince Koudacheff, Baron Hayashi, and the wives of the Russian and Danish ministers, who are themselves absent.

October 23: The Political Science Association met at my house. The Minister for Foreign Affairs presided. Doctor W.W. Willoughby and Senator Yen Fu, the noted scholar, read papers. Over a hundred men were in attendance—the cream of the Western-educated officials, as well as European and American members.

October 29: The Guthries left yesterday. To-day arrived General and Mrs. Liggett, who will be our guests for a few days. General Liggett is tall and impressive-looking. We had a long initial conversation about the effects of the war in the Far East. The Philippines are beginning to be prosperous on account of the war demand for their products.

October 31: I presented General Liggett to President Li. In a long conversation the President was frank in his statement concerning the international difficulties of China. He expressed himself in strong terms as desirous of close coöperation with America. I gathered that he feared that certain foreign influences might stir up trouble between the parliament and the Government, and otherwise seek to cause embarrassment.

November 3: I went with a small party to the mountain temple Djetaissu. Mrs. Chadbourne, the sister of my friend Mr. Charles R. Crane; Miss Ellen Lamotte the writer; Mr. and Mrs. Burns of Shanghai; and Mr. Charles Stevenson Smith, of the Associated Press, took this excursion riding on donkeys, with

many spills as the animals slipped on the rocky road. The temple is near the top, commanding a magnificent view of the plains and of the higher mountains farther inland. It rises tier above tier, its platforms shaded by huge trees, with enchanting vistas of architecture and a broad sweep of view in all directions.

November 9: The Continental Commercial Bank Loan is announced. I am happy that this result has been achieved. An advance of only $5,000,000 will be made, but even that small sum will be an important aid to the Chinese Government. The fact that a big Western financial institution has taken up relations with China is promising. What foreign banking there is in New York is tangled up with European interests, follows the lead of London, and has not manifested much readiness to exert itself for the development of American interests abroad.

November 10: I attended the balloting for the election of the Vice-President of the Republic, at a joint session of the two houses of parliament. While no speeches were made, with the exception of brief discussion on points of order, yet it was of interest to see the general aspect of parliament. The procedure, certainly, was business-like. Balloting was by written and signed vote; after each ballot, the individual votes are read off from the tribune. I had the impression that a true election was going on. General Feng Kuo-chang, the Military Governor of Kiangsu, had the lead from the start, which was gradually increased by the balloting until finally he got the necessary majority. I could not stay until the result was announced, when there was a demonstration to honour the nominee. But I saw before me a body which had evidently mastered the procedure of

parliamentary action, so that things were done with a smoothness and ease which implied long experience. Many people witnessed the election, among them several of my colleagues. I had a brief conversation with Mr. C.T. Wang, who was hopeful that, now the Vice-Presidential succession was settled legally and peacefully, the future of the Republic was assured.

General Feng has occupied a pivotal position at his post at Nanking. He is shrewd and clever. Like a boy standing over the centre of a seesaw, he used his weight to balance either side according as the pendulum movement required. He was at first believed to have given Yuan Shih-kai encouragement to be emperor, but when asked to express himself, had allowed the report that he was neutral to gain currency; then, as the opposition gained strength, he added his weight with gradually increasing force to its side, although never at any stage coming out with positive statements. His selection was an attempt to form a compromise between the militarist and the progressive parties.

November 10: I took a long excursion with Prince Koudacheff. We rode to the foothills by automobile, then climbed to the top of a lofty range back of his temple, where one can promenade for six or eight miles along the crest of the ridge with glorious views of mountain country on either side.

November 15: I had a long conversation with Baron Hayashi to-day.

November 20: Admiral and Mrs. Winterhalter arrived for a few days' visit. The Admiral is tall, gray-haired, strong-featured, of energetic movements. He has always manifested a deep interest in what is going on in China; we sat down for a long talk immediately

after his arrival.

November 22: I presented the Admiral to President Li and we had a pleasant conversation, although the President was not quite so expansive and confidential as during my last call. As we made the rounds of calls on the cabinet ministers, I took the conversation beyond the ordinary civilities, so as to give the visitor an opportunity of getting more insight into the affairs now engaging our attention; also, to use this valuable time for an exchange of ideas with the Chinese leaders.

November 25: The French are protesting against the Continental Commercial Bank Loan, in so far as the security is concerned. The security of the tobacco and wine tax had been assigned to some previous French loans. I saw Doctor Chen, and Count Martel called on me. I take the position that as the French loan—which is small in amount and will require only a very minor portion of the proceeds of the tax—remains entitled to be the first lien, the French interests are in no way prejudiced. I imagine what they really object to is the eventual appointment of an American auditor or co-inspector for this revenue. As this, however, would still strengthen the security for their loan, I do not see that they have any reason for complaint. The representative of the French bank which is interested, saw me and made a tentative suggestion that if advisorships were established, the French might take the wine tax, and the Americans the tobacco tax. I feel, however, that the hands of the Chinese were perfectly free when the loan was made; there can be no objection, except on the supposition that whenever the Chinese do business, no matter how small, with respect to any subject matter, they impliedly give a lien on all future dealings.

December 4: I called on Doctor Morrison to take a look at his library. This unusual collection contains about twenty thousand books in European languages, dealing with China. The rare editions of early works are almost completely represented. Doctor Morrison, who lives in a Chinese-style house, has built a fireproof building for his books. He has devoted the last fifteen years to getting them together, and I believe has spent the larger part of his income on them. Recently he married a lady who had been for a while his secretary. They now have a little boy. I am told that his marriage and fatherhood have greatly augmented Doctor Morrison's standing and influence among the Chinese. A bachelor does not fit into their scheme of life. We repaired to his study, and for a long time were discussing affairs. We spoke particularly about the railway situation and the fact that construction on all the lines contracted for has practically been stopped. This is an enormous disadvantage to the Chinese. They have to pay heavy interest charges on the initial loans, for which there is as yet no income-paying property to show, but only surveys and partial construction. We agreed that the Four-Power bankers, for instance, have a very weak case if China should decide to cancel their contract for non-performance, as money to continue the building is not forthcoming. On the British concession of the Pukow-Singyang Railway, on which virtually no work has yet been done, the Government nevertheless has to pay interest on a million dollars of capital that has been advanced.

December 7: I visited Prince Koudacheff, the Russian minister. I jokingly asked him whether he found that the Chinese thought of the Russians as half-Asiatic, therefore as brothers. "No," he replied; "they count us with you and with the other Europeans, as a scourge

and pestilence." In this conversation the Prince uttered a prophecy. "As a result of this war," he said, "the empire will be abolished in Germany."

(Neither of us at this time dreamed of the enormous subversions and convulsions which were soon to take place in Russia.)

December 8: I called on President Li in order to present a personal letter from President Wilson, in which the latter sends his good wishes. We discussed the American loan policy. The President, like other Chinese, finds it difficult to understand why America, with her great capital strength and industrial development, is so slow in taking advantage of opportunities for investment and development in China. The President said: "Americans love pioneering. In China there is pioneering to do, with the added advantage of having a ready labour supply and local capital, which may be enlisted. Why are they so slow to come in?" I agree with him that it is difficult to understand.

December 16: Mr. Victor Murdock is in Peking, bringing a breeze of American good-fellowship, and a vision unobstructed by theories. He finds China interesting, but, I fear, he will suffer the usual disability of the passing visitor, that is, he will see the unfavourable aspects of Chinese life and will not stay long enough to appreciate the deeper virtues.

This diary account of some of the happenings during the fall of 1916 contains nothing of the daily work of conferences, discussions, interviews, dictations dealing with the innumerable problems that come up from the consulates, or that arise in the capital

directly, or referring to general policies which are hammered out and formed for action.

A great part of the work of a legation is concerned with foreseeing trouble and trying to avoid it. Such work usually does not appear at all in the record. In a country where conditions are complicated as they are in China, where there is such a crisscrossing of influences, it is easy to make a mistake if constant care be not exercised to keep informed of every detail and to head off trouble.

CHAPTER XXI

CHINA BREAKS WITH GERMANY

The time came for the United States to sever relations with the German Kaiser's government. I had taken advantage of the clear sunshine and mild air on Sunday, February 4, 1917, to visit Doctor Morrison at his cottage outside of Peking near the race-course. After lunch a messenger came from the Legation, bringing word that an important cablegram had arrived and was being decoded. I returned to town, and at the Legation Mr. White handed me the decoded message which said that the American Government had not only broken off diplomatic relations with Germany, but that it trusted the neutral powers would associate themselves with the American Government in this action of protest against an intolerable practice; this would make for the peace of the world. I was instructed to communicate all this to the Chinese Government.

After a conference with the first secretary, Mr. MacMurray, and the Chinese secretary, Doctor Tenney, I made an engagement to see the President and the Premier on that same evening. I felt justified in assuming that the invitation to the neutrals to join the United States was more than a pious wish and that there was some probability that the European neutrals would support our protest. As to China I had already informed the Government that we could reasonably expect support there. I therefore considered it to be the policy of the Government to assure a common demonstration on the part of all neutral powers, strong enough to bring Germany to a halt. So far as my action was concerned, I therefore saw the plain duty to prevail upon China to associate herself with the American action as proposed by my government.

I found President Li Yuan-hung resting after dinner in his palace and in an amiably expectant mood. With him was Mr. Quo Tai-chi, his English secretary. He was plainly startled by the prospect of having to consider so serious a matter, and did not at first say anything, but sat silently thinking. His doubts and objections were revealed rather through questions than by direct statements. "What is the present state of the war, and what the relative strength or degree of exhaustion of the belligerent parties?" "Could the Allies, even with the assistance of the United States, win a decisive victory?" Finally, he said: "The effect of such a far-reaching international act upon the internal situation in China will have to be carefully considered."

The President's secretary appeared strongly impressed with the favourable aspects of our proposal, so that he began to argue a little with the

President. On my part, I pointed out the effects which a positive act of international assertion in behalf of a just cause and well-disposed associates would have upon China by taking attention off her endless factional conflicts. When I touched upon the ethical phases of the matter, the President fully agreed with me. I had particularly impressed upon him the need of prompt action in order that counsels might not be confused by adverse influences from without.

We next drove to the residence of the Premier, General Tuan Chi-jui, who was then playing an important part in the politics Of China. I recalled my first interview with him when he had received me in a dingy room, himself wearing a frowzy long coat and exhibiting a general air of tedium and lack of energy. There was no suggestion of the military man about him. The qualities upon which General Tuan's great influence is founded become apparent only upon a longer and more intimate acquaintance. Despite his real indolence, his wisdom, his fundamental honesty, and his readiness to shield his subordinates and to assume responsibility himself have made this quiet and unobtrusive man the most prominent leader among the Chinese militarists. His interest centres chiefly in the education of military officers. He is no politician and is bored by political theory. He is always ready to turn over the handling of affairs to subordinates, by whom he is often led into a course which he might not himself have chosen. This, coupled with extraordinary stubbornness, accounts for his influence often tending to be disastrous to his country. His personality, however, with its simplicity and pensiveness, and his real wisdom when he lets his own nature guide him, make him one of the

attractive figures of China.

Though in himself the principal influence in the Government, Tuan left all details to his assistants, Mr. Tsao Ju-lin and General Hsu Shu-cheng. He preferred to play chess. He was, however, always ready to shoulder responsibility for what his subordinates had done. Often when he was deep in a game of Chinese chess, his mind focussed on the complexities of this difficult pastime, General Hsu would approach him with some proposal. Giving only half an ear to it, the Premier would respond, "All right" (*How how*). When, later, the results of the action thus taken turned out to be bad and the Premier asked for an explanation, he was reminded that he had himself authorized it. He would then faintly recollect, and would make a gesture toward his shoulder, which indicated that—very well—he took the responsibility.

But on this occasion General Tuan was all attention. He had with him Mr. C.C. Wu of the Foreign Office, who continued throughout these negotiations to act as interpreter. The circumstance that the Minister for Foreign Affairs, Dr. Wu Ting-fang, was ill and had to be represented by his son, and that in all important interviews both the Premier and young Mr. Wu were present, greatly facilitated the business and saved time which would have been needed to carry on parallel conversations in the Foreign Office and with the Premier. General Tuan was far from accepting the proposal at first sight. "It would be wise for Germany to modify her submarine policy," he stated, "because in land warfare she could press her opponents so seriously that her absolute defeat would be difficult unless the United States entered the war." He appeared to contemplate the possibility

of China taking so unprecedented a step as the breaking of relations with a great power with less concern than did the President. We arranged for a longer discussion on the following day.

Far into that night I was in conference with the legation staff, and with certain non-official Americans and Britishers of great influence among the Chinese. These men looked with enthusiasm upon the idea of an association with the United States, aligning against Germany the vast population of China. While the energies and resources of China were not sufficiently mobilized to be of immediate use in the war, yet by systematic preparation they might bring an enormous accession of strength to the Allies if the war should last long. We felt, also, that through positive alliance with the declared policy of the United States, China would greatly strengthen herself internally and externally.

Dr. John C. Ferguson addressed himself directly to the Premier and the President; his thorough knowledge of Chinese enabled him to bring home to them the essential points in favour of prompt action. Mr. Roy S. Anderson and Mr. W.H. Donald, an Australian acting as editor of the *Far Eastern Review*, who were close to the members of the Communications Party and the Kuo Min Tang, addressed themselves especially to the leaders in parliament. Dr. G.E. Morrison, the British adviser of the President of China, had long worked to have China join in the war: he quietly used all his influence with the President and high officials, in order to make them understand what was at stake. Other Americans and British newspapermen, like Charles Stevenson Smith and Sam Blythe, who happened to be in Peking, all tirelessly working in

their own way with men whose confidence they enjoyed, urged the policy proposed by America. These men made a spontaneous appeal based upon the fundamental justice of the policy of resisting an intolerable practice, and on the beneficent effect which a great issue like this would have in pulling the Chinese nation together and in making it realize its status as a member of the family of nations. However, what counted most with the Chinese was the fact that America had acted, and had invited China to take a similar step.

At a second long interview with the President, he asked me: "Would not a positive active foreign policy, particularly if it should lead to war, strengthen the militarist party?"

I replied that in my opinion such a contingency would strengthen decisively the Central Government, enabling it to keep the military in their proper place as an organ of the state and preventing the further growth of the pseudo-feudalism inherited from Yuan Shih-kai.

"But would the American Government assist China in bearing the responsibilities of such a step?"

Before replying to this question, I had to cable the Department of State for instructions as to what assurances I would be authorized to give to the Chinese Government in the event of their taking the action suggested by the United States. Unfortunately, as was several times the case during some critical situation, the cable connection was broken and I failed to get any reply to assist me during the negotiations.

With a map the Premier and I, later that afternoon, analyzed the military situation of the European

Powers. From the analogy of the American Civil War, I expressed to him the belief that Germany could not resist the enormous pressure from all sides. "What," the Premier asked, "may be expected of America by way of direct military action? Bear in mind that I wish for nothing more than for a strong America, able to exercise a guiding influence in the affairs of the world."

My positive belief that America would, if necessary, follow the severance of relations with the strongest kind of military action interested him. America had been represented to the Chinese as a big, over-rich country which lacked energy for a supreme military effort.

"What, then, will happen at the conclusion of the war?" he asked.

The fact that Japan had already made efforts to assure for herself the right to speak for China was worrying the Chinese. With the Premier, as with the President, the idea that, through breaking with Germany, China could assure herself of an independent position at the peace table, had much weight. Both men also faced the possibility of being drawn into the war. The Premier appeared to regard this with a certain degree of positive satisfaction; to the President it seemed a less agreeable prospect. I made it plain that the American proposal did not go beyond breaking off diplomatic relations with Germany, and, that by taking that step, China would effectually rebuke and discourage the illegal and inhuman acts of Germany on the high seas, keeping her hands entirely free as to future action. Should further steps be later needed, the road would be open.

Intensive discussions were going on all day Monday

and deep into the night among the Chinese officials and the leaders of parliament. I received calls on Tuesday from many Chinese leaders who wished to talk over the situation. The progressive, modern-minded, and forward-looking among the Chinese readily supported the idea that China should range herself alongside the United States in this action. Admiral Tsai Ting-kan, who was very close to the President, laboured in company with Doctor Morrison to bring before Li Yuan-hung all the considerations favouring positive action. The President, however, still adhered to his idea that it was safer for China to remain entirely neutral.

In the cabinet, Dr. Chen Chin-tao, the Minister of Finance, and Mr. C.C. Wu, representing the Minister for Foreign Affairs, from the earliest moment associated themselves with those of the opinion that China must act, and they led the younger officials. In the Kuo Min Tang, Mr. C.T. Wang, vice-president of the senate; Dr. Wang Chung-hui, the leading jurist of China; and General Niu Yung-chien, of revolutionary fame, were the first to become active. The Peking *Gazette*, with its brilliant editor, Eugene Chen, came out strongly in favour of following the United States. A powerful public opinion was quietly forming among the Chinese. The Young China party was beginning to see the advantage which lay in having China emerge from her passivity.

When I returned from a dinner with the Alstons at the British Legation on Tuesday night, Mr. C.C. Wu brought me word from the cabinet that it would be quite impossible to take action unless the American Government could adequately assure China assistance in bearing the responsibilities which she might incur, without impairment of her sovereign

rights and the independent control of her national forces.

The Chinese ministers had in mind two things: In the first place, the need of financial assistance, in order to make it possible for China eventually to participate in the war, if that should be desired; and, second, the prevention of all arrangements whereby Chinese natural resources, military forces, arsenals, or ships, would be placed under foreign control incompatible with her undiminished national independence.

All through Wednesday I struggled with this difficult problem. I had to act on my own responsibility, as I could not reach the Department of State by cable. If all the influences unfavourable to the action proposed were given time to assert themselves, the American proposal would be obstructed and probably defeated. The Chinese Government would act only on such assurances as I could feel justified in giving to them at this time; if I gave them none, no action would be taken. It seemed almost a matter of course, should China follow the lead of the American Government, that the latter would not allow China to suffer through lack of all possible support in aiding China to bear the responsibilities she assumed, and in preventing action from any quarter which would impose on China new burdens because of her break with Germany. Unable to interpret my instructions otherwise than that a joint protest of the neutrals had actually been planned by the American Government, and feeling that the effect upon Germany of the American protest depended on the early concurrence of the important neutral powers, I considered prompt action essential. I was sure that all sorts of unfavourable and obstructive influences

would presently get to work in Peking.

When discussion had reached its limit, on the afternoon of February 7th, I felt it necessary to draw up a note concerning the attitude of the American Government. The tenor of this note I communicated to the Premier and the Foreign Office, with the understanding that I should send the note if favourable action were decided upon by the Chinese Government.

I believed that without such assurances the instructions of the American Government could not be carried out, and that it would act in all respects in a manner consonant with its position as a powerful government and as a leader of protest among the neutrals; moreover, that its relations with those who gave support in a policy of such fundamental importance would be determined by principles of equity and justice. I felt that the United States could not be less liberal toward a country coming to its support than toward those countries which the American Government was now going to help. It was only these self-evident conclusions which I cautiously expressed in my note. The text of this note, in its essential part, had the following form:

> EXCELLENCY:
>
> In our recent conversation concerning the policy of your Government in associating itself with the United States in active opposition to the unrestricted submarine warfare by which Germany is indiscriminately jeopardizing the lives of neutral citizens, you have with entire

frankness pointed out to me that, whereas the Chinese Government is in principle disposed to adopt the suggestion of the President of the United States in that regard, it nevertheless finds itself in a position in which it would not feel safe in so doing unless assured that it could obtain from American sources such financial and other assistance as would enable it to take the measures appropriate to the situation which would thus be created.

With like candour I have stated to you that I have recommended to my Government that in the event of the Chinese Government's associating itself with the President's suggestion, the Government of the United States should take measures to put at its disposition the funds immediately required for the purposes you have indicated, and should take steps with a view to such a funding of the Boxer Indemnity as would for the time being make available for the purposes of the Chinese Government at least the major portion of the current indemnity instalments; and I have indicated to you my personal conviction that my Government would be found just and liberal in effecting this or other such arrangements to enable the Chinese Government to meet the responsibilities which it might

> assume upon the suggestion of the President. I should not be wholly frank with you, however, if I were to fail to point out that the exact nature of any assistance to be given or any measure to be taken must be determined through consultation of various administrative organs, in some cases including reference to Congress, in order to make effective such arrangements as might have been agreed to in principle between the executive authorities of the two countries; and I therefore could not in good faith make in behalf of my Government any definite commitments upon your suggestions at the present time.
>
> I do, however, feel warranted in assuming the responsibility of assuring you in behalf of my Government that by the methods you have suggested, or otherwise, adequate means will be devised to enable China to fulfill the responsibilities consequent upon associating herself with the action of the United States Government, without any impairment of her national independence and of her control of her military establishment and general administration.

Final presentation of everything that had to be considered in making a decision was arranged with the Premier for Wednesday evening. I found General

Tuan alone. We spoke awhile about the news of the day, then I began to go into the main matter. But General Tuan appeared weary and worried. This may have been the reason for the failure of the interpreters to make smooth connection: I suggested, as the Premier had had an excessively long day, that we meet again the following morning. It was arranged for ten o'clock at the cabinet office, just before the Thursday morning cabinet conference.

I had just dined with Mr. C.T. Wang and a number of parliamentary leaders. They were keen on the policy of following the United States. They had seen President Li during the day; he was still full of doubts, but stated that he would leave the decision in the hands of the cabinet, and would abide by the results. Mr. Wang believed that the President was gradually coming around to the American point of view, and that his acceptance of it would be the stronger and heartier because of the conscientious doubts which he was overcoming.

The negotiations of these three days had gone on quietly. The men upon whom rested the responsibility of making the decision were constantly in conference. Several men of influence worked with officials of the Government and leaders in parliament. But the outside foreign public was not fully alive to what was going on, and those who knew and were interested generally believed that ancient China would not take so unprecedented a step. The Japanese minister, Baron Hayashi, was absent from Peking. The German official representatives apparently had no idea that any radical action could come from the Chinese Government.

I arrived at the cabinet office on Thursday morning,

at ten, and was shown to the room where the Premier was to receive me. As he had told me that Mr. C.C. Wu would be present to interpret, I had not brought an interpreter for this informal and intimate interview. The Premier soon entered unattended and we sat down together, smoking cigarettes, and observing an enforced silence, as Mr. Wu had not appeared. We were without an interpreter, but even in such circumstances the perfection of Chinese manners allows no embarrassment to arise. We had been sitting in mute thought a little while, when Admiral Chen, the Minister of the Navy, came in; he spoke English quite well, so that our conversation could begin; soon we were in the midst of earnest discussion. Within another ten minutes Dr. Chen Chin-tao, the Minister of Finance, arrived, and shortly after him came Mr. C.C. Wu. Thus, quite by chance, I had the opportunity of talking over these momentous matters jointly with the representatives of the four departments of government most nearly concerned: Foreign Affairs, Finance, War, and Navy.

We could now once more thoroughly go over all doubts and objections, and look at the proposed policy in all its manifold aspects and probable results. In this intense and earnest conversation no formal interpreting was needed. Whoever replied to my remarks would first repeat in Chinese what I had said for the benefit of the Premier. When the Premier had spoken, Mr. Wu would interpret his thought for me. All the others addressed me directly in English. I advanced arguments on every point, of which the following is a memorandum:

> The American Government has taken the present action because the wilful disregard of neutral rights went to

the extent of imperilling not only neutral property, but the lives of our citizens. In this matter the interests of China are entirely parallel to those of the United States; both nations are peaceful and see in the maintenance of international right and peaceful conditions a vital guarantee of their national safety. Through association with the United States, China would enter upon this controversy with a position consonant with every tradition and interest of her national life, a position which would have to be respected by friends and foes alike, as dictated by the highest principles which could guide national action. By taking this action, China would improve her independent standing among the nations, she would have to be consulted during the course of the controversy and at the conclusion of the war; she would, in all this, be most closely associated with that nation which she has always looked upon as peculiarly friendly and just to her. In addition to these arguments, many favourable results were discussed which China would obtain in international diplomacy.

Many arguments were advanced by the Chinese officials in doubt of the policy suggested; it was stated that China had not led up to a breach

with Germany by notes of protest, such as had made the action of the United States seem natural and unavoidable; Germany had of late years always been considerate in her treatment of China, a sudden breach might seem treacherous; it might also be taken by Japan as so surprising an action as to give a favourable pretext for pressing the dreaded demands of Group V. It was also apparent that the representatives of the European Allies were not in a position to give China, at the present time, any advice favourable to the action suggested.

I pointed out in turn that were the action suggested once taken by China, the representatives of the Allied Powers would have no choice but to applaud it, which some of them, at least, would do from the fulness of their hearts. As far as Japan was concerned, the situation would be such as to indicate that that country, too, would decide to express approval of the action. Having taken a definite position on this side of the controversy, without yet entirely associating herself with the Allies, China would be in a position to command their goodwill; any interference with China's sovereign rights would be rendered more difficult because of the

> situation thus created. It was almost inconceivable that coercive action should be taken against the friend who had declared himself. Moreover, the United States having taken the initiative in inviting China to participate in the protest, it would be unlikely that any action could be taken over the head of the United States or without consulting the American Government.
>
> As to the suddenness of the action suggested, I urged that the action of the German Government in announcing unrestricted submarine warfare was itself so astounding in its disregard of neutral rights that no action taken in reply could be considered too drastic. It was virtually a threat to kill Chinese citizens navigating certain portions of the high seas; and injury could be prevented only by taking a determined and forceful position.

We continued our discussion until nearly twelve o'clock, when I took my leave, thanking the ministers for their courtesy and goodwill. The cabinet sat until six in the evening. Shortly after six I received a telephone call from Mr. C.C. Wu, who said: "I am very happy to tell you that the cabinet has decided to make a protest to Germany, and to indicate that diplomatic relations will be broken off unless the present submarine warfare is abandoned."

It is interesting to remember, as the publication of

the Russian secret archives has shown, that on this very day the Japanese Minister for Foreign 'Affairs was urging the Russian ambassador at Tokyo to get from his government assurances of various benefits (including Shantung) to come to Japan if she undertook the supposedly difficult task of inducing China to join the Allies. Japan was thus asking a commission for persuading the Chinese to join the Allies, although they were willing to do so freely of their own accord, as their action this day showed.

The Chinese had made a great decision. These men had acted independently upon their judgment of what was just and in the best interests of their own nation. It was the act of a free government, without a shadow of attempt at pressure, without a thought of exacting compensations on their part. When it is considered in comparison with the manner in which some other governments entered the war, it will stand as an honour to China for all time. Incidentally, this was China's first independent participation in world politics. She had stepped out of her age-long aloofness and taken her place among the modern nations.

I now sent the note to the Chinese Government which contained the simple assurance of fair treatment by the United States. In return I received this promise:

> In case an act should be performed by the German Government which should be considered by the American Government as a sufficient cause for a declaration of war, the Chinese Government will at least break off its diplomatic relations with Germany.

In his formal note to me, dated February 9th, the Minister for Foreign Affairs declared:

> The Chinese Government being in accord with the principles set forth in Your Excellency's note and firmly associating itself with the Government of the United States of America, has taken similar action by protesting energetically to the German Government against the new measures of blockade. The Chinese Government also proposes to take such action in the future as will be deemed necessary for the maintenance of the principles of international law.

On the same day a formal note of protest was dispatched to the German minister.

The entire cabinet reported on February 10th to a secret session of parliament on the diplomatic action it had taken. The report was well received; only a few questions were asked concerning the procedure which had been followed. Parliament did not take a vote on this matter, as it was considered to be an action by the cabinet within the range of its legal functions.

A wave of exultation passed over the country. There seemed to be hope for harmony among factions; the self-respect of the Government was visibly heightened. That China had without coercion or sordid inducement taken a definite stand on so momentous a matter inspired the Chinese with new hope. In coming to the support of international right, they felt that they were strengthening the forces

which make for the independence of their own country.

Expressing themselves unofficially the representatives of the Allied governments during these negotiations cautiously favoured the step proposed. When the decision had once been taken, the approval of the Chinese action was unanimous. My Belgian colleague remarked to me: "The air has been cleared, a weight has been lifted off China and the powers. The stock of America has risen 100 per cent."

Mr. Sam Blythe gave a dinner on the evening of February 9th, at which Dr. George Morrison and many other American and British friends were present. The dinner became a celebration. Greeting me, Doctor Morrison said: "This is the greatest thing ever accomplished in China. It means a new era. It will make the Chinese nationally self-conscious; and that, not for narrow, selfish purposes, but to vindicate human rights."

But the thing was not yet accomplished. I knew well enough that the decision of the Central Government would not be immediately accepted in all parts of China. Opposition might crop out. In certain regions men of strong German sympathies were in control, or political intrigues to cause embarrassment and difficulties to the Central Government were going on. All China must understand and support the decision taken by the Government.

Of the leaders in the provinces the Vice-President, General Feng, at Nanking, was most important; as the blunder had been committed of not consulting him, he was predisposed against the decision; moreover, General Feng had several German advisers in whom he placed confidence, and who had given

him a strong notion of German invincibility.

Fortunately, Mr. Sam Blythe was going to stop at Nanking on his way to Shanghai, in order as a journalist to interview the Vice-President. Blythe argued the matter out with him. He found that General Feng really felt injured. This was smoothed over. With Mr. W.H. Donald as an able second, Sam Blythe impressed upon the General that China had merely been asked to break off relations, which did not imply going to war. After a long and serious conversation, with some side-flashes from Sam Blythe, the Vice-President declared himself fully satisfied, and he came out in favour of the Government's policy. (Thus, as has often been the case, an unofficial visit by private individuals accomplished the good results.)

In other ways and by other persons, different leaders were visited and familiarized with the underlying reasons for the act of the Central Government. These influences interplayed with cumulative effect; no concerted opposition was formed; by a sort of football "interference" the policy to condemn German submarine warfare, and, if necessary, to break relations with Germany, scored its touchdown.

Intelligent teamwork and American energy were in a fair way to give China the backing she needed, having first assured her concerted action with the United States. At a diplomatic dinner which I gave the Minister for Foreign Affairs in February, the absorbing talk was about the diplomatic action taken by China. Count Martel and M. Pelliot of the French Legation, Miles Lampson of the British Legation, Mr. Konovalov, Russia's financial adviser for China, and other Allied representatives all came to me during the evening to say how enormously gratified they

were at the initiative of the United States and the stand taken by China. For once nobody could disapprove of Chinese action.

The Japanese also expressed approval, but immediately tried to get China to take the further step of declaring war, and the French minister, too, worked actively for this. Japan was eager to recover the lead. A great campaign of intrigue and counter-intrigue resulted among the various factions in China which threatened to destroy the unifying and inspiring effects of China's action. The question of joining the Allies out and out was thrown into politics. From all this most of the ministers held aloof. When Liang Chi-chao sounded me on this question, I told him, while lacking instructions from my government, that I thought the rupture of diplomatic relations would be enough, if it should come to that. Within a few days instructions came from the State Department to the same effect.

During March I repeatedly saw Vice-President Feng and President Li. Feng, small and slender, intelligent in appearance, bald, with keen but shifty eyes, was courtesy itself. I was specially delighted with the refinement and musical quality of his diction. I went over the whole ground with him, satisfying him, especially, on the question of the specific American objections to the German U-boats. "I approve heartily and completely," he finally assured me, "of the proposed break with Germany."

I found that General Li was not only in favour of breaking with Germany, but of an internal break with his own premier, General Tuan. "I cannot trust him," said Li; "he wishes to eliminate me from real power." This friction within distressed me not a little, as I had sincerely hoped that these two men would

come to coöperate.

Then I saw Dr. Wu Ting-fang. Besides being China's foreign minister, Doctor Wu is a spiritualist. When I entered, he followed his usual bent, bundled the morning's business details over to the counsellor in attendance, and devoted himself to philosophizing. Spiritualism, longevity, and the advantages of a vegetarian diet, were to him topics for real thought and speculation. In mystic language, he remarked: "There is an aura gradually spreading from Europe over the entire surface of the world. It enters the brains of the people and penetrates them, making them war-mad. We are having the first signs here."

By March 10th, submarine warfare had not been modified. Parliament then formally approved the breach of diplomatic relations with Germany.

I had almost belaboured the department for instructions during the progress of our work. But it was not until the 13th of March, the very day the break of diplomatic relations was formally notified, that the instructions came. These rather implied that the circular inviting coöperation on the part of the neutral powers had been too strongly acted upon by me. I could not but be inwardly amused.

When a government takes a step involving life and death and all the interests of its own and of general civilization; when, in connection therewith, it calls upon other powers to associate themselves with it—it ought to be safe to presume that the government means what it says. It should see that the action it invokes involves great sacrifices, and it must not invoke it lightly. A responsible official would not be justified in interpreting such a note in a platonic sense.

At once questions of finance arose. Ancient China had taken her brave step in modern world affairs. She might now have to go to war. That would take money, and money would be needed to guard such a contingency—indeed, internally and externally China had need to put her financial house in order. Yuan Shih-kai's imperialism had left a burden of debt. The Republic required strengthening by a new system of national credit and by the building up of its natural resources. Now the public debt was relatively still small, the rate of taxation upon the hundreds of millions of citizens low. The situation was basically sound. The question had been asked since last summer: Would America supply China with an investment loan of a hundred millions, thus delivering her of lenders who were seeking to dominate her and to split her up into "spheres of influence"?

Minister Wellington Koo, who had journeyed to the United States in behalf of Yuan Shih-kai's imperial ambitions, now worked for the Republic there. I suggested at first that the firm of Lee, Higginson & Company, which still held its option, should complete its loan. This was not done. Then other capitalists were approached and in November, 1916, Doctor Koo arranged for a large loan with Mr. John J. Abbott, president of the Continental and Commercial Savings Bank of Chicago. Mr. Abbott, wishing to study the Chinese financial situation, arrived in Peking during April, 1917, bringing his lawyer. I got him acquainted with the Chinese ministers, and took him and Mr. Joy Morton, also of Chicago, to lunch with President Li and Dr. Chen Chin-tao and Hsu Un-yuen. The President said: "I will back all financial legislation which American experts may find necessary for the proper organization of

China's credit."

Doctor Chen was arrested and put in prison through the plotting of his enemies, but Hsu Un-yuen remained, with his sound financial training. Finally Mr. Abbott proposed an ingenious scheme, with the wine and tobacco taxes as the basis—for every $1,000,000 of annual revenue there should be a loan of $5,000,000; if the taxes amounted to ten millions, they would serve as security for a loan of fifty millions. Mr. Abbott left behind him a plan for reorganizing these taxes, and a promise to take up at any time the question of loans on this basis, in addition to five millions lent the preceding November and an option for twenty-five millions more.

CHAPTER XXII

CHINA'S BOSSES COME TO PEKING

I have noted that Dr. Chen Chin-tao, Chinese Minister of Finance, was put in prison. Doctor Chen had administered Chinese finances strictly and well, in a most difficult period. For the military governors or Tuchuns, who were the real bosses of China's vast population, he was too honest and too strict. The Tuchuns looked upon the Minister of Finance as in duty bound to procure funds for them by hook or crook.

When the government banks were broken and had declared a moratorium, their large over-issues of notes were worth only one half their face value. Working with Doctor Chen was Hsu Un-yuen, managing director of the Bank of China. Mr. Hsu managed judiciously to bring the notes of his bank virtually to par. The Tuchuns, aided by the pro-Japanese clique, which formed part of the Premier's entourage, attacked both Hsu and Doctor Chen. For the latter the cabal laid a trap. It was made to appear that he gave support to a certain company in return for having his brother employed. So the cabal, using this pretext to satisfy their grievances, got him arrested and jailed, thus ending his negotiations with the Chicago bank of John J. Abbott. President Li was interested and distressed. When I asked Premier Tuan about Doctor Chen, he smilingly stated that he should have a chance to clear himself.

Meanwhile, the breach between the Premier and the President widened. To strengthen himself in his policy of favouring a declaration of war, the Premier

called all the Tuchuns to Peking for a conference. Nine governors-general came, and all the other provinces sent delegates. General Tuan was successful with them, and by April 28th they had decided to support his war policy.

The Tuchun of Shantung was bulky, coarse-looking. I had some idea of his views on representative government from his inaugural address to the Shantung Assembly. "Gentlemen," the Tuchun said with genial frankness, "you resemble birds who are in a large cage together. If you behave well, and sing songs that are pleasing, we shall feed you; otherwise, you shall have to go without food."

Several of the Tuchuns called on me by appointment, and later I gave them a formal reception, at which I saw all who had come to Peking, observed their personalities, and tried to fathom the source of their personal prominence and power. I talked with them individually and in groups, chiefly about the progress of the war and the relative strength of the combatants. My guests were full of smiles and good cheer, particularly did the Tuchun of Fukien radiate joy. In their sociability they were true Chinese, and here, where they had been received with the military honours due to their position and in the spirit of hospitality, they could show themselves in a more amiable light than when maintaining their power in their provinces. To a brief speech of welcome which I made when they had all arrived General Hsu Shu-cheng replied with a most emphatic expression of friendship for America.

That so many of these governors should have risen from the lowliest position was indeed strong evidence of the underlying democracy of Chinese life. But that a mere handful of men should wield

such power, each in his province, did not bespeak strength in representative government.

Some of the military commanders were men of education, although most of them had risen from very modest surroundings: Yen Hsi-shan, of Shansi; Chu Jui, of Chekiang; Tang Chi-yao, of Yunnan; Chen Kuang-yuan, of Kiangsi; Ni Tze-chung, of Anhwei; Li Shun, of Nanking, a fisherman's son; Li Ho-chi of Fukien, Tien Chung-yu of Kalgan, both of middle-class families—all these were fair scholars. General Wu Pei-fu, who rose from the post of a private in the Chino-Japanese War, had through great intelligence and industry acquired a good education, as likewise had General Feng Yu-hsiang; both of these generals professed the Christian religion. President Feng Kuo-chang came of a poor family, and as a young man played a fiddle in a small local theatre.

Among the other Tuchuns were many to whom the Chinese applied the proverb: "A good man will never become a soldier." These men, indeed, deserve credit for having risen from their original state as coolies, bandits, or horse-thieves, but they often owe their prominence to qualities which by no means make for the good of the state. Chang Tso-lin, the Viceroy of Manchuria, commenced his career as a bandit; he was pardoned by Chao Er-shun, and became a government officer. Chang Huai-chi was a coolie, and never got much education. Tsao Kun, of Chihli, was a huckster. Wang Chan-yuan was a hostler. The trio, Chang Hsun, Lu Yung-ting, and Mu Yung-hsing, headed the so-called Black Flag Band; at one time the partners put up fifty thousand taels to enable Chang Hsun to buy himself an office and become respectable. But he spent it all in high living. With the antecedents of some of these men one marvels

not only at the position they have acquired, but at the personal polish and air of refinement of many of them.

All of them dealt with political power as a commodity, secured through the use of money and soldiers. They were somewhat like the *condottieri* of the Italian renaissance, looking ahead only to the goal of their personal ambition for wealth and power. Even among these militarists, however, there were those who gave some attention to matters of public policy, and the idea of national welfare and unity had begun to dawn upon their consciousness. Moreover, in them I felt a mixture of the old and the new. They had suddenly come into great power, thought in terms of airplanes and modern armaments, but had as yet few other modern ideas to inspire their action with anything beyond personal motives. In their human qualities, however, several of them excelled; and some, even, showed a real spirit of public service and ability as administrators.

The Japanese Government was still trying to get China into the war, and its minister called on President Li to urge it. I talked on May 9th with the President, who said that he favoured a declaration of war provided parliament was not overridden in the process. Then I saw the Premier. "If parliament is obstinate," General Tuan said bluntly, "it will be dissolved."

I told him it would make a very bad impression in the United States and with other Western powers if parliament were ignored in so important a matter. I knew that parliament did not oppose declaring war, but desired to control the war policy. "But," the Premier urged, "the opposition of parliament disregards national interests. It desires merely to

secure partisan advantage." Tuan discussed the attitude of Japan. "The Japanese have assured me," he declared, "that if I follow a strong policy I may count on their support. Now circumstances force the Chinese Government to be friendly to Japan. Of course, I will not give up any valuable rights to anybody, and I will strengthen China in every way so that resistance may be offered to any attempted injustice."

Ironically, he asked whether confidence could be placed in the southern leaders of the Kuo Min Tang. "I have proof," he continued, "that both Sun Yat-sen and Tsen Liang-kuang have given written assurances to the Japanese Consul-General at Shanghai that if either of them becomes President of China he will conclude a treaty granting to Japan rights of supervision of military and administrative affairs more extensive than those sought in Group V of the twenty-one demands." So each party believed the worst of the other.

Events were tending to a climax. The Government was demoralized. Doctor Chen was in prison; Mr. Li Ching-hsi, a nephew of Li Hung-chang, who was to take Chen's place, would not assume office while affairs remained so unsettled. The Ministry of Communications was in charge of an underling. The Minister of Education, who also acted as Minister of the Interior, was seriously ill. The Kuo Min Tang ministers had lost their influence with their party in parliament because of their failure effectively to oppose the Tuchuns' policy. It was believed that the Tuchuns, with the followers of General Tuan, were planning a *coup* against Parliament.

In the midst of this I had a personal chat with Chen Lu, the Vice-Minister for Foreign Affairs, at an

evening reception at the British Legation. I told him of my surprise that the Tuchuns, instead of attending to the urgent business in their provinces, should be gathered here, interfering with the Central Government. I let it be distinctly understood that any movement to overthrow parliament in order to carry out the war policy could not be expected to receive the sympathy of the United States. The vice-minister was in close touch with the Tuchuns. I expected that he would repeat my remarks to them. He did.

As I was leaving the Chancery a few evenings later Mr. Roy Anderson appeared with the news that something was happening and drove me over to the railway station. We went through the Chenmen gate. Along the main street were many carts rapidly driven, loaded with military stores and household goods. Automobiles were rushing by them to the station. On the platform was a turmoil of troops busily transferring the various military possessions to cars. In a parlour car our friends the Tuchuns were assembling. I left Mr. Anderson there to observe and to get information.

It appeared that the Tuchuns had all of a sudden decided to leave Peking for their various capitals, taking their bodyguards with them. Two or three were to remain in Tientsin a little longer to watch developments. Their precipitous exit seemed to indicate that President Li had at last got the upper hand.

As a farewell courtesy to Doctor Willoughby, the American legal adviser, the President had invited him and me to luncheon on the following day. President Li was cheerful. The discomfiture of the Tuchuns filled him with glee. "All danger is passed," he announced; "I will dismiss General Tuan, appoint

a new cabinet, and have parliament decide the war question without compulsion."

In order to inform myself as to what was behind the President's confidence, I asked him what he had to put in the place of his cabinet and General Tuan, and whether he believed that the Government could be carried on without the concurrence of that important party.

"Oh, yes," the President assured me, "it is all arranged."

Pressing him a little further, and asking upon whom, in particular, he was relying, to my unspeakable surprise, he said: "General Chang Hsun will assist me."

Now General Chang Hsun was an old-time bandit and militarist. His ideas were devoid of any understanding of representative institutions. It passed my power of imagination to see how reliance could be placed in this general for the vindication of parliament. As I looked dubious, the President repeated: "Yes, you may believe me. I can rely on General Chang Hsun."

It was not what Chang Hsun stood for that the President relied on, but on his enmity to General Tuan. Li Yuan-hung, though quite modern in his conception of government, in this instance followed a strong Chinese instinct which aims to prevail by setting off strong individuals against each other.

After I had heard that the dismissal of General Tuan had been announced, General Chin Yun-peng called on me. He was agitated and much worried. "Do you not think that General Tuan should leave Peking?" he asked. "His enemies will undoubtedly wish to take his life."

I tried to cheer him up by telling him that in a modern government such ups and downs must be expected. "Let the other side now develop their policy, and show what they can do; let General Tuan use this time for quiet recuperation, after the strain he has been through. Then," I said, "the time will come again when Tuan will be called back to power." The eyes of the good general lit up with gratitude. General Ni Tze-chung, most notorious and active among the military party, declared on the 26th of May that the dismissal of General Tuan had been illegal. His province of Anhwei disapproved; it would act independently of the Central Government.

This was the crucial point in the development of the situation.

Expert observers said that had the President immediately dismissed Ni and ordered his punishment, appointing a junior commander in his place, the rest of the militarists would have fallen away from Ni, and the President could have dealt with them individually. Instead, he was persuaded to send a conciliatory letter to General Ni.

This, of course, confirmed the leadership of Ni over the military party; further, it encouraged the majority of the Tuchuns to declare their independence.

A so-called provisional government was set up at Tientsin. The older and wiser heads of the military party, men like General Tuan Chi-jui and Mr. Hsu Shih-chang, held themselves entirely aloof from this new organization.

General Ni Tze-chung was the leading spirit. By dint of force the so-called government helped itself to the deposits of the Chinese Government in the Tientsin

branch of the Bank of China. The men greatly in evidence were the members of the pro-Japanese clique, Mr. Tsao Ju-lin and General Hsu Shu-cheng. General Aoki, the Japanese military adviser to the Government, was also on the ground.

In Peking a paralysis crept over the Government. The President lost his advantage as quickly as he had gained it. On the railways all orders of the Tuchuns for transportation were implicitly obeyed. When at this time the question of the movement of revolutionary troops and their stationing at Tientsin and along the railway came up, the Japanese minister persisted in the position that it would be highly undesirable to make any objection on the ground of any possible conflict with the protection of the railway by foreign troops. Two months before, the Japanese Legation had strongly objected to the stationing of a few government troops along the same railway.

The President issued a mandate inviting Chang Hsun to Peking as arbitrator.

When I interviewed the President, he looked disconsolate His youthful English secretary, Mr. Kuo, tried his best to give a more cheerful and confident note to Li's conversation, but Doctor Tenney, who was with me, easily compared the President's doleful Chinese with the more buoyant English translation.

The plan of the Tuchuns was directed toward isolating and strangling Peking. They controlled the railways leading there, and were preventing the shipment of foodstuffs. The ministry that controlled the railways, it must be remembered, was controlled by Japanese influence. Constitutional government in China was paralyzed through the lack of military and financial authority.

The war issue worried the Chinese. First, they feared that the militarist party would take advantage of it, through the support of Japanese influence, to fasten its hold upon China; second, that China might by the Allies be made a field in which to seek compensations. But if local political troubles had not entirely upset the situation, it might have been possible to arrange for a joint declaration of the powers that would have allayed suspicion and made it feasible for China to enter the war with a sense of security.

Dr. Wu Ting-fang, acting on the suggestion of Mr. Lenox Simpson and liberal-minded Chinese publicists, made a move to have the American Government do something. He sent advices to Minister Koo in Washington telling him about General Ni and his leadership of the revolt of the Tuchuns. The southern provinces were still loyal to the President and parliament, and the civil and commercial population disapproved of the rebellion. President Wilson and Secretary Lansing were asked to make a statement in behalf of representative government in China. This was followed by a direct appeal to President Wilson.

But the American Government had already instructed me on the 5th of June to communicate to the Chinese Government a statement evincing a sincere desire for internal political harmony. The question of China's entry into the war, it said, was secondary to continuing the political unity of China and the laying aside of factional disputes. I accompanied it orally with a personal statement that the United States conceived the war to be one for the principles of democracy; that it would deplore any construction of its invitation which would lend itself to the idea that

it contemplated any coercion or restriction upon Chinese freedom of action. I made plain that no matter how much the United States wished the coöperation of China in the war, it did not desire to bring this about by using the political dissensions or working with any one faction in disregard of parliament.

General Tuan Chi-jui at once stated to Doctor Ferguson, who unofficially informed him of the American note at Tientsin, that he had totally withdrawn from all politics. The Chinese press gave a very favourable reception to the note; the Chinese people welcomed America's advice. General Feng Kuo-chang, later when he had become President, spoke of the note to me, and remarked on the salutary influence it had wielded upon public opinion in China.

While the political dissensions in the Chinese state were too personal to be overcome by any friendly suggestions from the outside, nevertheless the American note had set up a standard for all the Chinese. It had, furthermore, given convincing proof of the fact that the true interests of China were impartially weighed by the American Government, and were not entirely subordinated to any war policy which America might desire to advance. From all parts of China came expressions of gratitude and satisfaction that the American Government should have spoken to China so justly and truly. The Chinese appreciated the spirit of justice of the American Government in not desiring to have the war issue used for the purposes of enabling any faction or party to override the free determination of the Chinese Government and people. As America was itself at war and would therefore have welcomed

coöperation, this just policy particularly impressed the Chinese.

The Japanese press both in Japan and China immediately launched forth into a bitter invective against the American action. The United States should have consulted Japan. Its action constituted interference in the domestic affairs of China. "If China listens to advice from America," a Japanese major-general declared in an excited speech at a dinner in Peking on the 7th of June, "she will have Japan to deal with."

The Japanese ambassador at Washington protested informally. Had not Secretary Bryan, in a note dated the 13th of March, 1915, recognized the special and close relations, political and economic, between Japan and China? It was impossible that the American minister at Peking was taking a part in political affairs in China, but the Japanese public was sensitive about the note sent by the American Government to China. Would it not be useful if the American Government would confirm Mr. Bryan's statement?

The reply to this communication did not come until the 6th of July. Mr. Bryan's statement, the reply said, referred only to the special relations created by territorial contiguity in certain parts of China. Even with respect to them it in no way admitted that the United States might not in future be justified in expressing itself relative to questions that might arise between China and Japan. The United States could not be indifferent to matters affecting the welfare of the Chinese people, such as the unrest in China.

The first detachments of Chang Hsun's troops arrived in Peking on the 9th of June. Chang Hsun's theory was that it is the business of a trooper to make

himself terrible. These wild horsemen, wearing loose-fitting black uniforms, with their cues rolled up on the back of the head, rode about Peking with the air of conquerors. The "Mediator" was coming with sufficient military force to back his judgment.

When General Chang himself arrived, the streets from the railway station to the Mediator's house in the Manchu city were entirely shut off. Mounted troopers blocked the way as my automobile came along a side street to cross one of these thoroughfares. They nearly collided with the front of my machine, drew their guns, and would not budge. To explain to them my right to pass would have meant sending someone to the Foreign Office; even then in order to go on I might have to run over them, for the Foreign Office, undoubtedly, meant nothing at all to them. I told my companion not to let them know my position. We tried to pass through on the ground that we had business on the other side, but they reared their horses up and down, and nearly came into the machine with us. We were held up until the great man had arrived and had raced from the station to his residence.

When I was with Dr. Wu Ting-fang a few days later the card of a secretary of the cabinet was brought in. I knew that he was trying to induce Doctor Wu to sign a decree dissolving parliament. I had heard in the morning that President Li had finally caved in; for Chang Hsun's first prescription for restoring China was to declare that parliament must be dissolved. The President relied on Chang's assistance. He could not help himself, he must accept the dictation of the man he had summoned.

I rejoined a friend who awaited me outside in the automobile. He had just overheard the chauffeur of

the cabinet secretary and the doorman of the Foreign Office. The chauffeur had said: "Is your old man going to sign up? You had better see to it that he does, else something might happen to him."

These subordinates were keeping their eyes open.

The Japanese minister, on whom I called that morning, said to me: "General Chang's mediation is the last hope of peace. It is desirable that parliament be gotten rid of, it is obstructive, and makes the doing of business well-nigh impossible."

Dr. Wu Ting-fang stood out against countersigning the mandate that would dissolve the parliament. In matters of spiritualism, vegetarianism, and longevity, I had perhaps not always been able to take him quite seriously. But I admired his quiet courage in not allowing himself to be bowled over, after even President Li had given in. Before daylight on the 13th of June Doctor Wu was roused from his bed and now asked to countersign a Presidential mandate designating the jovial General Chiang Chao-tsung, commander of the Peking gendarmerie, to act as Premier, and accepting Doctor Wu's resignation. Before daybreak General Chiang signed the mandate dissolving parliament. The President consented to its issue, for he had been told it would be impossible to prevent disturbances in Peking unless this were done.

So wore on the early summer of 1917. Affairs seemed to have arrived at a stalemate.

CHAPTER XXIII

AN EMPEROR FOR A DAY

My family had gone to Peitaiho for the summer. I was staying at the residence alone with Mr. F.L. Belin, who had recently come to Peking to join my staff. I slept rather late on Sunday, July 1st, as the morning was cool. When Kao, the first boy, came in to take orders he appeared excited and cried: "Emperor has come back again!"

I did not immediately grasp the significance of this astonishing announcement; but he went on volubly telling me that it was true, that the Emperor had returned, that all the people were hanging out the yellow dragon flag. I sent out for information and soon learned that the little emperor, in some mysterious way, had been restored during the night.

The monarchical movement came as a complete surprise to everybody, for it was entirely the personal act of General Chang Hsun. The men whose names were recited in his proclamations as assisting him had known nothing about it; it was undreamed of even by those who found themselves forced to assist, such as the Chief of Staff and the heads of the gendarmerie and of the police.

Kang Yu-wei, the "Modern Sage" of China, arrived in Peking on June 29th, and with him the restoration was planned. Kang Yu-wei, who had been the leader of the first reform movement in 1898, when he made a stand against absolutism, had always remained a consistent believer in constitutional monarchy. He encouraged Chang Hsun with philosophical theory, and wrote all his edicts for him. The two believed that the Imperial restoration would immediately bring to the active support of the Government all the military governors, whose true sentiments were notoriously imperialistic. Their consent was taken for

granted, and the edicts, as drawn up, expressly assumed that it had been given.

It became known to me that Chang Hsun had also discussed the possibility of an Imperial restoration with the Japanese minister. The latter expressed the opinion that the movement should not be undertaken without first making sure of the assent of the chief military leaders. Chang Hsun had no doubt of this support; he evidently regarded the advice of the Japanese minister as encouraging, and believed that his movement would have diplomatic countenance.

Chang Hsun had his intimate advisers, particularly Kang Yu-wei, draw up the requisite Imperial edicts on the 30th of June. In these it was stated that leading governors, like Feng Kuo-chang, Lu Yung-ting, and others of equal prominence, had petitioned for the restoration of the monarchy. Lists of appointments to the highest positions in the Central Government and the provinces were prepared. The existing military governors were in most cases reappointed. In the Central Government the important men designated were Hsu Shih-chang as Guardian of the Emperor, Liang Tun-yen as Minister for Foreign Affairs, and Chu Chi-pao as Minister of the Interior. Wang Shih-chen was retained as Chief of the General Staff.

As an amazing instance of how consent was taken for granted, it was recited in an Imperial edict that President Li Yuan-hung had himself petitioned for the reëstablishment of the Empire; this edict appointed Li a duke of the first class.

So soon as these edicts were prepared and ready for presentation, a dinner was arranged for the evening of the same day, to which the heads of the Peking military and police establishments were invited.

They met at the Kiangsu Guild Hall. After great quantities of wine had been consumed, Chang Hsun broached his project for the salvation of China, stating that all preparations had been made and that military and diplomatic support was assured. Then, pointing to the Chief of Staff, he said: "Of course, you are supporting the movement."

General Wang, completely taken aback, saw no way to refuse—since he was in the presence of an accomplished fact. In the same way the consent of General Chiang, head of the gendarmerie, and of General Wu, head of the police, was obtained.

Thus the enterprise was launched. Chang Hsun directed General Wang and four others to proceed immediately to the residence of President Li, to wake him up, and to obtain his consent to a memorial asking for reëstablishment of the monarchy. Chang Hsun himself proceeded to the Imperial City. Not being able to obtain the support of the Imperial dukes for his movement, he had lavishly bribed the eunuchs in charge of the palace, who opened the gates for him and his retinue, and took him to the private residence of the young Emperor. Chang Hsun prostrated himself, and informed the Emperor that the whole nation demanded his return to the throne. Thereupon he took the frightened boy to the great throne room, and, in the presence of his retainers and members of the Imperial Family, who had been summoned, formally enthroned the Emperor. Then the edicts which had been prepared were formally sealed.

As may be imagined, there were some comic incidents. A rather distinguished man had been summoned by the Premier to discuss with the President his assumption of one of the cabinet

portfolios. A Chinese friend of mine who had just heard of the restoration saw him at the hotel about ten o'clock in the morning. On being asked what was his errand in Peking, the distinguished personage stated confidentially that he was awaiting a carriage to take him to the President's palace. "There is no President," he was told. "This is now an Empire; the Emperor was enthroned at four o'clock this morning." The great man's astonishment was amusing.

As the military chiefs were deceived on the preceding night, so Peking was deceived for one day. As the news spread, the population showed an almost joyous excitement. Everywhere the yellow dragon flags appeared, soon the entire city took on a festive appearance. Revived memories of past splendour seemingly made the population of Peking imperialist to a man. But the height of this movement was reached as early as the morning of the 2nd of July.

I had avoided receiving General Chang Hsun. Mr. Liang Tung-yen came to assume office as Minister for Foreign Affairs; I also abstained from seeing him, as well as the rest of General Chang's ministers, asking Doctor Tenney to talk with those who presented themselves. Mr. Liang had always been an imperialist, and was in high spirits, believing that at last China was saved. He had been led to believe that the foreign diplomats would readily recognize the restoration.

Strong doubts as to the character of the movement became manifest on Monday, the 2nd of July. Tuan Chi-jui did not figure in the Imperial official lists. When asked about this, Chang Hsun declared that General Tuan was unimportant, having no troops under his command. But Liang Chi-chao had been

playing cards with friends at about 2 A.M. on the fateful night, when the news was telephoned to Tientsin. Liang immediately went to General Tuan's residence, where the latter was similarly engaged at cards. General Tuan, who was thoroughly weary of public affairs, was difficult to rouse; he begged to be spared the trouble of thinking of what might be occurring in Peking. More details came in, and it became apparent what a thoroughly one-man affair the movement was. Then Tuan roused himself.

Tuan was at that time actually only a private citizen, without authority or command. But I learned later that Liang Chi-chao had gone to Japanese friends for funds to enlist the military against the Imperial movement, and he got 1,000,000 yen as a loan to himself and General Tuan for this purpose. It was to be treated as a government loan upon restoration of normal conditions.

The two proceeded on Tuesday to Machang, where the Eighth Division had been encamped since the attempt to overawe President Li Yuan-hung. General Tuan, it was stated, felt nervous as to the outcome of his venture, but he called the commanders, declaring that he had always been opposed to a restoration of the monarchy, and that it was now being attempted by a single general. To resist this act he proposed to take command of the republican troops.

General Tuan was at once recognized as commander-in-chief. President Li, on his part, did not yield to the importunities of Chang Hsun. He gave out an absolute denial of the statement that he favoured the restoration. After issuing a mandate that turned over the Presidential powers to the Vice-President and appointed General Tuan Chi-jui Premier and Commander-in-Chief, he took refuge in the Legation

Quarter. I sent a personal representative to General Tuan at Tientsin, who declared that he already had complete control of the military situation and could finish Chang Hsun inside of ten days.

As hostilities threatened in and around Peking, and as the danger of looting was always present, I discussed the precautions to be taken with several of my colleagues, and agreed with the Japanese minister that we would each bring a company of reinforcements from Tientsin. Meanwhile, the movements of Tuan's troops began. To hinder their advance, Chang Hsun's men broke the railway at a point about one third of the way from Peking to Tientsin.

Certain members of the diplomatic corps urged that we give notice that no fighting should take place on or near the railways. As we had made no objection to the bringing in of Chang Hsun's troops and to their being stationed in Peking and along the railway, I took the position that we were not justified in objecting to the troops of the government to which we were accredited taking necessary action against Chang Hsun. We might, however, insist upon the right of keeping the railway open. This met with approval. On the 5th of July a demand was made upon the belligerent generals that the railway must be kept open, and that at least one train be allowed to pass in each direction every day.

The damaged line was reconstructed, and on July 6th, the American infantry arrived in Peking; on the 7th, the first trains travelled between Peking and Tientsin—one train actually passing between the armies during a battle. Fighting went on during these days between the troops of General Tuan, directly commanded by General Tuan Chi-kwei, and Chang

Hsun's forces; there was much firing but small loss of life, and the latter's forces were finally driven back toward Peking. The troops of General Tsao Kun also advanced upon Peking from the west.

Mr. Grant, of the National Printing Bureau, on Friday rushed into the legation compound in his automobile, with the report that looting was going on in the southern part of the city. We ascended the wall. From the Chenmen Tower we saw excited groups moving up and down the main streets, but nothing was happening save the bringing in of a few wounded men. To investigate the cause of the excitement I went with Mr. Belin in our private rickshaws to the Chinese city, passing to the end of the broad Chenmen thoroughfare. The street was still crowded, the people were excited though well behaved; the shops all had their shutters up. Near the south end of the street some shopkeepers posted in front of their shops told us that the return of Chang Hsun's troops from outside the walls had been reported. Looting had been expected but had not taken place. We proceeded to the Temple of Heaven, where great crowds were walking about among the tents of the troops. On returning, we entered a shop to look at some antiques, remaining half an hour. When we came out our rickshaws had disappeared. Doctor Ferguson joined us as we searched for our men. Suddenly, Belin shouted to a rickshaw man, who with a dozen others was conveying some of Chang Hsun's petty officers southward. We insisted that the non-commissioned officer occupying the rickshaw get out, and he finally complied.

The rickshaws had been requisitioned by these bandits. Upon our return to the Legation, my rickshaw-runner had just arrived, excited to the point

of tears. Our two coolies had drawn the men who originally commandeered them up to the Imperial City; there they were requisitioned again to convey other men back to the Temple of Heaven. But my man, when opposite the entrance to Legation Street, had upset his bandit into the road and made a quick entry into the Legation Quarter, where the angry and sputtering trooper dared not follow him. That the rickshaws belonging to foreigners should thus be pressed into service shows the disregard which these troopers had for everything but their own desires.

As we returned to the Legation we noticed a wonderful colour effect. Coal-black clouds were banked against the western sky, above which were lighter clouds or angry shreds of flaming colour. Against this the dark walls and towers of Peking stood out in sharp relief. In the streets the crowds still surged, in restless expectancy. Suddenly the sunset light disappeared; the sky became black with clouds; a sharp gust of wind whirled the dust of the Chinese city northward; then came a flash of lightning, a clap of thunder, and a heavy downpour, which cooled the excited heads and drove all to shelter. The late afternoon had been weird and fantastic, and appeared to presage the happening of still stranger things.

I was lunching with a friend at his race-course house on Sunday, the 8th of July, when word was brought to me that a certain Colonel Hu, coming from Chang Hsun, had persuaded the French minister that the city was in imminent danger of sacking, fighting, and general disturbances. The only salvation, Colonel Hu had said, lay in asking Hsu Shi-chang to come from Tientsin to mediate. The French minister thereupon induced his Entente colleagues to agree to transmit a

note to General Tuan Chi-jui urging him to prevail upon Hsu Chi-Chang to come as mediator. This seemed to me ill-advised. It meant, at a time when Chang Hsun was already as good as defeated, that he would be solemnly treated as entitled to dictate the terms and personnel of mediation by influential members of the diplomatic corps. I returned to Peking and saw my colleagues, urging my opinion strongly. The British chargé withdrew his consent; he had just received a telegram from his consul in Tientsin reporting that General Tuan was absolutely opposed to mediation. The action contemplated was not taken, though Chang Hsun persisted in his attempts to gain recognition from the diplomatic corps. The French minister, who hated Dr. Wu Ting-fang—this would explain his support of Chang Hsun—gradually came to see the obverse side of his policy as certain Germanic affiliations of Chang Hsun became known.

Kang Yu-wei presented himself at my house on the 8th, seeking refuge, and I assigned him rooms in one of our compounds. He informed me that Chang Hsun had had full assurances of support on the part of Hsu Chi-Chang and other important monarchists. Next day he informed me that Prince Tsai Tze was anxious to consult me.

I arranged to have the Prince come to the house assigned to Mr. Kang, where I had two hours' conversation with the Manchu and the sage. Kang Yu-wei commenced with a long disquisition on the advantages of a constitutional monarchy. He wished to explain his action and to prove to me that he was not a reactionary, but was aiming only for progress under the monarchical form, which he considered most suitable to China.

All this time the Prince was silent. He seemed greatly depressed, not inclined to say anything at first. After inquiries about his health, I asked him what he would like to say to me. With eyes of real sadness he looked me full in the face, saying: "What shall we do? My house has been drawn into this affair without our consent. It has been forced on us. We did not wish to depart from the agreements we had made with the Republic. But Chang Hsun would not listen to us. He thought he saw the only way. Now what shall we do?"

I told him that I appreciated the difficulty in which the Imperial Family found itself, but that I of course could not know the details of the situation sufficiently to give any opinion. One thing, however, seemed to me certain: if the leaders of the republican government knew the true attitude of the Imperial Family, and if the Emperor would formally and absolutely dissociate himself from the movement of Chang Hsun, I believed that they would not make the Imperial Family suffer. I asked him whether they had considered having the Emperor issue a decree, absolutely and for all time renouncing all rights to the throne and declaring his complete fealty to the Republic.

The Prince regarded me aghast. "Oh, *no*! No matter how desirable that might be from many points of view, it is not in the power of the Emperor to do it. The rights he has inherited are not his. They came to him in trust from his ancestors. He will have to maintain them, and hand them on to his descendants. He, and we of his family, shall not do anything to make these rights prevail against the State, but as the sons of our ancestors, we cannot repudiate them."

Never had I been so deeply impressed with the complexity of Chinese affairs as by this answer—an Imperial family maintaining traditions of empire in the midst of a republic, an emperor continuing to reside in the Imperial Palace, a neighbour of the republican President in his residence, and yet no desire to enter again into politics and to grasp the sovereign power! I could now understand why the Chinese had allowed the Emperor to remain in the palace; it was the house of his ancestors, from which he might not be driven. That common reverence was the one point of understanding between Chinese and Manchus.

Prince Tsai Tze evidently still hoped that Hsu Shih-Chang, the loyal friend of the Imperial Family, might be brought to Peking to mediate, and that he might be prevailed upon to preserve the favourable treatment hitherto accorded the Imperial Family. I could not give Prince Tsai Tze any encouragement on this point, on which I had very definite opinions, but had to content myself with general expressions of sincere sympathy with the strange fate of this family.

The question of mediation was again taken up by the diplomatic corps on the afternoon of this day. Some of the ministers feared that the city would suffer greatly if things should be allowed to go on. I was strongly of the opinion that our interference in this matter could have no good result, but would only further confuse and complicate the situation. For once, the Chinese must settle it themselves, regardless of any incidental inconvenience. From what I knew of the strength of the contending forces and of the whole situation, I had no doubt whatsoever that if left alone the republican forces would be easily successful and that there would be

no disturbances. I was on principle against any action which would be in substance intervening in behalf of a general who had attacked the Republic and whom nothing could now save from overthrow except such diplomatic action.

I was approached on the 10th of July by a representative of General Chiang, chief of the gendarmerie. He stated that it was desired to bring Chang Hsun into the American Legation, for his own safety though against his will, and that an agreement to this effect had been made among the different commanders. I stated that in the circumstances it would be better for the diplomatic corps to discuss what protection could be extended to Chang Hsun. An informal meeting was held, at which the British chargé agreed that he would receive Chang Hsun if he were brought in.

The legations were notified by General Tuan, late in the afternoon of July 11th, that during the night the troops would move against Chang Hsun's forces in the city, and bombardment of the Temple of Heaven and the quarters near the Imperial City held by Chang Hsun would begin at dawn on the 12th of July. In conjunction with the commandant of the legation guard, I sent notice to the American residents in the quarters particularly affected, directing them to seek safety. Eighteen refugees came to the Legation, where they were cared for during the day at the Students' Mess. A company of the Fifteenth Infantry, which had been brought up from Tientsin, was encamped in the compound in front of my residence, to which their tents and military equipment imparted an aspect of great military preparedness.

I was awakened at daybreak on July 12th by the

sound of artillery and rifle fire. As the fighting commenced people went out of curiosity upon the city wall. But stray bullets frequently fell on the wall, and the commandant ordered it cleared. Unfortunately, several of these onlookers—among them three Americans—were injured. During the battle I received word from the Imperial tutors that the Dowager Empresses were preparing to bring the Emperor to my residence. Since the 9th of July they had wished to remove the Emperor to this legation for safety. While the Empresses and some of the dukes desired this, the eunuchs under Chang Hsun's influence opposed the removal. The Prince Regent, also influenced by Chang Hsun, took the same view. Thus on various occasions the eunuchs, whose existence had almost been forgotten, came out on the stage of action in this curious affair.

About eleven o'clock, while the firing was at its height and after several bombs had been dropped from aeroplanes upon the Imperial City, telephone messages came to the effect that several friends of the Imperial Family and Doctor Ferguson of the Red Cross were about to rescue the Emperor from danger and bring him to the Legation. I had the house prepared. Half an hour later two automobiles with the Red Cross flag flying entered the legation compound. Mr. Belin ran to the door, expecting to see the Emperor and Empress emerging from the automobiles, but he returned with only Mr. Sun Pao-chi, who was shivering with excitement. I took him to the reception room and comforted him with tea. He still expected the Emperor to come. The automobiles left again for the Imperial Palace, but as the aeroplanes had ceased dropping bombs and the artillery fire was decreasing in violence, the people in the palace decided against carrying out the flight.

As I sat in the library all through the forenoon receiving reports and giving directions, there was a constant hissing of bullets and shells overhead. No shell dropped in our legation, although two or three fell in the British. The Chinese artillery fire was remarkably accurate. Sitting there and listening to the tumult of shouting and firing from the Chenmen gate and the volleys of guns and artillery exceeding in volume of sound any Fourth of July I had ever experienced, I felt thankful to have seen a day when the Chinese would stand up and fight out a big issue. I soon found that the battle was not commensurate with its sound.

Shortly before noon Chang Hsun was brought to the Dutch Legation, accompanied by a German employé of the Chinese police. Chang Hsun had been persuaded to come by his generals almost with the use of force. He was still under the illusion that he could mediate. When the Dutch minister informed him that this was impossible, he wished to return to his troops. This, of course, could not be permitted.

Firing was violent from dawn until nearly noon. The field guns, machine guns, and rifles filled the air with enormous tumult, but from eleven o'clock on the firing gradually diminished, and it entirely ceased at four in the afternoon. Immediately thereafter I proceeded by motor car to the various centres of fighting. I found that Chang Hsun's house had been struck by several shells and that the indirect artillery firing of the government troops had been managed with considerable accuracy. The human dead had already been removed from the neighbourhood although numerous carcasses of horses remained. Thence I proceeded to the Temple of Heaven, where I was astonished to find Chang

Hsun's troops encamped with all their guns and artillery, eating, drinking, and talking in the best of spirits. They told me that five of their men had been killed, and that their bodies were still there. The absence of visible results from the enormous expenditure of ammunition during the day was astonishing. I found, however, that the method of fighting employed by the troops was to creep up as closely as possible behind a high wall, and fire into the air in the general direction where the enemy might be. Hence, the bystanders were in rather greater danger than the combatants themselves. In fact, the total number of killed as a result of the fighting of July 12th was twenty-six; seventy-six were seriously wounded, and more than half of these were civilians.

The Chang Hsun contingents in the Temple of Heaven had hoisted the republican flag at 10 A.M. An agreement was reached by which they were to be paid $60 per man upon the delivery of their arms. Chang Hsun's troops about the Imperial City held out for a larger payment. To my astonishment, as late as Saturday, the 14th of July, I saw fully armed soldiers of Chang Hsun on guard at the central police headquarters. Asking the reason for this—for Chang Hsun's troops were supposedly routed in pitched battle on the 12th of July—I was told that the commanders had not yet settled upon the sum these contingents were to be paid. Eighty dollars per man was finally agreed upon, and by the 15th of July Chang Hsun's troops, deprived of their arms and their pigtails, had left Peking with their money, and were on their way to their rural homes in Shantung.

The dragon flags disappeared on the 12th of July as suddenly as they had appeared on the 2nd. The city

quickly resumed its ordinary life.

The swift failure of Chang Hsun's enterprise was due to no inherent weakness of monarchical sentiment in north China. In fact, monarchist leanings among the northern military party are quite well known. It had been assumed that such a movement would be launched, and, if it had been more prudently planned and prepared, it might easily have succeeded, at least for a time. Its total failure was due to the fact that Chang Hsun, counting on monarchist tendencies among the northern military men, neglected to make those preparatory negotiations which would have turned the potential support into real strength. While this is true, there can be no doubt that Chang Hsun's failure gave an enormous setback to the cause of monarchism in China. After two failures to reëstablish the empire, ambitious men will think many times before embarking on such a venture again. Which is to say that the efforts to restore the Empire actually served to entrench more deeply the republican form of government.

CHAPTER XXIV

WAR WITH GERMANY: READJUSTMENTS

"It has been decided by the Chinese Government to declare war; on this very day the decision has been formally adopted by the cabinet."

Thus General Tuan Chi-jui, then Premier, conveyed to me on the 2nd of August the news of China's further entrance into world politics. I had known

about this from other sources. General Tuan had announced it as his policy when I visited him on the 14th of July. He had then stated that Vice-President Feng Kuo-cheng would assume the functions of President, which President Li would relinquish, and that it would be a war government.

The American Government had held to its view that China should not be pressed to declare war. It believed that the breaking off of diplomatic relations, for the time being, was sufficient contribution to our cause in the war. But the Japanese, aided especially by the French, had strongly urged the Chinese Government to join them. Not until much later did the Chinese learn of secret treaties made between France, Great Britain, Italy, and Japan, giving assurance to the Japanese that no effective resistance would be offered by those powers to anything which Japan might desire in China at the end of the war.

In their ignorance of these secret arrangements, the Chinese thought that association with the war powers would put them on the footing of an ally. Also, doubtless, the militarist party surrounding Tuan hoped to increase its power through war activities. For my part, I allowed the Chinese to feel that the American Government, desiring them to decide this question according to their own best judgment, hoped that a way might be found to bring the war situation into harmony with justice to China.

When he announced the cabinet's decision, Premier Tuan took up with me the matter of finance. He evidently expected that the American Government, or the Consortium, together with independent banks, would now furnish China the money needed for her war preparations. The powers were considering what assurances to offer. In previous discussions with

Chinese officials I had repeatedly dwelt on the fact that should China take this step, she would be entitled to specific and strong assurances from the powers guaranteeing her political and administrative integrity, in terms that could not easily be evaded in future. I had made continued efforts to effect an agreement upon a declaration favourable to the full maintenance of the sovereign rights of China. My conversations with the Japanese minister during 1916 and 1917 had this in view. Now that China was considering entry into the war, I again suggested the desirability of such a declaration, and hinted to the Chinese officials that they might be successful upon this occasion in obtaining a statement which would fortify the sovereign rights of China and prevent the further growth of special privileges and spheres of influence.

My colleagues all appeared to be favourable to the idea. It would undoubtedly have been possible for the Chinese Government to secure such a specific and effective declaration. Instead, however, of taking advantage of the position which their readiness to declare war gave them, and boldly proposing such a declaration as a necessary condition, they became tangled up in long discussions. The substance originally proposed was worn down to a rather empty formula.

The first proposal was that the governments should declare their policy to "favour the independent development of China, and in no way to seek in China, either singly or jointly, advantages of the nature of territorial or preferential rights, whether local or general." The Chinese had suggested, in addition, a statement that the other governments would accord to China their full assistance, in order

to "help it obtain the enjoyment of the advantages resulting from the equality of powers in their international relations." As finally adopted, the declaration simply gave assurance of friendly support in "allowing China to benefit in its international relations from the situation, and from the regard due a great country." Vague and unmeaning as it was, the latter term was undoubtedly flattering to Chinese *amour propre*. These assurances were given to China on August 14th, and the United States participated in them.

China's internal political situation had not improved greatly as a result of the overthrow of the monarchical movement. On his return to Peking as restorer of the republican government, General Tuan had the chance to rally all elements in Chinese politics to a policy of constructive action. With whom would he ally himself? As his distrust of the Kuo Min Tang was great, he constituted his new government without regard to that party, and sought instead to govern through a combination of the Chin Pu Tang and the so-called Communications Party. Of the latter the real leaders, Liang Shih-yi and his immediate associates, were still living in exile under the mandate issued by President Li. Mr. Tsao Ju-lin controlled the new wing of the Communications Party, and he had a disproportionate prominence through Japanese support. Both he and Liang Chi-chao, the leader of the Chin Pu Tang, were under the Japanese thumb. This influence could thus act strongly and extensively on Chinese affairs. It was a Japanese loan that had facilitated the overthrow of Chang Hsun and made the leadership of General Tuan possible.

These two factions, while they supported General

Tuan, were mutually antagonistic. Mr. Liang Chi-chao is a literary man and a theorist. Long befriended by the Japanese, he doubtless believed himself to be a patriotic Chinese who was ready to use Japanese aid, but would not surrender any essential national rights. Not being a man of affairs, he may not always have seen the bearing upon the ultimate independence of China of the measures which he proposed. Some Chinese as well as foreigners thought him merely the venal instrument of Japan; others regarded him as essentially honest, but subject to being misled because of his theories. As Minister of Finance, his administration tended to bring about a great increase of Japanese influence in China.

Mr. Tsao Ju-lin, cynical, practical-minded, and keen, is a different type of man. He was closely associated with Mr. Lu Tsung-yu, himself the most pliable instrument of Japanese policy in China. Mr. Tsao was educated in Japan; one or more of his wives were Japanese, and in business and pleasure he was constantly in Japanese company. He was outspokenly skeptical about his own country and about republican institutions.

The Government felt dependent upon assistance from abroad, for it had financial difficulties due to inherited burdens and present military expenses. It was made to believe that assistance could come only from the Japanese. The Americans had left the Consortium four years ago; they had every opportunity to interest themselves in China, but they had done nothing substantial beyond the loan of the Chicago bank. In China, the margin between tolerable existence and financial stress is so narrow that a few million dollars may wield an enormous

influence for good or bad.

These needs were accentuated because the southern republicans were holding aloof. They felt themselves excluded from the Government; they doubted General Tuan's honesty of purpose, and they planned to remain independent of the central authorities. From Shanghai Mr. C.T. Wang, the most prominent of the younger republicans, wrote that Tuan Chi-jui and his cabinet represented the reactionary element; that they were strongly backed by undesirable foreign influence, and that the latter would virtually control the Government. He ascribed to General Tuan the ambition of paving the way to make himself emperor. The opposition to Tuan, he said, would continue the fight until the Chinese Republic was indeed a republic. As to American action in China, he noted that America plays the game as a gentleman, therefore it is likely to be outmanœuvred by another country less squeamish about its methods. Another letter from Mr. C.C. Wu, dated July 19, 1917, I will give textually, in part:

> ... When General Tuan arrived at the head of his troops in Peking, he had a good opportunity to gain the goodwill and coöperation of the whole country if he had proclaimed his adherence to the constitution at present in force, and to reassemble the dissolved parliament in order that the Permanent Constitution may be completed and the organization of the future parliament provided for; in other words, that the basis for a legal and constitutional government may be found.

Unfortunately, other counsels seem to have prevailed. Another assembly, without any semblance of legality, is to be convened and the future regulation of the Republic is to be left in its hands. This will only mean fresh internal dissension and strife. It is to be admitted that there is much fault to be found with the old parliament, but as I once told General Tuan, it is the name, the signboard, of parliament that we must respect.

Meanwhile, the papers are full of the inquiry which the Entente Powers are alleged to have made in regard to the declaration of war against Germany, and the reply made by the Waichiao Pu that the step will be taken almost immediately. Now, it is unnecessary to tell you of my opinion in regard to this question ever since the interview we had on that fateful Sunday in February, of my firm conviction of the many advantages, both material and moral, that such a step would confer on China, nor of the efforts I have exerted in the cause. And my week's stay in Shanghai has not altered my opinion. At the same time I agree entirely with the view expressed in the note you recently presented to the Waichiao Pu on behalf of your government to the effect that the paramount need of the moment is

> the consolidation of the country and the establishment of an effective and responsible government, and that, compared with this, the demarche against Germany, desirable though it is, is of secondary importance. Indeed, it is nothing short of ridiculous to declare war against a foreign power when every man and every resource has to be kept in hand to meet possible civil strife and when the authority of the Central Government is effective in only a doubtful half of the country. It is difficult to see what benefit the Entente Powers expect to derive by urging such a government to take such a step, a step which is detrimental to the best interests of China and contrary to the good advice tendered by the U.S., with whom Great Britain, at least, associated herself. It is enough to make one almost suspect that it is for these very two reasons that the war measure is being urged on the Government.

Quite plainly, the southern leaders believed that the party of General Tuan was in its war policy animated with the purpose of building up its power at the expense of the rest of the country—particularly of subduing the southern republicans. Even less unselfish purposes were attributed to those who based their policy on foreign financial support. In a speech in Parliament, Senator Kuang Yen-pao makes

the officials who contract ill-advised public loans say: "We are planning for the conservation of the property of our sons and grandsons; why should we have compunctions about driving the whole people to the land of death? What matters the woe of the whole nation by the side of the joy and happiness of our own families?" But the southern leaders did not disavow the act of the Central Government in declaring war. Their political opposition continued; but they accepted the international action of Peking as binding on the whole country.

In such matters China has not the hard-and-fast ideas of sovereign authority and legality which reign in the West. It was therefore possible for a local government to be independent in most matters, and yet to allow itself to be guided by the central authority in some. A declaration of independence by no means implies that there are no relationships whatever between the recalcitrant ones and the central authorities. For this reason, too, the visit of a foreign representative to any one of the governors who had declared his independence would not, as in other countries, be regarded as an affront to the Central Government. Circumstances might occur under which the Central Government itself might favour such a visit, as incidentally relieving the strain. I felt quite free to send attachés of the Legation to the governors of disaffected provinces, and should quite freely have gone myself.

In all my interviews with high officials the prime subject was finance. Not that China, as an associate in the war, was to get such aid—which was taken as a matter of course—but how it was forthcoming supplied the only question. Mr. Liang Chi-chao, Minister of Finance, who called on me on the 4th of

August, talked in favour of a big loan by the Consortium. With this he hoped that the United States would again associate itself. When he spoke of independent American loans, I called his attention to the difficulty of concluding them or of calling up the option under the Chicago loan, unless there were a parliament whose authority was recognized by the country. Shortly after this I saw the Acting President, General Feng. "China," he said—undoubtedly to tell me something pleasant, but also because all Chinese do prefer association with America—"China has followed the United States in the policy of declaring war upon Germany. Now will not the United States independently finance China? Or, if that is out of the question, then, surely America will join the Consortium since that is the only way the Chinese Government can be safely and effectively supported."

"The republican form of government," he vowed, "is now eternally secure in China." I could not but remember his previous monarchist leanings. The Acting President spoke of General Tuan. "I have a very cordial understanding with the Premier," he assured me.

I went to the Premier on the 21st of August. In this discussion the Chinese iron industry came up. The Premier asked: "Why not go ahead with the development of mining and iron manufacture? Create a national Chinese iron industry, and it will form the basis of a general loan for industrial purposes." He thought, at first, that the Chinese Ministry of Agriculture and Commerce should summon experts and start the enterprise. I told him about the enormous technical difficulties of such a project. Then he seemed to recognize that a contract with an experienced and powerful organization,

which could be held responsible, would be more effective in establishing a national iron industry for China. "I am not sure about the ore deposits near Nanking," he added; "they may not be included in such coöperative enterprises."

I suspected that he was trying to get financial support from another source, and was leaving his hands free to make them a grant there. I put in a *caveat* against any grant of iron ores to foreign nationals. Americans had in the past been invariably informed that iron deposits could not be leased or granted to individuals because they had been reserved for national uses.

I visited General Tuan on August 22nd and found him more talkative, more anxious to discuss the general aspects of policies than ever before. "We must first of all establish the authority of the Central Government," he said; "this can be done only through a defeat of the opposition. My purpose is that military organization in China be made national and unified, in order that the peace of the country shall not at all times be upset by local military commanders. The military power thus unified I intend to take entirely out of politics and confine it to its specific military purposes. At present the military is used in factional and political disputes. When this is no longer possible, then we shall leave the public mind in civil life entirely free to settle all questions of the Constitution and of the public policy."

I believe the Premier was sincere in these views, and in his efforts to vindicate the authority of the National Government, but he thought only in terms of military authority. He did not realize what the organization of public opinion and of a civilian

administration require. His opponents feared that a consolidated military power would be used by him, after all, to accomplish the reëstablishment of a military dictatorship, such as that of Yuan Shih-kai.

The personal wisdom and integrity of General Tuan commanded respect, but he was not fortunate in selecting his assistants. Both in Peking and in the provinces his immediate advisers gave him trouble. When he appointed General Fu Liang-tso governor of Hunan Province, he expected the ready settlement of all difficulties there; General Fu would know how to handle the situation. But the people of Hunan did not welcome General Fu. Soon his authority and that of the Central Government were questioned throughout that province. But the Premier never disavowed or deserted his representatives. He was loyal to them, which accounts for the strong personal influence which Tuan enjoyed.

The country could not be unified, of course, until railways were built, and representatives of the Chinese Government often approached me to ascertain Whether some action could not be taken in regard to the Hankow-Canton Railway, long delayed in construction. This trunk line would have joined the north and south. A trip from Peking to Canton by existing routes took from ten days to two weeks: by direct railway it should be possible to make it in two days. Not only the movement of passengers, but of mail and freight, would stimulate an intercourse that would be sure to overcome separatist tendencies. But China had entrusted the building of this railway to foreigners, who had played with the concession, had lost it, and, after reacquiring part of it, were now delaying its execution. Europe was preoccupied with the war. And now that China was herself entering the

war, it seemed a prime need of national preparedness to have this comparatively short remaining gap in the communications of China filled out. Good friends of America among the officials—among them Mr. Pan Fu, Mr. T.C. Sun, the managing director of the Siems-Carey railway offices, and Mr. J.C. Ho—argued with me, as did their superiors, to have America lead in completing this essential highway of commerce.

CHAPTER XXV

THE CHINESE GO A-BORROWING

The time was come for China to put money in her purse. She was sure she could do it, and sure that the United States, her great, rich sponsor and friend, would help her to the means commensurate with her needs of development for war. A suggestion to this effect had been made to the Chinese minister at Washington by the Department of State. It was undreamt of that no assistance whatever could be given to China.

During the fall of 1917 all my powers were devoted to securing for our Far Eastern associate in the war the best form of American assistance. I wished to avoid, if possible, a loss of the chance for giving Chinese financial affairs a sound basis. Above all, it was essential to aid in steering China beyond earshot of the financial sirens that were luring her upon the Japanese rocks. China invited American leadership, relied upon it. No other nation in the circumstances could justly take exception to it. It involved no vast

enterprise of immediately raising a huge army in China, but of preparing the way for such mobilization, if need should arise. This could be done by facilitating works which would endure and which would contribute to the welfare of China and the world, war or no war. It meant building means of communication and improving the food supply. It meant reconstruction after the war. It meant an expenditure of money that would be infinitesimal compared with the sums spent in Europe. America had lent billions to the Entente Allies; the hundred millions that would have served to make China fit were a mere trifle. Nor was it necessary to insist upon independent American action in this matter. America's leadership in behalf of the common interest and in coöperation with her associates could produce the results desired of putting the situation in the Far East on a sound basis. I had always desired American independent enterprise in individual cases, free from all entanglements and semi-political arrangements with other nations, whose favour, fortunately, we did not require. But in the great task of the World War joint action with others was natural, and action in China, given only positive American leadership, could have produced fine results. The war powers did get together for some action. They suspended the Boxer indemnity payments for China, and she got the benefit of the twentieth of *ad valorem* duty which the treaties provided; on the basis of reckonings two decades back, the 5 per cent. had really shrunk to 3. To restore the rate fixed by the treaties was hardly a beginning of justice.

Here was China, ready, willing to take her part in the war. What should she do? In America the slogan: "Food Will Win the War" was in vogue, and China

could furnish food. She could supply coolies, millions if necessary, as workmen and as soldiers. The war had proved that the training of men as soldiers could be a matter, not of years, but of months. Plans were drawn up, at first for hundreds of thousands of Chinese soldiers, then for half a million.

I urged my proposals on the State Department. The Canton-Hankow Railway needed finishing. The Chinese arsenals and shipyards could be refitted. I asked the consular officers and attachés for a rapid survey of China's food resources; their returns showed that a large surplus could be produced, if steps were taken at once to assure a market. The Chinese have a genius for growing food; among them they have the world's most skilful gardeners. But they needed added credit if they were to put in more seed and harvest bigger crops. In these estimates Professor Tuck of Cornell, who was up in Manchuria, and Professor Bailey, in Nanking, gave their expert aid.

England and her European allies, it was determined, had "gone broke"; if there was to be a Consortium of lenders to China, would America lead the way? Liang Chi-chao, Minister of Finance, proposed it. There was China's public credit, with such vast human and material resources as to stagger belief, waiting to be organized. There was the supreme opportunity to send scattering all of the promoters of the unseemly scramble to get special advantages through Chinese financial deals. I spared no pains—for four years, indeed, I had laboured for this very thing—to impress upon America the new vision of a developed China. Two things halted action. Outside influences working in America itself were aimed to stop the free play of financial enterprise in China; next, there was

the provincialism of the New York financiers. They would only follow where other nations led.

Then there was the alternative—coöperation between the war powers. By hoops and barrages of steel we were bound to our brothers of Britain, France, and Italy; Japan was an allied and associated power; at every point our gold and war bonds were mingled with theirs. We were powerful enough to hold our associates to a policy of developing China for the benefit of all participants; an end might be put there to "special interests." I suggested a new consortium on this basis.

I went to the Chinese President. "I know," he declared, "that America will spare no means whereby China may carry out her purpose to stand by the side of the Allies on the battlefields of Europe."

From the President I went to the Premier. By this time he was not so friendly. Time had elapsed; the glitter of Japanese money had been made to catch his eye. I inquired concerning the Japanese loan of 20,000,000 yen, and incidental arrangements connected therewith. "Does not China need to keep a credit balance in a foreign country," he asked; "and would not the same arrangements be made with the United States if a loan were made there?" Curiously, he added, "There is no need, yet, of convoking parliament; no time has been set for it." A militarist leader, he was being comforted by hopes of Japanese backing. But he was quite willing to send a big army to Europe.

The Japanese were alive to this situation. Professor Hori was sent to lecture on finance before an association which Liang Chi-chao had helped form. The theme of his opening lecture was the bankruptcy of the Western powers. China must rely on Japan for

money. Following Hori came a commission of ten officials from Tokyo to study Chinese financial administration. Then came Doctor Kobayashi to act as Japan's expert in China. Prominent posts, it was freely said, were to be created for "currency reform," posts which would be held by Japanese. Later on Baron Sakatani came, to study Chinese finance.

From Japan came loans and offers of loans. They lent 10,000,000 yen through the Yokohama Specie Bank. This was merely an advance on a future reorganization loan. Then a loan, labelled "Industrial," of 20,000,000 yen, was made through the Bank of Communications. Two Japanese financial cliques sprang up and flourished. Liang sat at the receipt of customs at the Ministry of Finance, dealing with the Yokohama Specie Bank; the other clique, headed by Tsao Ju-lin and Lu Tsung-yu, played in with the tri-fold group of the Industrial Bank of Japan, the Bank of Chosen, and the Bank of Taiwan (Formosa). With the loan dubbed "Industrial"—this to evade the provisions of the reorganization loan—came Japanese advisorships in the Chinese Bank of Communications. Not by the remotest chance would the loan be used by the bank to strengthen its depreciated notes. It went for politics and the military.

The Japanese financiers coolly calculated that the British and French banks would fail to take up their option on the currency reform loan, which they had held since 1911. That would leave the field clear for Japan. The French and British legations got busy about this, and so did we. As a consequence the American Government resumed its interest in currency reform in China, and the sigh of relief was almost audible. I called on Minister Liang. Did he not

remember the Treaty of 1903 and America's long-continued interest in Chinese currency betterment? There was the Jenks-Conant Monetary Commission; there were the long negotiations conducted by Willard Straight, and the resultant Currency Loan Agreement of 1911. "I remember all these things," Liang responded; "America should lead in this matter. Our banknote issues are being shot to pieces by local issuance of worthless paper. The Tuchuns have bent the national banks to their purposes. The books of the banks must be kept and made public. I suggest appointing three principal foreign experts on a reform of the entire currency. Let them be an American, a European, and a Japanese."

The currency loan option was extended until the following April.

But Japan had other shots in her locker. Suddenly the Japanese press bristled with news of a projected "arms alliance" with China. It sounded almost menacing. The Tai Hei Company, originally organized by the Japanese Government to supply arms to Russia, was going to furnish China with her armament. General Tuan said that he had long been urged to buy a "limited amount" of war material from Japan. The Japanese minister chimed in with the statement that, inasmuch as the United States refused to sell steel to Japan—under the war trade restriction—the time was come for Japan to control China's ore deposits. "Japan is to sell China arms. Why may she not have the raw materials for them?" he asked.

The disproportion involved in this demand served to amuse the Chinese. The deposits on which Japan's eyes were fixed amounted to from forty to fifty million tons of ore—enough to make several guns.

Along with these negotiations came proposals to

establish Japanese military and arsenal advisorships.

I asked the Premier about these reports. I told him we could not object to the purchase of arms by China from any source whatever. But in negotiations for loans and concessions the United States had held unswervingly to the principle of the "open door" and no special privileges. As it sought no control of this kind, it was equally interested that none should be given to any other power.

"Have you not," the Premier asked me, "found me always candid and true?" Most sincerely I assured him I had.

"Then," he replied, "we have bought of Japan 40,000 rifles, 160 machine guns, and 80 field guns. There will be no incidental commitments. I can rely implicitly on my military associates [General Hsu Shu-cheng, the Vice-Minister of War; Ching Yun-peng, Acting Chief of Staff; and Fu Liang-tso, Tuchun of Hunan]. They would not sanction such a thing."

But the next day I got positive evidence that they had. The negotiations were in full blast for Japanese military advisorships, control of the Nanking Arsenal, and rights to specific iron deposits. I saw General Hsu, telling him everything before giving him a chance to answer. I was not then solely concerned about the encroachment on Chinese independence. American and European interests had been told: "Hands off the national iron ore reserve; all remaining iron deposits are to be held for the nation." Respecting this decision, we had told our people that concessions for iron ores could not be obtained. We could not in justice to them now consent to a change of policy, without protecting our interests. Japan had already one half of China's iron ore deposits. Was she to get the rest? Also, were

Chinese armaments to be standardized without consulting the experts of the Allied Governments, so that the arms might be used in the present war?

"We have been hard pressed," General Hsu explained. "The Japanese wished us to do something for them and we need the arms. They will be of the larger calibre, such as China's armament now has. The Japanese did demand the assignment of new ore deposits; they needed security for the contract. They compromised by reducing the amount of ore we are to furnish. But we must supply it under a contract of 1916, between the Japanese and a company formed by Chow Tsu-chi, whereby a million dollars was paid in advance on iron ores from deposits near Nanking. This is the best we can do. They demanded at first the grant of new ore deposits."

"I should like to visit you more often," General Hsu remarked later; "but my movements are closely watched." I stated I hoped he entertained no fear that would keep him from seeing the minister of a friendly power at any time he wished.

The real trouble lay in the rivalries between the north and south. The Premier and General Hsu were willing to barter the nation's birthright in the form of concessions in order to impose an internal unity of their own making. For China was torn. The situation in October, 1917—how different from that of April and May, 1915, when the twenty-one demands came to their climax! Then the Chinese people and Government were united as one man. The sentiment of the nation was now the same; nearly all the members of the Government were unchanged, yet a small pro-Japanese minority were in the saddle. The men who had Japanese funds under their control had the advantage over the mass of officials. They

succeeded in muzzling the Chinese press. By Japanese insistence, aided in this case by the French minister—some of the Chinese papers had criticized his attitude—news of diplomatic negotiations had been absolutely suppressed. Without information, the public was disturbed and confused. The editor of the Japanese *Kokumin*, Mr. Tokutomi, in an interview in Peking, advocated still more stringent press control. Japan was using the war to displace the influence of her associates in China and to make her own power predominant.

Bad as the situation was it might have been saved by an adequate loan from America. Liang's first proposal was for a reorganization loan of $200,000,000, which was vetoed by Europe; this shrivelled to the mess of pottage of 10,000,000 yen offered by the Yokohama Specie Bank. General Hsu had unfolded to me in September a comprehensive scheme of equipping 500,000 soldiers, and providing for the immediate transport of at least 500,000 to Europe, further detachments were to go as fast as ships could be had. Later came more specific plans for 1,000,000 men, out of which the best contingents were to be sent to France. It was planned ultimately to send the whole million, if needed. Then came a modified proposal for outfitting 500,000 men and the completion of the industrial plants needed for war materials and ships. The European ministers were all anxious to secure China's active participation; the French Legation, through its military attaché, was coöperating with special energy in planning for the eventual use of Chinese forces. From my conversations with the President, the Premier, and his most active assistant, there was no doubt that the Chinese were in earnest. Now it was all simmering down to a few millions of Japanese money, supplied

for politics and internal dissension, with Japan seeking special advantages.

Work was to be done. The United States could still bring relief and a strong call for united action into this troubled situation without giving just cause for complaint or for taking offence. The French were especially desirous of bringing the Chinese actually into the war. The Belgians wished the mobilization of Chinese material resources, particularly foodstuffs. The British were in general accord, though they doubted whether Chinese troops could be soon transported to the theatre of war. Dr. George Morrison who had just gone over the whole situation with the President and cabinet, came to me saying: "The Chinese will apply to you for advice. You have a freer hand than the British minister."

But an event of profound significance was impending, and it interrupted my efforts along these constructive lines. It was at this time that the results of Japan's efforts to reach an agreement with the State Department in Washington became known to China.

PART IV

LAST YEAR OF WAR AND AFTERMATH

CHAPTER XXVI

THE LANSING-ISHII NOTES

It was in rather an indirect way that I learned of the secret negotiations which had been going on between the head of the State Department in Washington and the Japanese Government. Since these negotiations concerned some of the most vital problems in the whole Chinese situation, it was surprising that everyone had been kept in ignorance of them. I learned of them, I confess with mingled emotions, from none other than Baron Hayashi himself. I called on him on the evening of November 4th; and, after going over the matter of routine which I had wished to take up with him, I remained chatting pleasantly with him. In the course of our talk the Baron remarked: "I have just received some information that is quite important, and I want you to know about it. Let me get the cablegram."

He brought a paper and handed it over to me without comment. It was a cablegram from Tokyo that informed him of the signing of the Lansing-Ishii notes, and gave a summary of their text. The first paragraph contained the vital clause: "The Government of the United States recognizes that Japan has special interests in China, particularly in the part to which her possessions are contiguous." This naturally struck me in the face with stunning force, before I had time to weigh its meaning in relation to the remainder of the declaration. I read the dispatch twice and made an effort to impress its salient points on my memory, and then turned to my Japanese colleague attempting to retain my composure.

"Yes," I managed to say, "this is quite interesting. It is somewhat in line with conversations we have had, yet differs in some respects."

I forced myself to remain a little longer and tried to continue the matter-of-fact conversation which this astounding piece of news had interrupted. When I finally took my leave, I was uncertain whether Baron Hayashi did or did not know that I had been unaware of this exchange of notes. Hurrying to the Legation, I dispatched a cablegram to the Department asking that I be informed.

It had been agreed, so the cable from Tokyo had stated, that an announcement of the parley should not be given out until November 7th. But the Japanese minister had already informed the Chinese Foreign Office on Sunday night; and early on Monday its representative called to get my version of the matter.

No word had been sent me. It was inexcusable to fail to give the local representative the earliest possible information, and I intimated as much in my cablegram to the Secretary of State. As the Foreign Office had been fully informed, I could only state to my visitor that I was not authorized to deliver the text until later, and that I was myself still considering the full import of the document, which in certain respects followed lines of policy that had been discussed in the past.

As I could plainly see, the notes had been paraded in the Chinese Foreign Office as yielding important concessions from the United States and as a diplomatic triumph for Japan. I knew nothing of the motives which had animated the President and Secretary of State when they agreed to the paper. I could not explain its purposes; but when my visitor asked: "Does this paper recognize the paramount position of Japan in China?" I could and did answer with an emphatic "No." Beyond that I said nothing.

All that day and the next reports streamed in from many quarters that the Japanese were "crowing over their victory" in their talks with the Chinese. More Chinese officials and many Americans applied at the Legation for authentic word. But no help came from the Department of State. Indeed no word reached me until the morning of the 7th.

It cannot be said that the American secrecy pledge was not punctiliously observed—even to the extent of keeping in ignorance the American minister, who would have to bear the brunt of the consequences of this diplomatic manœuvre. The Japanese, meanwhile, had given the note not only to the Chinese Government several days in advance, but—was it out of abhorrence for secret diplomacy?—even before the notes had been signed their text was communicated to the representatives of Great Britain, Russia, France, and Italy. This was done at Tokyo.

It is not surprising that this procedure produced upon the Chinese the impression that the Japanese had got what they wanted. They thought the declarations made by the United States contained admission of a special position held by Japan in China, not desired by the latter, but forced through by the military and political power of Japan.

The reception given the note by Far Eastern experts and by the public indicated that it would be interpreted in widely varying fashion. The first impression only gradually gave way to a calmer judgment when the specific terms of the notes were carefully read and the ambiguous character of the instrument was realized. In the first place, the Japanese Legation, in translating for the benefit of the Chinese Ministry, had used for "special interest" a

Chinese term which implied the idea of "special position." Doctor Tenney's more direct translation of the term was without this extra shade. The Department authorized me to deliver an explanatory note to the effect that the interests referred to were of an economic, not a political, nature. It referred to "Japan's commercial and industrial enterprises in China"; these, it added, "manifestly have, on account of the geographical relation of the two countries, a certain advantage over similar enterprises on the part of citizens or subjects of any other country."

I could not avoid the feeling that the form which the exchange of notes at Washington had taken was unfortunate. It was indeed desirable that the friendly attitude of the United States toward all Japan's economic activities in China should be stated strongly. This had been the tenor of the conversations between successive Japanese ministers and myself, which had been communicated to the State Department. It was necessary, if the Japanese really entertained it, to disabuse them of the conception that the political influence of the United States was being used to discourage close business relationships between China and Japan, and to frown upon Japanese enterprises in China. On the basis of such an understanding, it was hoped that Japan would join with the United States in agreeing that special privileges in any part of China, or any sort of economic advantage, would not be sought by political means; that the Manchurian régime, to be more specific, would not extend to other parts of China.

But the notes definitely stated that Japan would not use her special interests in a way to "discriminate against the trade of other nations, or to disregard the

commercial rights heretofore granted by China in the treaties with other powers." This might give rise to the idea that "special interests" did not refer merely to specific economic interests and enterprises. It might include also a certain political influence or preference.

The Japanese minister, though disclaiming a reading which would imply a paramount interest, evidently saw in the notes an endorsement of the principle of spheres of influence. "The notes speak for themselves," he said in an interview on the 8th of November; "they simply again place on record the acknowledged attitude of the United States and Japan toward China. They are simply a restatement of an old position. Even the term 'special interests' is doubtless used in the same sense here as in the past. Several other countries have territory that borders on China; this fact gives them a special interest in these parts of China which they touch. In exactly the same way, Japan has special rights in China."

The non-official Japanese statements claimed much more than this. They did "crow over" the Chinese. Was not here a vindication of distinct priority enjoyed by Japan in China? In Japan the veteran Okuma, who is never backward in airing his opinions in the press, also seemed to have a rather broad idea of the notes. "Hitherto," he said, "America's activities in China were often imprudent and thoughtless. For instance, Secretary Knox's proposal to neutralize the Manchurian Railway was, indeed, a reckless move. The United States also relegated Japan to the background when she sent the note of June 7th to China, advising that country concerning domestic peace. Thus America disregarded Japan's special position in China. We may understand that she will

not repeat such follies, in the light of the new convention."

Of course, there is nothing in the notes to interfere with the fullest and freest interchange of communications between the American Government and the Chinese, on any topic whatever.

In reporting his conversation on the notes with the Japanese Minister for Foreign Affairs before they were signed, the Russian ambassador at Tokyo hit it off in this way: "Nevertheless, I gain the impression from the words of the minister that he is conscious of the possibility of misunderstandings, also, in the future; but is of the opinion that in such a case Japan would have at her disposal better means than the United States for carrying into effect her interpretation."

To show how different people were affected, I shall cite from some letters. Dr. George Morrison wrote to a friend from southern China: "Relays of Chinese have thronged to see the American consul, all sounding one note—that they have been betrayed by America. After all her valiant protestations, what earthly good did America gain by making such a concession to Japan, giving recognition to that which every American and Englishman in China had been endeavouring to prevent? Carried to its logical conclusion this agreement gives recognition not only to Japan's 'special interests' in Manchuria, but also to those in Fukien Province which lies in 'geographical proximity' to Formosa. Surely the British will now claim recognition of similar rights in Kwangsi Province. It is all very deplorable."

Another Britisher, Mr. W.H. Donald, took a different view. "When I saw the notes," he wrote, "I was delighted, because I read into them the fact that

America had, to use an Americanism, 'put one over' Japan. Ishii went to America to get acquiescence in Japan's predominance in China; to get America to admit Japan's hegemony of the Pacific. He got neither. Instead, he had to reaffirm adherence to the previous undertakings—undertakings which were discarded when Japan put in her twenty-one demands."

The Chinese papers generally pronounced the notes inconsistent. The *Chung Hua Hsin Pao* saw no need for having the "special interests" of Japan particularly recognized any more than those of other nations, like Great Britain, France, Russia, and the United States, all of which have territory adjacent to China. The paper thought that the assurance that Japan seeks no special rights or privileges, should be taken at its face value when the point of the whole agreement was the recognition of "special interests" enjoyed by Japan. The tenor of the note, therefore, appeared to favour "special interests," consequently the division of China into spheres of influence—contrary to the traditional policy of the United States.

Personally, from my knowledge of the situation in the Far East, I could not see any urgent reason for making this declaration. I learned later that the notes had been drawn up in consultation between the President and the Secretary of State, without other reference to the Department of State and without the knowledge of its staff. Also, the Secretary had acted upon the belief and understanding that the first statement concerning special interests was simply a self-evident axiom, but that its restatement would clarify the situation. Certainly, on the other hand, the positive affirmative pledge against "the

acquisition by any government of any special rights or privileges" was clearer and went further than any previous declaration.

To safeguard its rights under any construction that might be given to the document, the Chinese Government declared that it could not recognize any agreement relating to China entered into between other powers.

I have said that I could not see the need of these notes. Failing to receive instructions which I sought from the Department of State, I continued to take the position that the policy of the American Government remained unchanged with respect to the existence of a special position or special privileges on the part of any other power in China. But the immediate effect of the notes on the Chinese Government was to make its high officials feel that nothing very positive could be expected from the United States by way of assistance out of the nation's difficulties.

The general and continuing effect of the notes was seen in the behaviour of the Japanese in China. The Japanese papers boldly declared that Japan would interpret the term "special interests" in a way to suit herself, and that it implied the supremacy of Japanese political influence in China. The thrusting forward of this View did not strengthen the government of General Tuan. Several more provinces followed those which had declared their independence with acts that made their allegiance at least doubtful. General Tuan's appointee as military governor of Hunan suffered defeat at the hands of the southern troops. The governors of the Yangtse Valley, under the leadership of General Li Shun, addressed to the Government pointed inquiries about financial dealings with the Japanese and the

purchase of arms, which was reported to involve an arms alliance.

As the attacks were directed at him personally, General Tuan felt that he must resign. Notwithstanding an outward show of amity, General Feng Kuo-chang and the Premier had actually not agreed. The Premier wished to make war on the south and conquer it. The Acting President, on the other hand, was in constant correspondence with southern leaders in an attempt to bring about reconciliation. Tuan sent in his resignation. The Japanese worked for his retention. The President did ask him to reconsider, but his resignation finally took effect on the 20th of November. General Wang Shih-chen, who was close to the President as chief of staff, became acting premier. But Tsao Ju-lin, who headed the Japanese clique, was retained.

Peace and unity did not result. The northern Tuchuns gathered at Tientsin on December 4th, and decided to push the war against the south with 200,000 men. This was to be made a pretext for getting more funds.

I kept in touch with General Tuan, in whose personal character and honesty of purpose in wishing China to take part in the war I placed reliance. Also his friend, Mr. Chu Ying-kuang, who had made a fine record as civilian governor of Chekiang, had kept his eye mainly on this goal. Through them I kept in touch with all of the Chinese who fostered such action. If the Chinese of their own initiative should create services for supplying urgent needs of the Allies, and should train a model division for use on the battlefields of Europe, I felt that the United States and her associates would find a way to transport them to Europe. General Tuan was now free of

politics. In the conversations I had with the Premier and his associates, the idea of a special organization for preparedness was talked over. The upshot of this was the creation of a War Participation Office, with General Tuan as its president. The Office was to make constructive plans for developing resources useful in the war, and for training troops for Europe.

Meanwhile, the Japanese were "cutting loose" in Shantung. Quite openly they were trying to set up an administration in what they called the railway zone. The agreements between China and Germany contained no provision for such a zone. The Germans merely had the railway itself, and certain specific mining enterprises, together with the port of Tsingtao. A general priority in the mining districts within a zone of ten miles along each side of the railway had been abandoned some time previous to the war. Now the Japanese asserted in this "zone" general administrative power, including policing, taxation, forestry, and education. With this encroachment, the Chinese noted evidences of Japanese toleration of revolutionary and bandit activities wherever they served the purposes of the invaders.

People came frequently from Shantung to see me in order to lay before me their complaints and petitions. They were distressed, but I could not help them, save where American rights were involved. The Shantung men reported that the Japanese were making the Lansing-Ishii notes the basis of their propaganda, stating that Japan's special position had now been recognized. This penetration into the interior of one of the provinces of China proper by a foreign political administration was undoubtedly the most serious attack ever made on Chinese sovereignty.

A member of the Chinese Foreign Office called on me on the 21st of December, and spoke earnestly about the Japanese inroads in Shantung. He said nothing could stop the Japanese. Their minister had stated that it would be difficult to change an ordinance signed by the Premier and sanctioned by the Emperor.

Among both Chinese officials and the general public all was discouragement and depression. The first effect of the Lansing-Ishii notes, the strong influence exercised by the pro-Japanese clique in the government because of the financial backing they got, the knowledge that such backing had to be bought with valuable national concessions, the increasing disunion between north and south, the general despair of any constructive and unifying policy being possible, made the Chinese individually and collectively paralysed with doubt, fear, and a feeling of impotence. It was plain that Japanese influences, making a politico-commercial campaign in China, were everywhere actively taking advantage of this demoralized state of the public mind and intensifying it through their manipulations.

CHAPTER XXVII

AMIDST TROUBLES PEKING REJOICES

The Armistice meant the end of the Great War. Would it also mean the end of sinister intrigue in China?

In the joy of the world victory everybody felt so. But

when I returned to Peking early in October, 1918, I found that things had gone from bad to worse. Money had been squandered on war expeditions which had torn the country, not united it. The unofficial Japanese financial agent, Mr. Nishihara, a borer in the rotten trunk of Chinese finance, had been at work all summer. The fact of his loan negotiations was denied to the very last by the Japanese Legation. Suddenly, on October 1st, Japan's Minister of Finance announced that his government had arranged a number of loans to the Chinese. They involved commitments in the sum of 320,000,000 yen, ostensibly to build railways and iron works; of this amount 40,000,000 yen would be immediately advanced.

The earlier loans had all gone to the inept militarists. The advances on these so-called industrial loans were in the same way dissipated in partisanship, division, distraction. The new parliament had been elected. It was to elect a new president. Money was poured into the contest between Feng, the Acting President, and Hsu Shih-chang. General Tuan had his army of small political adherents, who battened on the funds supplied by the chief manipulators. They formed the Anfu Club—from *An*hui, the province of the army clique, and *Fu*kien, the province whence the navy drew most of its admirals.

The inner military ring was operating from the War Participation Bureau, which had preëmpted the control of finance, natural resources, and police. The ministries were powerless. The Government was debauched with the easy money from Japan. With a sardonic grin, the Japanese offered to lend China 200,000,000 paper yen, not redeemable, on which the Chinese Government should base a gold-note

issue. On this paper of the Bank of Korea China should repay Japan, with interest annually.

Using the militarists, they tried hard to put it through. But the foreign press, and such Chinese papers as dared, succeeded in laughing it down. Redeemable in Korean or Japanese banknotes, which the Chinese never use in daily trade, the proposed government gold notes could not have been forced into circulation. They would only have worse confounded the already existing monetary confusion.

The police terrorized and bullied the papers that opposed Japan's loan negotiations and printed the facts about them. Nearly a dozen were suppressed. The Anfu gang had cowed the Government and people in north China. Without moral and legal authority, it made the Government impotent in its prime functions, such as levying taxes and protecting lives.

The diplomatic corps had to consider whether the customs and salt revenues should be released to such a government. The best interests not only of China, but of all the friendly nations, including Japan herself, were being blighted. The prostitution of the War Participation Bureau by the gold-lust of the militarists, with Japan as pander, fostered the brawls of faction and disunion. Public opinion was throttled and the corrupt elements found no organized popular opposition.

Tsao Ju-lin, Minister of Finance, advocated the spurious gold-note project, which had been dubbed the "gold-brick scheme." Tsao had represented that the diplomatic corps had approved this scheme. Four ministers jointly informed the Chinese Government that Mr. Tsao's methods tended to destroy confidence between the Government and the legations, and one

minister said his legation would thenceforward accept no statement coming from the Minister of Finance until the Foreign Office had vouched for its truth.

The Finance Minister unblushingly tried to suspend the renewal of the currency loan option until the foreign banks should consent to the gold-note scheme. Here I protested, saying that under the Currency Loan Agreement the American Government had a right to be consulted before any such proposals could be considered.

His Excellency Hsu Shih-chang was elected President —a veteran statesman of the old régime. In my first interview with him he complained: "I am trying to deal with the south; but they have nobody to bind them together and represent them. We are demobilizing most of our superfluous troops, but I am worried because the Government lacks financial support."

I talked with him again often. General Li Shun, of Nanking, had been asked to mediate. The southern leaders needed to be "grubstaked" to pay off their troops, then an agreement with them could be reached. The President's solution smacked of buying them off. But this would not end the militarist intriguing. President Hsu issued on October 25th a peace mandate, taking President Wilson's statement about reconstituting international unity as his point of departure. The President had cabled this to Hsu when he was inaugurated. The press was reporting that the British and American ministers were working for internal peace; our mediation would have been popular. It would have pulled the leaders of north and south out of their impasse. President Hsu cabled back to Mr. Wilson: "Though we are

separated by a great distance, yet I feel your influence as if we were face to face."

President Hsu had gotten a report from Dr. George E. Morrison, who had returned from investigations in south China. Doctor Morrison made the point that internal strife must be ended if China was to do anything in the Great War and to hold up her rights strongly at the Peace Conference. I will quote this report somewhat at length:

> China under the advice of several of her more powerful ministers looks to Japan for guidance, Japan having in an incredibly short space of time, by the energy and patriotism of her united people and the wisdom of her rulers, raised herself to an important position among the nations. But Japan is no longer one of the great world powers. Japan lacks experience of modern war. Her army and navy are much out of date. Her troops have no experience of the marvellous methods of modern war. She has no submarine service, she has no air service. Her government, created after the model of Germany, her kaiserism, her Prussian militarism, are fast becoming obsolete. Compared with the great powers of Great Britain, America, France, and Italy, the strength of Japan is meagre. Japan at the end of the European war is a third-rate power. Her government is the only military autocracy existing in the

world to-day, and for that reason Japan will occupy a unique position at any peace conference. Japan is the only one of the Allied nations who has failed to take any adequate part in the great world struggle.

For China, a republic, to seek the guidance of the only existing autocratic military government in the world to-day has at least the appearance of inconsistency. Such action is viewed with suspicion by all those in China who are aspiring to a democratic government—a government by the people for the people.

If intervention is to be prevented, there must be early restoration of democratic government, early reconciliation. As the simplest and quickest way in which this can be effected, I suggest that your Excellency invite the President of the United States to act as mediator, to bring together representatives of the two great parties of state in China that they may hear and weigh each other's view and agree to a compromise. There is no loss of face in doing this.

During my recent visit to the south I gave expression to Chinese views to all the leading men with whom I had the opportunity of discussing the question of peace and reconciliation

> in China. All without exception expressed their belief and confidence that an invitation to the President of the United States to act as mediator would be a wise act and one that promised the easiest solution of the grave conflict which at present divides into hostile camps this fair land of China.

Japan persisted in her work, the United States remained indifferent.

The people of China got tired of all this. As a matter of fact, China was divided only on the surface. Deep down into the life of the people political controversies had not penetrated. They went on, placid and industrious, regardless of the bickerings of politicians. Chinese revolutions and declarations of independence might be bruited to the world, which might think China had plunged into anarchy. As a people the Chinese are freer from governmental interference than any nation living. If the entire Central Government should suddenly disappear from the face of the earth, it would make little difference in China. Yet the long continuance of political conflicts lets foreign intrigue into the national quarrels, and so reacts dangerously.

The people as a whole wished the nation to be a unit. But the professional militarists had to be paid off. After the President had issued his peace mandate, he asked that I see him. "If decisive action for peace is taken," he asked, "may we depend on the United States to back us in getting funds to pay off these large bodies of troops? If not, will she not lead in a reorganization loan joined by several powers?"

I asked the American Government for the funds desired. If they came conditionally upon the reunion of China, the responsible military governors and civilian leaders north and south would have the means to be rid of the predatory and parasitic bands. Japan then roused herself. She approached the governments of the United States, France, Great Britain, and Italy on October 23rd, asking that they work toward a peace settlement with the leaders both north and south. The American Government approved, adding that China needed money, but that no funds would be afforded her until a reunited government was seated.

Meanwhile, the temper of the Chinese people was sounded in a gratifying way. John Mott asked the Y.M.C.A. in China to raise $100,000 for the War Works Drive. I sat at dinner one evening with Liang Shih-yi and Chow Tsu-chi, and said: "A drive is going on in the United States to aid all the war works undertaken for the benefit of the soldiers at the front. Do you suppose that some of our friends in China would wish to contribute?" They both replied: "Yes, we are sure they would."

Two days elapsed. Chow Tsu-chi called, told me they had formed a National War Works Committee, and that local committees were being formed in every provincial capital. They raised, not $100,000, but more than $1,000,000!

It was the more remarkable because this way of contributing to a public purpose had never been tried in China. Only the *Shun Tien Shih Pao* of Peking, Japanese-controlled, threw cold water on the movement, saying that to be sending money to Europe while so many provinces in China themselves needed aid was peculiar.

The representatives of the Associated Powers met on October 18th. They felt that participation in the war had not united China; a clique had perverted it to factional uses. Each representative, it was agreed, should present instances in which the Central Government or local officials had obstructed action or been remiss. At the next meeting, on the 28th, I had prepared a memorandum of instances; this was made the basis of a statement. A conference was to be held with the President of China, to be quite friendly, but to make manifest the grave shortcomings due to political vices. Thus, it was thought, the responsible and conscientious elements in the Government would be fortified against the clique that had invaded it. The Foreign Minister, however, asked that the conference be deferred, in order that the Government might strive to bring its action more completely into accord with its real desire. There was no threat in our suggestion. But publicists often overlooked its true object, and treated it as if it had been a condemnation of China rather than of the controlling clique in the Government.

Joy and cheerfulness greeted the news of the Armistice. The American Legation Band was the first to celebrate, with a detachment of marines it paraded the legation compounds; only the Japanese Legation sentinel failed to salute it; he had failed to gather its purport. At Sir John Jordan's personal invitation I joined the British Legation's impromptu festivities that night, with some members of my staff. Responding to Sir John's remarks of welcome, I spoke of the trinity of democratic peoples, the British, French, and Americans, as destined to lead the world to a fuller understanding of free institutions and popular rights.

In the continuous round of festivities and celebrations the foreign and Chinese communities joined whole-heartedly, with dinners, receptions, special meetings of societies, and finally a great national celebration on the 28th of November. We gave a reception on the 20th to the ministers of the Associated Powers. As each minister arrived, the national air of his country was played by the Marine Band. When the Russian minister came in, the band, without special instructions, played the old Russian Imperial hymn. Prince Koudacheff was moved, for this anthem was now outlawed in his country; he came to me in tears. Next day he showed me a song with music which he had suggested for adoption by the Siberian Government as the Russian national hymn. But at the solemn service held on the Sunday following, when the national airs of the different countries were played, when the turn came for the Russian hymn a pause was noted. Those conducting the service had ruled out the old Imperial hymn. As there was apparently no music available as a substitute, poor Russia had to go unsaluted.

From early in the morning of the national celebration, Chinese troops marched toward the Imperial City, where they lined the spacious interior courts. The legation guards followed. Multitudes of Europeans and Chinese flocked to the palace, where the diplomats were gathered, all but myself resplendent in gorgeous uniforms. The neutral ministers, too, were in attendance. The European adviser had found a precedent among peace celebrations in Europe, such as that after the Danish War and the Franco-Prussian War, in accordance with which the neutral ministers might attend, though peace was not fully concluded. Also, it was argued that the Chinese were celebrating the

cessation of hostilities, and the participation of friendly representatives might be invited.

Whispered controversy was heard among the ministers. The representative of France, seeing senior neutral representatives ahead of him, said this occasion was different, and demanded that the rank of precedence be changed. Time was too short for so thorny a problem. We agreed to say nothing at all, but to walk in a group forming itself spontaneously.

We gathered in the pavilion of the Ta Ho-men, the gate which leads into the court immediately before the main Coronation Hall of the Imperial City. Here, in the very inner sanctuary of the thousand-year-old imperialism of China, the victory of freedom was celebrated. The square was massed with troops, Chinese and foreign. On the ascending terraces stood thousands of guests, the military and officials in uniform; over the balustrades waved forests of flags of the Associated Nations, as well as long floating banners with Chinese inscriptions in gold.

After the President had ascended the steps to the music of bands of the nations, bowed to all the flags, and made his address, aeroplanes appeared, dropping innumerable Chinese flags and messages of felicitation printed in gold on red; then they continued to circle above the Imperial City. While the military were marching to the gate, rockets were sent skyward; exploding, they released paper figures of animals, as well as soldiers and weapons of war, which floated a long time in the air. When the President left the Tung Hua Palace, where he had received thousands of guests, the aeroplanes preceded him on his ride to his own residence.

We celebrated Thanksgiving that afternoon in American fashion with a religious service, the

American colony and many British and other Allied residents attending, as well as the ministers of the Associated Powers with their staffs. Premier Chien Neng-hsun dined the diplomatic corps and welcomed President Wilson's proposal for a league of nations. President Hsu invited us on November 30th, and then the French minister, who still was troubled with the question of the non-belligerents, objected to the neutral ministers being there at all. If they went, he said, he would not go. The British minister and I devised, as we thought, a way out. Would the neutral ministers view the Allied ministers as guests of honour on this occasion? The secretary to the Foreign Minister was chosen to ask them. Unfortunately, the neutrals took it as a demand rather than an inquiry. Then the fat was in the fire—the neutral ministers would not attend the dinner. This was the one discordant note in our celebrations.

In order to enable the Central Government to get along at all, the diplomatic corps agreed to the release of surplus salt revenues to the extent of $5,300,000. President Hsu on the 16th of November ordered immediate cessation of hostilities in the Chinese interior. The northern leaders were still war-like, but accepted his decision. The British, French, American, Japanese, and Italian representatives and myself met on the 22nd to uphold President Hsu's attitude. We took up the Japanese proposals, deciding that identical representations be made at Peking and Canton. My colleagues asked me to draft an *aide mémoire* which was to accompany the oral representations. Japan objected to including in it the American suggestion that no financial advances would be made now but that a reunited China would get support from the powers. The Japanese banks had bound themselves to make further payments to

China, it was said. The *aide mémoire* deplored disunion, disavowed wishing to intervene, and hoped that, "while refraining from taking any steps which might obstruct peace, both parties would seek without delay, by frank confidence, the means of obtaining reconciliation." In the clause about obstructing peace I had in mind such acts as the election of a northern militarist as Vice-President. This, though in itself a peaceful act, would have raised an insurmountable obstacle to peace.

Five powers were represented in an audience before the President on December 2nd, the British minister speaking. The northern military leaders had held a conference at Tientsin. If, as reported, they wished to demand that Tuan be reinstalled as Premier, and that Tsao Kun, Military Governor of Chihli, be elected Vice-President, it would have embittered the south. The public therefore welcomed the representations of the powers. The American reference to loans was omitted; nevertheless, the situation produced made it no longer possible for any one country to lend money to either faction without putting itself in an equivocal position.

The Japanese felt moved on the 3rd of December to publish a statement about Chinese finance. Japan could not discourage financial and economic enterprises of its nationals in China, the statement read, "so long as these enterprises are the natural and legitimate outgrowth of special relations between the two neighbouring and friendly nations. At the same time they fully realize that under the existing conditions of domestic strife in China loans are liable to create misunderstandings and to interfere with peace in China. Accordingly, the Japanese Government has decided to withhold such financial

assistance to China as is likely in their opinion to add to the complications of her internal situation."

This declaration left great latitude in the making of loans, yet it did, in fact, acknowledge the appropriateness of the American position. I asked Baron Hayashi about it. What exceptions would be made? The Baron was not very definite but said *bona fide* industrial loans were meant. "Most decidedly," he added in reply to my continued questioning, "I favour the strictest scrutiny of each loan, and mutual information among the governments about such transactions." He gave me plainly to understand that he did not approve, and had opposed, certain deals attempted by his countrymen in the semi-official group. I gathered his thorough disapproval of direct interference by the military in international affairs; but the military were in power in Japan, and its diplomats were helpless.

In accordance with its main suggestion, the American Government followed with a memorandum about financing China, sent to Great Britain, France, and Japan. It had already proposed a new consortium, including virtually all parties interested in each national group. The Currency Reform Loan should come first, with the shares of the British and French groups carried by the Americans and Japanese so long as the former could not furnish funds. Industrial as well as administrative loans should be included, and thus removed from the sphere of destructive competition.

The danger that industrial loans might be converted to political ends was patent. Yet in my recommendations I felt it difficult to avoid evils of monopoly, unless independent enterprises involving loans should be admitted.

The British and French banking representatives plainly wished to have America lead in the international financial reorganization of China. Japan, as its minister often said, desired the United States to reënter the Consortium—but he meant the old Consortium, in which Japan had the leadership. Japan did not readily take to the idea of the new Consortium. It declared that it favoured the proposal "on principle," but found it necessary to weigh every detail with considerable minuteness. This caused great delay.

CHAPTER XXVIII

A NEW WORLD WAR COMING?

The old World War ended with the Armistice. Was a new one looming?

If one came it would break in China—of that we were convinced. Unless it settled China's problems the Peace Conference would fall disastrously short of safeguarding the world against a renewal of its titanic conflict. In China the powers were rivals, each with its jealously guarded sphere of influence. In the extravagant language of fancy, Ku Hung-ming thus pictured to me the situation: "China's political ship, built in the eclipse and rigged with curses black, has been boarded by the pirates of the world. In their dark rivalries they may scuttle it and all sink together, but not until they have first plundered and burned civilization as we know it."

Should any action be taken which might be

interpreted as a recognition of a special position for Japan in China, whether in the form of a so-called Monroe Doctrine or a "regional understanding" or in any other way, forces would be set in motion that in a generation would be beyond controlling. In comparison with this tremendous issue, even the complex re-alignments of Central Europe fell into relative unimportance. The same fatal result was sure to follow any further accentuation of spheres of influence.

We in China realized this, and in deadly earnest we worked out a plan of joint preventive action by the powers, which would unite them instead of leaving them in fatal rivalry. The root of all evil is in the love of money. It was local financing by single exploiting powers in spheres protected by political influence that was the evil. If, instead, the finance of the world could be made to back a united China, there would be a great constructive development, from which all would benefit far in excess of selfish profits garnered in a corner. We planned a system of joint international finance. That, despite its drawbacks, would destroy the localization of foreign political influence. The plan in its relations to the Chinese Government was worked out with everyone that we could reach competent to give advice. There were the official and business representatives of Great Britain and France; the Chinese cabinet ministers and other officials, and all of the American representatives, including the commercial attachés Julean Arnold and P.P. Whitham, and the American advisers, Dr. W.W. Willoughby, Dr. W.C. Dennis, and Mr. J.E. Baker of the Department of Railways. Day and night the conferences went on informally; by day and night these matters were threshed out. Japanese experts, too, were consulted.

The time seemed propitious. The Armistice brought the hope that the powers would coöperate. The separatist political aims in China might be overcome, together with the sinister intrigue for dismembering or dominating that mighty nation of freemen. Could foreign financial action and influence in China be gathered up into a unit? Could it be made to build for the whole of China, not tear it down in its several parts? At all events, we hammered out a plan to make this possible.

Foreigners had gone deeply into railway loans, making their chief investments there. Hence we made the plan of unified financial support apply, first of all, to the railway service. The operating of the different Chinese lines according to the respective national loans was a curse; it was evil politics, and it broke down the railway service. Foreign experts, acting as servants of the Chinese Government, might unify the Chinese railroads, though of this Liang Shih-yi, Chow Tsu-chi, and Yeh Kung-cho—who knew most about Chinese railway affairs—had their doubts. It would pile up the overhead expenses, they thought. The railways could be managed thriftily only by the Chinese. The foreign banking interests, too, might try to be depositories for the railway funds, as they were already for the customs and salt revenues. Thus Chinese capital would pay tribute to foreign capital. If still other revenues were thus absorbed, as might be feared, national economy would be fettered too much.

Therefore they proposed a Chinese banking group. It would help in the financing and could be made the depository of funds.

These men sympathized, however, with the main purpose of the suggested arrangement for

unification. Foreign expertship on the railways, also, was highly valued by Chinese railwaymen trained in the West. True, Mr. Sidney Mayers somewhat frightened them by his proposals. This British industrial representative of long experience in China proposed internationalizing each separate line by putting on it an international group of experts. The Chinese objected; it would mean giving all the important positions to a large staff of foreign officials. Of this they had had enough in the Customs.

It was necessary to dissociate banking from building; such a union would mean monopoly and fierce attacks upon it by all outside interests. With the financing separate, the contracting might be left free to all competitors, bidding low and resting their bids upon their repute and responsibility.

So long as it remained possible for different countries to acquire special privileges in distinct spheres, promises of "integrity and sovereignty" would be nothing but empty words. No matter how much they might promise that they would not discriminate against the trade of other nations, the fact remains that established position in itself constitutes preference.

The favoured nations might more honestly say: "Give us our special position and we will give you all the equal opportunity you ask."

Foreign influence could safely be wielded only as a trusteeship for China and the world, without any vested political interests or economic advantages secured through political pressure. But Chinese administration was lax. I urged the Chinese officials to set their house in order, to put their public

accounting on an efficient plane; even if necessary to employ foreign experts to do this. They said: "Yes, if the United States will lead," for a long record of square dealing had endeared our business men to the Chinese.

But Americans had been slow in China. Two years had fled, and the Grand Canal was not yet restored as promised. The half million dollars advanced had been spent on preliminary surveys. Silver had risen; American gold bought only one half what it had before. Overhead expense was high, and for the preliminary work more than the half-million was needed. The Chinese were disappointed, grief-stricken; they began to be suspicious.

The Japanese-controlled papers redoubled their attacks on Americans. Pretty soon a Japanese journal at Tsinanfu assaulted the name and character of President Wilson. I had an understanding with my Japanese colleague that all press misstatement should be corrected. I saw him about this attack on the head of a friendly nation. He promised to look into it. After ten days I wrote inquiring again. Under the press laws of Japan, he responded, a paper could indeed be punished for libellous attack upon the head of a foreign state, provided that such head happened to be in Japan at the time. As this paper was notoriously under the domination of the Japanese authorities, amenable to their very breath and whisper, I failed to see how the minister should find it hard to bring it to book. I merely called for a retraction where the Japanese, if a Chinese-owned paper so scurrilously had attacked the Japanese Emperor, would have asked for total suppression. The Japanese minister said he would "further consider the matter" and would see what he could

do. A mild apology and retraction were eventually published.

The action of the Japanese in China, official and unofficial, during the war, had aroused the deepest resentment among the Chinese, who were on the verge of despair. The Chinese people were being whirled in the vortex of old and new. The old organization was beginning to crumble; the new had not yet taken shape. It was easy to find spots of weakness and corruption, aggravation of which would bring about an actual demoralization of social and political life and the obstruction of every improvement; bandits could be furnished with arms; weak persons craving a stimulant could be drugged with morphia; the credit of native institutions could be ruined; and the most corrupt elements in the government encouraged. For the original weaknesses and evils the outside influence was not responsible, but it was culpable for making them its instruments for the achievement of its aims of political dominion.

A vast system whose object was the drugging of China with morphia, which utilized the petty Japanese hucksters and traders throughout the country, was exposed in the "opium blacklist" published by the British papers in China. Specific proof was adduced in each case. Often the blacklist extended over two pages of a paper. Obviously these Japanese druggists, photographers, and the whole outfit of small-fry traders could not traffic in morphia without the connivance of the Japanese Government and the support of semi-official Japanese interests. The Japanese post offices were used for its distribution in China. Chinese police interference with the thousands of Japanese purveyors was ruled out under the exterritoriality

agreements. In Korea, the Japanese opium grown officially for "medicinal uses" was produced far in excess of medicinal needs, and through the ports of Dairen and Tsingtao large quantities of morphia came into China.

The Japanese-controlled press at first answered the blacklist with charges of *tu quoque*; but when they defamed the American missionary hospitals, alleging that they were centres for distributing narcotic drugs, nobody among the Chinese paid further attention to them. The blacklists mapped graphically the thickly sown morphia "joints" around the police station of the Japanese settlement at Tientsin and the responsibility was brought home to Japan. An official Japanese announcement was evoked that no effort would be spared to stop the "regrettable, secret, illicit traffic."

In Shantung Japanese civil administration had been set up along the railway without a scintilla of right. It was later withdrawn for new concessions and privileges wrung from the Peking Government. The Japanese were old masters of this trick. Seize something which you do not really want, and restore it to its owner if he will give you something you do want. Then what you want you get, but it is not "stolen," and can be kept with smug immunity. The arrangements in Shantung were made secretly, riding roughshod over Chinese rights, and intended to sterilize in advance the enactments of the Peace Conference. If a foreign power should wish to own the Pennsylvania Railway system, and should actually come into the United States and occupy it, the parallel would be exact with what Japan did in Shantung. After taking the Shantung Railway and holding it, the Japanese stoutly claimed an

"economic right" to it. The whole course of Japan in China during the Great War alarmed both Chinese and foreigners. I may not name the responsible and fair-minded writer of a letter from which I quote:

> It would be in the highest degree unfortunate if the present fortuitous and temporary possession of the Leased Territory and Shantung Railway by Japan should be confirmed by the final Treaty of Peace, for not only would China's sovereignty in Shantung be in danger of impairment, but the trading rights of Chinese, Americans, and Europeans would undoubtedly be prejudiced.
>
> Another consideration that has the greatest weight with the writer is that the principles for which the United States entered the European War and on behalf of which the United States, in common with the whole world, has paid an unthinkable price in gold and blood, make unbearable a continuance, not to say accentuation, of the old system of foreign intrigue in China. It is unbearable that one result of the victory bought in part with American lives should be the extension of Japanese power in China, when such extension means the further strengthening of the domination of a monarchical and imperialistic foreign nation over

> China, a result constituting in its own sphere a complete negation of the objects for which the United States devoted its entire resources in the war against Germany.

Dr. Sun Yat Sen wrote me at Shanghai on the 19th of November, referring both to internal and external troubles, and the union of militarists, foreign and Chinese:

> Through you alone will the President and the people of the United States see the true state of affairs in China. Your responsibility is indeed great. Whether Democracy or Militarism triumphs in China largely depends upon Your Excellency's moral support of our helpless people at this stage.

These words show the Chinese belief in the sheer force of public opinion, and their wish that the Chinese situation be known and understood abroad. This achieved, the evils under which China groans and travails would shrivel.

We built up our solution of unity for China. In carefully weighed dispatches I sent it to the American Government, and cabled the President a statement of China's vital relation to future peace. I was constrained to condemn Japan's policy, quite deliberately, summing up the evidence accumulated in the course of five years. I had come to the Far East admiring the Japanese, friendly to them—my published writings show this abundantly. I did not lose my earnest goodwill toward the Japanese people

but I could not shut my eyes to Japanese imperialist politics with its unconscionably ruthless and underhanded actions and its fundamental lack of every idea of fair play. The continuance of such methods could only bring disaster; their abandonment is a condition of peace and real welfare. The aims and methods of Japan's military policy in the Continent of Asia can bring good to no one, least of all to the Japanese people, notwithstanding any temporary gains. Such ambitions cannot permanently succeed.

A cure can come only when such evils are clearly recognized. Lip-service to political liberalism might mislead the casually regardful outside world. To those face to face with what Japanese militarism was doing to continental Asia there was left no doubt of its sinister quality. Japan herself needs to be delivered from it, for it has used the Japanese people, their art and their civilization, for its own evil ends. More than that, it threatens the peace of the world. If talk of "a better understanding" presupposes the continuance of such aims and motives as have actuated Japanese political plot during the past few years, it is futile. What is needed is a change of heart.

Here is the substance of the memorandum upon which my cablegram to the President was based:

> In 1915, coercion was applied and China was forced by threats to solidify and extend the privileged position of Japan in Manchuria and Mongolia and to agree prospectively to a like régime in Shantung together with the beginnings of a special position in Fukien Province.

After this there was a change of methods although the policy tended to the same end—domination over China.

Instead of coercion, Japan applied secret and corrupt influence through alliance with purchasable officials kept in office by Japanese support. The latter insidious policy is more dangerous because it gave the appearance that rights are duly acquired through grant of the Chinese Government; no demands or ultimatums are necessary because corrupt officials strongly supported by Japanese finance, acting absolutely in secret channels, suppressing all public discussion with the strong arm of the police, are able to deliver contractual rights regular in form, though of corrupt secret origin and evil tendency.

Japan has used every possible means to demoralize China by creating and sustaining trouble; by supporting and financing the most objectionable elements, particularly a group of corrupt and vicious military governors akin to bandits in their methods; by employing instigators of trouble; by protection given to bandits; by the introduction of morphia and opium; by the corruption of officials through loans, bribes, and threats; by the wrecking

of native banks and the debauching of local currency; by illegal export of the copper currency of the people; by local attempts to break down the salt administration; by persistent efforts to prevent China from going into the war and then seeing to it that China was never in a position to render to the common cause such aid as would be in her power and as she would willingly render if left to herself: finally, by utilizing the war and the preoccupation of the Allies for enmeshing China in the terms of a secret military alliance.

As a result of these methods and manipulations, Japan has gained the following advantages: a consolidation of her special position in Manchuria and eastern Mongolia, and the foundation of the same in Shantung and Fukien; control in the matter of Chinese finance through the control of the Bank of Communications and the Bureau of Public Printing and the appointment of a high financial adviser together with the adoption of the unsound gold-note scheme happily not yet put in force. She has secured extensive railway concessions in Manchuria, Shantung, Chihli, and Kiangsu; mining rights in various provinces; and special monopolistic rights through the Kirin forestry loan, the telephone loan, and others.

Through the secret military convention Japan attempts not only to control the military policy of China but incidentally national resources such as iron deposits. All these arrangements are so secretly made that in most cases not even the Foreign Office is in possession of the documents relating thereto. Together with this goes the persistent assertion of special interests which are interpreted as giving a position of predominance.

This is a strong indictment and I feel the fullest responsibility in making these statements. Fundamentally friendly to the Japanese as my published expressions show, I have been forced through the experience of five years to the conclusion that the methods applied by the Japanese military masters can lead only to evil and destruction and also that they will not be stopped by any consideration of fairness and justice but only by the definite knowledge that such action will not be tolerated.

As a steady stream of information from every American official in China and from every other source as well as my own experience have made this conclusion inevitable, I owe the duty to state it to the American Government in no

uncertain terms. Nor is this said in any spirit of bitterness against the Japanese people but from the conviction that the policy pursued by their military masters can in the end bring only misery and woe to them and the world. During all this period it has not been possible for the European powers or the United States to do anything for China. The United States, though assisting all other Allies financially, could not contribute one dollar toward maintaining the financial independence of China as undivided attention was needed to the requirements of the west front. The Lansing-Ishii notes, undoubtedly intended to express a friendly attitude toward any legitimate aspirations of Japan while safeguarding the rights of China, were perverted by the Japanese into an acknowledgment of their privileged position in China. Now at last, when the pressure has been released, America as well as the European countries must face the issue which has been created, that is, whether a vast, peaceable, and industrious population whose most articulate desire is to be allowed to develop their own life in the direction of free and just government, shall become material to be moulded by the secret plottings

of a foreign military despotism into an instrument of its power. If it is said that the aims of Japan are now but economic and in just response to the needs of Japan's expanding population, it must be remembered that every advantage is gained and maintained by political and military pressure and that it is exploited by the same means in a fashion, taking no account of the rights of other foreign nations or of the Chinese themselves. Divested of their political character and military aims the economic activities of Japan would arouse no opposition.

Only the refusal to accept the results of Japanese secret manipulation in China during the last four years, particularly, the establishment of Japanese political influence and a special privilege position in Shantung can avert the result of either making China a dependence of a reckless and boundlessly ambitious military caste which would destroy the peace of the entire world, or bringing on a military struggle inevitable from the establishment of rival spheres of interest and local privilege in China.

Peace is conditioned on the abolition for the present and future of all localized privileges. China must be freed from all foreign political

influence exercised within her borders, railways controlled by foreign governments, and preferential arrangements supported by political power. If this is done, China will readily master her own trouble, particularly if the military bandits hitherto upheld by Japan shall no longer have the countenance of any foreign power.

The advantages enumerated above were gained by Japan when she was professedly acting as the trustee of the Associated Powers in the Far East, and they could not have been obtained at all but for the sacrifices made by them in Europe. They are therefore not the exclusive concern of any one power. With respect to Shantung the German rights there lapsed, together with all Chino-German treaties, upon the declaration of war. A succession of treaty rights from Germany to Japan is therefore not possible, and the recognition of a special position of Japan in Shantung could only proceed from a new act to which conceivably some weak Chinese officials might be induced but which would be contrary to the frequently declared aims of international policy in China and which would amount to the definitive establishment of exclusive spheres of influence in China leading in turn to the more

vigorous development of such exclusive spheres by other nations. The present situation of affairs offers the last opportunity by common consent to avert threatening disaster by removing the root of conflict in China.

Never before has an opportunity for leadership toward the welfare of humanity presented itself equal to that which invites America in China at the present time. The Chinese people ask for no better fate than to be allowed freedom to follow in the footsteps of America; every device of intrigue and corruption as well as coercion is being employed to force them in a different direction, including constant misrepresentation of American policies and aims which, however, has not as yet prejudiced the Chinese. Nor is it necessary for America to exercise any political influence. If it were only known that America in concert with the liberal powers would not tolerate the enslavement of China either by foreign or native militarists the natural propensity of the Chinese to follow liberal inclinations would guide this vast country toward free government and propitious development of peaceful industrial activities, even through difficulties unavoidable in the transition of so vast and ancient a society to new

methods of action.

But if China should be disappointed in her confidence at the present time the consequences of such disillusionment on her moral and political development would be disastrous, and we instead of looking across the Pacific toward a peaceable, industrial nation, sympathetic with our ideals, would be confronted with a vast materialistic military organization under ruthless control.

CHAPTER XXIX

JAPAN SHOWS HER TEETH

Mr. Obata had succeeded Baron Hayashi as Japanese minister in December. He was a dour, silent man who had been much in China, as consular officer and in the Legation. He had sat with Mr. Hioki in the conferences in which the twenty-one demands were pressed on China. He was known to be a very direct representative, in the diplomatic service, of the militarist masters of Japan. His appointment was to the Chinese ominous of a continuance of aggressive tactics. A wail of indignation went up from the Chinese press, but Mr. Obata remained. In my personal relations with this secretive man I thought I saw gradually emerging a broader and more humane outlook.

The new Japanese minister called on the 2nd of February, 1919, at the Foreign Office and expressed resentment at the attitude of the Chinese delegation at Paris. The Chinese representatives had said they were willing to publish all the secret agreements which the diplomacy of Nippon had been weaving around China. Japan objected. The sacred treaties between China and Japan were not to be divulged without the consent of both parties. If China was so anxious to purge herself of secret diplomacy, let her publish first the agreement of September 24, 1918, which gave the special privileges of Germany in Shantung to Japan. The displeasure of the Japanese in Paris was reënforced by Mr. Obata in Peking by what the Chinese took to be a veiled threat. "Great Britain," said he, "is preoccupied with internal disorders. She cannot assist China. But Japan is fully able to assist, as she has a navy of 500,000 tons, and an army of more than a million men ready for action."

The Shantung agreement had been the consummation of the Japanese-controlled Minister of Communications. The Chinese Foreign Office was not consulted when the Chinese minister at Tokyo signed it, and it had not been ratified by the Chinese Government. The Chinese people viewed it merely as a draft, and demanded its cancellation with the return to Japan of the moneys received under it by the politicians.

Mr. Obata's threat, which the Chinese took to be an attempt to intimidate the Chinese delegation at Paris, evoked a deluge of telegraphic messages urging the President and the Government by all possible means to back their delegates. These expressions came from men of all parties. Chen Lu, Acting Foreign Minister,

tried in vain to minimize the effect of the interview. Called before the Chamber of Representatives in secret session, he said that the newspaper reports had been "somewhat exaggerated," and added: "In this time when the right and justice of the Allied Powers have definitely destroyed militarism and despotism, we Chinese, although as yet a weak country, may consider every menace of foreign aggression as a thing of the past, and accept it with a smile."

The Government at first cabled the Paris delegation not to make the secret treaties public; they were not held to be valid by the Chinese Government, and publication might lend them force. Later, the Government cabled, leaving it entirely to the discretion of the delegates. The diplomatic commission of the Chin Pu Tang recommended this. Meanwhile, Mr. Liang Chi-chao had gone to France. He meant to go by way of the United States, where I had prepared for him an itinerary and letters of introduction. Then his intimate associate, Tang Hua-lung, was assassinated in Vancouver. Liang, fearful of a similar fate, went straight to France, evading the Kuo Min Tang sympathizers in America. Ex-Premier Hsiung Hsi-ling told me that Liang was to inform the Chinese delegates unofficially about the state of things in China.

This was so bad that the American recommendation that the powers keep their money away from either party until China was reunited looked more and more desirable. An influential and responsible Chinese, who talked with me about the clique that ran the War Participation Bureau, made this statement: "The danger to China is in the efforts of Tuan's militarists. Japan is giving them money to

build up an army. With this they will try to overawe the President and force him to fall in with their aims. The negotiations for peace with the south will cease; the war with the south will go on."

One of the most burning questions both to private individuals and the press was how to oblige Japan and her officials to cease their support of the northern militarists by the sending of money and arms. Certainly a fire was built under them. The Japanese minister called on me on the 9th of January to say that his government would now join in a declaration on financial assistance to China. He had to make reservations about the loan of 20,000,000 yen, pledged in connection with the secret military agreement, also as to the so-called "industrial" loans. The secret loan arrangement had been made with three Japanese banks: the Bank of Chosen, the Industrial Bank of Japan, and the Bank of Formosa, by the War Participation Bureau. With this, the minister said, he could not interfere. Also, his government was in principle favouring a restriction of the sale of arms, as America recommended; but it would be best for the powers to say nothing about it, as their joint statement would be taken as an attempt to restrain Japan, which was the only country able to furnish arms to China. Besides, the War Participation Bureau had a troublesome private contract for arms with the Tayeh Company, which the Government felt it couldn't interfere with. So there you are, as Henry James would put it.

I told the Japanese minister that we were not proposing any platonic arrangement as Americans were both able and willing to furnish arms to the Chinese under legitimate contracts, if the American Government would permit it. Moreover, as to the

transaction of those three Japanese banks—since the Government of Japan had an interest both in them and in the munitions company mentioned, their alliance with the War Participation Bureau would be dissociated with difficulty in the public mind from the Japanese Government.

The War Participation Bureau clique was actually getting ready to equip an army against the south while the North-and-South Peace Conference was sitting at Shanghai. Tang Shao-yi, chief peace representative of the south, formally remonstrated to the British minister, as dean of the diplomatic corps, against such doings of this "Bureau" and its Japanese support.

Now, the Bureau had been established as its name implied, to facilitate participation of China in the Great War. Japan's financial support of it was ostensibly given also in behalf of the other Allies. If it were to be prostituted to the fomenting of civil war the others as well could not escape responsibility. A meeting was held on the 12th of February by the Allied and Associated ministers. Several strongly urged that outside money continually given for recruiting of troops was opposed to the aim of restoring settled conditions in China and to the policy of the joint declaration of December. The Japanese minister was silent. He said he must await instructions.

He informed me on February 21st that Japan had called a halt on the shipping of ammunition and equipment to the War Participation Bureau, but the payment of the balance of the loan could not be stopped. Just then, as it happened, an American firm would soon be ready to begin delivery of a certain amount of equipment in China, contracted for in

good faith during the previous August. America had proposed a joint declaration against the furnishing of arms, which Japan had blocked. As the declaration had not been made, I could not then stop the American delivery though I did so later. But America would still be only too glad to join in the declaration as proposed.

As the Japanese were still paying the loan funds into the War Participation Bureau, another diplomatic "indignation meeting" was held about it on March 6th. The Japanese minister said his banks could not help paying over those funds, but he had suggested to the Chinese Government that it might be well, in the circumstances, to refrain from drawing the money; Japan could not object to this. Forthwith one of the ministers spoke up: "Then let us all make this recommendation which Japan has made."

At this the Japanese minister was taken aback, almost shocked. He had always argued that the War Participation Bureau was a Chinese internal affair, not one in which the powers that had helped form it should presume to dip. But the suggestion was quickly adopted. As a result, the representatives of Great Britain, France, Italy, and the United States, all solemnly called on the Minister for Foreign Affairs, expressing their opinion that to draw the war participation funds was not advisable, as it constituted an obstacle to internal peace.

But Japan's advice had been merely for the record, not at all to be acted upon. Soon there came over to Sir John Jordan an informal memorandum from the Foreign Office, taking the Japanese line of thought that the War Participation Bureau was China's internal affair. It might be construed as an intimation that we were meddling. Indeed, two Chinese of high

position told me that the President and the Premier had held up the memorandum for several days for fear that it might give offense, until the Minister of War absolutely insisted upon its being sent.

Through these two men I sent a quiet intimation to the President that withdrawal of the memorandum would prevent unpleasant feelings among men who were sincerely friendly to him and to China. The memorandum was pulled back without delay; thereupon all the Chinese officials, except the few directly connected with the War Participation Bureau, rejoiced.

The five representatives who signed the original declaration of December met again on the 11th of March, because the French minister had instructions favouring action upon the Bureau. The Japanese minister advanced his arguments about its being China's business, not ours. But the others took the view that as it was an Allied war institution and Japan had dealt directly with it, it was quasi-external in character. "Is it not quite clear," protested the Japanese minister, "that the loan was purely a commercial affair, made by certain banks, and not controlled by the Japanese Government?" How, then, it was asked in reply, does it happen that in connection with this loan, officers of the Japanese army had been assigned to the War Participation Bureau as advisers and instructors; was it customary to make such extraordinary arrangements in connection with a purely commercial transaction?

"I am not sufficiently informed," Mr. Obata responded evasively. "I shall have to refer to the reports of these transactions."

The position of Japan in this matter was so patently equivocal that it was amusing. We decided that we

should make it plain that as this bureau was created to further our common purposes, we could not acquiesce in any political action or in the use of any money which would tend to prolong internal strife.

The Japanese minister on the 1st of March had notified the Chinese Government that no further deliveries of arms would be made to the War Participation Bureau pending the termination of the North-and-South Peace Conference at Shanghai. We proposed to follow this up with joint action. Certain representatives were uninstructed, though they favoured frowning on the arms imports. Finally eight powers united "effectively to restrain their subjects and citizens from importing into China arms and munitions of war until the establishment of a government whose authority is recognized throughout the whole country." This included the delivery of arms under contracts already made but not executed. I could then warn the American firm not to execute its contract for the time being, and I did so.

From time to time, since the early spring of 1918, Baron Sakatani, Japanese ex-Minister of Finance, had been in Peking. Mr. Liang Chi-chao, when as Minister of Finance he made his Japanese loans, had held out the possibility of the appointment of a Japanese financial advisor. The Baron was an old acquaintance of mine and I held him in high regard; but, in view of the fact that I could not consider this time a proper one for settling the matter of the financial advisorships, I had to distinguish between my personal feelings for him and the official stand which I might have to take. A Japanese friend wrote me in connection with Baron Sakatani's visit to China: "A section of our capitalists have been given every

facility to make money and to lend it to China; with the money squeezed from them, the military bureaucrats have been corrupting party men and sending them to China and elsewhere, to exploit the warring nations while they are busy with the war. The civilian officials and militarists cannot think anything except in terms of German fear or admiration. If such Japanese are employed by the Peking government, it will forever alienate Chinese sympathies from anything we may propose."

Baron Sakatani from the first had nursed the ambition of being made currency adviser to the Chinese Government; by January, 1919, it appeared that his wish was to be fulfilled. The Japanese minister announced that the other nations had agreed to the Baron's appointment. I had not agreed to it. I had heard nothing whatever about it and had consistently and energetically opposed any action of this sort. I considered that it would permanently determine the course to be taken with regard to currency loans, and would preclude the possibility of any consultation with the United States. I requested the Minister of Finance to defer the appointment until I could consult my government. The next development came on the 20th when the Japanese minister handed me a memorandum which referred to the personal goodwill I had expressed to Baron Hayashi and which went on to state that the proposed appointment of Baron Sakatani had been sanctioned by Mr. Lansing in Washington.

I cabled to Washington, receiving therefrom on the 30th instructions saying that the appointment of a currency adviser should be settled only after full consultation by all concerned, and that Mr. Lansing had not committed himself to any other

understanding. I sent a note to the Minister of Finance, stating that as one of the parties to the Currency Loan Agreement, the United States wished that action be postponed until further consideration could be given. I was immediately assured that the position taken would be considered as final. As a personal friend I regretted that Baron Sakatani could not be retained, but in so important a matter it was impossible to stand aside while action was rushed through which would be prejudicial to the long-established interests of the powers who were, at the time, preoccupied with after-war problems.

CHAPTER XXX

BANDITS, INTRIGUERS, AND A HOUSE DIVIDED

There is a phase of Chinese life which I should touch upon if the picture I am trying to give of the China I knew is to be complete.

Brigandage is an established institution in China, where it has operated so long that people have become accustomed to it and take it for granted as a natural visitation. At this time there was a vicious circle around which brigands and troops and rich citizens and villagers were travelling, one in pursuit of the other. The brigands were recruited from disbanded soldiers—men who had lost connection with their family and clan. Often their families had been wiped out by famine, flood, or disease, or had been killed in the revolution. At other times the individual may have lost touch through a fault of his own causing him to be cast out. It is very difficult for

an isolated person, without family and clan connections, to reëstablish himself. The easiest way is to enlist in the army. If that cannot be done, he becomes a brigand. Brigands foregather in provinces where the administration is lax or in remote regions difficult to reach. They lie in ambush and seize wealthy persons, who are carried off to the hills and released only when ransom is paid. In this way, a considerable tax is levied on accumulated wealth. This money the brigands spend among the villagers where they happen to be. Meanwhile, the Provincial Governor bethinks himself that a certain brigade or division has not been paid for a long time and therefore might cause trouble, so he announces what is called a "country cleansing campaign." The situation is so intolerable that the general sees himself forced to go to extremes, and to send his troops with orders to exterminate the brigands. They proceed to the infested regions; the brigands, having meanwhile got wind of these movements, depart for healthier climes, leaving the troops to quarter themselves on the villagers, who are by them relieved of the money which they have made out of the brigands. Some brigands may be unfortunate enough to be caught; some will be shot as an example, and others will be allowed to enlist. When the soldiers have dwelt for a while among the villagers, they report that the bands have now been fully suppressed and that the country is cleaned. They are then recalled to headquarters; their general reports to the governor, and is appropriately rewarded. Meanwhile, the brigands return from their safer haunts and begin again to catch wealthy people, whom they relieve of their surplus liquidable property. And so the circle revolves interminably.

A little more efficiency in China would deliver it of

much of its intriguing and all of its banditry. Returning to Peking from a trip to the Philippines I found that Mr. Kyle, an American engineer on the Siems-Carey railway survey, and Mr. Purcell, another employé, had been seized by bandits in a remote part of Honan. The bandits took a large sum of silver these men were carrying to pay off the surveying parties farther up toward Szechuan, then they decided to hold Kyle and Purcell for ransom.

Doctor Tenney, the Chinese secretary, was in Kaifengfu, stirring up the provincial governor to hurry the release of the men. The company was quite ready to pay the ransom, and I could easily have induced the Chinese Government to pay it. I was advised that this would be the only certain way of rescuing the men, but I felt it would be a dangerous precedent; as the bandits would then go on taking and holding foreigners for ransom. Mr. Kyle was neither young nor robust. I feared for the strenuous life and the worry he was undergoing, but waited two weeks for the Central and the Provincial Government, which I made responsible, to get them back. One night, Mr. Purcell escaped. I then through Doctor Tenney notified the Governor-General that he must surround the entire region where the bandits were, telling them emphatically that if anything happened to Mr. Kyle the band would be hunted down and exterminated.

The threat was "got across" to the bandits, and with it a promise that those instrumental in restoring the captive would escape punishment and in some way be rewarded. After a week's further suspense Mr. Kyle was delivered to the pursuing troops and forthwith returned to Peking. The chief of the band was rewarded with a commission in the army; his

henchmen were enlisted as soldiers. But those who had no part in the delivery were one by one caught and executed. So, in the end, a salutary example was set to keep bandits from interfering with foreigners.

Mr. Kyle moved with the band every night in their mountainous and inaccessible region. Over divides they went from valley to valley. Mr. Kyle kept his normal health, but complained that they had not let him sleep. He snored so loudly, the bandits told him, that they feared he would attract the notice of the troops; so, during the final ten days, he had not had a solid hour of sleep. But he made up his mind that he would keep his mental equipoise and his physical fitness in order to live through the experience.

Two woman missionaries had been taken at about the same time by bandits in Shantung Province. But they were released after a few days. The missionaries of the society they belonged to circulated a pamphlet somewhat later, pointing out the superior efficacy of prayer over diplomatic intervention. In response to prayer these two teachers had been freed within a week; whereas all our diplomatic efforts had not yet secured the release of the American engineer.

Fear of foreign displeasure lost the Chinese the chance to get the services of a great engineer. Before going to the Philippines I had been visited by Mr. Ostrougoff, Minister of Railways in Kerensky's time, who had inaugurated the Russian agreement under which Mr. John F. Stevens was given the task of helping to reorganize the Russian railways. The work had been prevented by disturbed conditions. Admiral Kolchak, together with Alexis Staal, had also called on me, with others who had faith in the beginnings of a representative political organization in Siberia. I recall Kolchak's fine, serious face, and his manner

which was that of a man under the strain imposed by duties that transcend any mere personal interest. On my return, John F. Stevens came to Peking for a month. He was discouraged by the Russian and Siberian situation. The general breakdown, the social revolution, and the establishment of soviets had demolished the chances for carrying out his railway plans in Russia. No organized authority had backed him. In Peking he studied the Chinese railway situation. In his quiet, thorough-going way, he looked into the whole question for China; it was not long before he had great confidence in its possibilities. I felt it would be a godsend if a man of his genius for original planning and constructive work, proved in the great Panama Canal project; a man, moreover, who had intimate experience of American railway operation, could work out with the Chinese a systematic plan for developing their railway service. The Chinese would have eagerly welcomed this chance, but they were not free. The engagement of one foreigner would have brought demands to employ many more.

This was in the spring of 1918. I called on Mr. Liang Shih-yi to greet him on his return from exile. "The urgent thing," he said, "is to put a stop to military interference with the civil government. The question of a parliament is not quite so important, but, as it has been put to the fore, it must be solved first. My solution is to elect a new parliament under the old law. Then reduce the army and separate military from civilian affairs."

Liang described to me the characteristics of the nine chief southern leaders. They were rivals, they had their hostilities; no three leaders would agree. Two would come to an understanding, and the rest would

turn and rend them. Finally, he predicted that Hsu Shih-chang would be the most likely candidate for President, Tuan having declined.

In Hunan the northern and southern troops were still fighting and inflicting suffering on the people there; General Chang Chin-yao, in particular, an opium-smoking gambler and corrupter, the military governor of Hunan; his troops destroyed certain property belonging to missionaries. American and British residents of Changsha, the capital, petitioned the British and American ministers for protection to foreign life and property. I had learned that the governor put no bridle on his troops. With my British and Japanese colleagues I insisted that commanding officers be held personally and individually responsible for injuries to foreigners. We pointed out that Chang, especially, was under observation. The Minister for Foreign Affairs delivered a warning, and Admiral Knight, whom I had fully advised, ordered a gunboat to Changsha.

Meanwhile, the War Participation Bureau, created to aid the Associated Powers in the Great War, was watched by Japan. Because of it they made their special military convention of which General Tuan had spoken to me, using the revolution in Russia and the rise of Bolshevism as their pretext. The Japanese militarist element in the Government was active and urgent, and General Aoki at Peking and General Tanaka at Tokyo were leaving no stone unturned to aid them. They sought at first a general military alliance. The Chinese would not consider anything so sweeping. Then the unrest in Siberia was made the basis of more limited coöperation. In March a preliminary entente was formed; China and Japan would consider in common the measures to be taken

to cope with the Russian situation and to take part in the present war, and the means and conditions of coöperation would be arranged by the military and naval authorities of both countries.

War participation in general was thus put into the purview of mutual agreement between Japan and China. While no general military alliance was concluded, nevertheless the Japanese could now control what was to be done by China in the war. It meant that China would do nothing.

The terms of the military and naval conventions on methods of coöperating, concluded the 16th of May, flexibly permitted Japan in certain circumstances to control Chinese railways and resources. The whole thing was managed secretly. The public became suspicious of the results, since the chief arrangements were made not by the cabinet or the Foreign Office, but by the military and naval representatives. Would China longer freely coöperate with the other Allies? Would she not be under Japan's strict leadership? Was not this the entering wedge for a complete control of Chinese military affairs by Japan? Would not Chinese militarism be strengthened and made obedient to Japanese policy?

Japan's acts in Shantung gave these questions pertinence. There she was expropriating by eminent domain; in Tsingtau the Japanese authorities thus acquired about twelve square miles of land, including the shore of Kiaochow Bay for several miles, which gave control of every land approach and every possible steamship and railway terminal in this port. Plainly, Japan was carrying out a policy of permanent occupation.

While the Chino-Japanese entente was being negotiated, Japanese-controlled papers in China were

preaching enmity to the white race. In May a Japanese parliamentary party visited China, making speeches calculated to stir racial feeling. The burden of the appeals was that, after the war, European nations would try to fasten their control more firmly on China, hence the yellow race should now unite in timely opposition.

Mr. Nishihara, close associate of the Japanese Premier, General Terauchi, was unofficially doing the financial business of Japan in China. The Japanese Legation could deny that negotiations were going on, while Japanese interests were actively influencing the financial measures of the Peking Government. A large loan was proposed, to be secured on the tobacco and wine revenues. They were the security for the existing American loan, with option for further advances. I asked Tsao Ju-lin, Minister of Finance, about this and his answer was: "The United States is not giving to China the assistance she gives to her other associates in the war. The American bankers have not completed their contract. It is necessary for China to look elsewhere."

Mr. Tsao said he would at any time consider American proposals and give them as favourable treatment as to any other nation. I asked assurances that before anything further was done on the basis of the tobacco and wine revenues, the American bank have a chance to consider a proposal from the Chinese Government under its option. The minister had denied that the revenues were now in any way involved; but at this request he sidestepped. I made the most of his denial, placing it on record in a note to the Foreign Office. The French minister took action similar to mine. Tsao was not only Minister of Finance; he was concurrently Minister of

Communications. Both departments, therefore, were under the thumb of Japan.

I have rather rapidly sketched the state of affairs within China up to July of 1918. I wished a personal discussion of the situation with the officials at Washington—my first since America's entrance into the war. I left Peking for the United States after another long interview with General Tuan, who had become Premier. On June 27th the Premier stated to me his policy and motives with frankness. "If we stop military action," he said, "that would be interpreted as weakness. The south would only make more extravagant demands, and further encroach on northern territory. Force that is adequate—that answers the question. For this we need money. If home revenues are not enough, then we must have foreign loans. That will restore national unity, which, in turn, will make repayment easy. The army will be reformed. The people will get protection, and the country will prosper."

This policy was wise, inevitable, he thought. But it suited a class of inept generals who systematically made war at home, with only moderate risk of actual fighting. Their methods involved money more than bayonets.

"When you return from America," Tuan said at parting, "everything will be settled, and the south will recognize our authority."

A sea-borne war expedition, sent to conquer the south, was in his mind. I could not but express my conviction of the impossibility of such an achievement but he was obstinate.

I divided my time in America between Washington and New York, save for a visit to my mother. In four

weeks I saw representatives of most of the great interests, public and private, involved in China. I by no means stopped with the State Department. I saw the Secretary of War and the Adjutant General, on questions dealing with the recruiting of troops to be stationed in China; the Intelligence Division of the War Department and of the Navy, as well as the Committee on Public Information; the Secretary of Commerce, and officials of the War Trade Board and War Industries Board, about restrictions on commerce and American commercial developments in China, together with the men of the Shipping Board about trans-Pacific lines. Among great private organizations I conferred with members of the National City Bank; J.P. Morgan & Company; the Guaranty Trust Company of New York; Kuhn, Loeb & Company; the General Electric and American Locomotive companies; the Standard Oil Company of New York; the International Banking Corporation and American International Corporation; the Chase National Bank; the Siems-Carey Company; Pacific Development Corporation, and the Continental & Commercial Bank of Chicago.

The American policy with respect to Russia and Siberia had not been determined, and in interviews with President Wilson the Siberian problem, to which I had been very close, as well as Chinese finance, were subjects of particular attention. I showed to the President how the Chinese got loans for alleged industrial purposes; then, with the connivance of the lenders, instead of building railways and telephone systems, they diverted them to political or partisan ends. Thus Chinese credit and the authority of the Government were progressively weakened. Then foreigners would encroach, and in some fields American opportunity was in danger of

being restricted or lost entirely. I wished to see the United States backing financially a sound programme of Chinese reorganization. That would accord with our traditions. But jealousies and friction were to be eliminated, hence I favoured the forming of an International Public Loan Consortium.

This would support the credit of the Chinese Government and put Chinese finance on a sound basis. Such a consortium would claim priority in making all administrative or political loans; but monopoly should be avoided by leaving contracts for building and supplies open to competition, and by letting outside financiers make industrial loans. Of course, the Consortium as the chief backer of China should have full information about industrial loans, and each government should engage to scrutinize all loans made by its nationals for industries. All this, at his request, went to the President in a memorandum submitted on the 14th of August.

With respect to Siberia and Russia, my information led me to believe that the Russian people might still be influenced to remain friendly to the Allies, so as to prevent the growth of German control. I had in mind, not intervention, but economic assistance. I urged a commission that would aid the Russian people to import the commodities they needed most. The Russian Coöperative societies were anxious for just such assistance; thus, their leaders believed, further unfavourable developments could be prevented. I knew the Russians to be universally friendly; any movement initiated by America would be received with extreme goodwill.

President Wilson seemed to wish something like this to be carried out. He even discussed with me what men were most likely to succeed in organizing so

huge an enterprise. But he feared to place a representative of "big business" in such a position; men would suspect selfish national motives. I felt that he wished America to lead in giving the Russian people such aid in reorganizing their economic life as would permanently benefit them and preserve them for our common cause.

After many, many departments and boards were consulted, I found they were not thinking of China. Their chief problem was to train the American army and transport it to the western front. They did not care to get Chinese contingents there. This was the critical moment of the war. By comparison other interests shrivelled. As for financial advances to China, the Government found that China entered the war after the law authorizing advances was passed. A new law would be needed. To propose it would bring up the whole question of war policy. The temper of the day was to concentrate every effort on the greatest immediate show of strength on the west front. I appreciated all this, but I deeply regretted that a tiny rivulet out of the vast streams of financial strength directed to Europe could not pass to China. Even one thousandth part of the funds given to Europe, invested in building up China, would have prevented many disheartening and disastrous developments. For every dollar tenfold in value would have been gained in fortifying Chinese ability to help in the war and in the post-bellum recovery.

CHAPTER XXXI

YOUNG MEN IN PEKING, OLD MEN IN PARIS

A crowd of students appeared before the legation gate on the 5th of May clamouring to see me. I was absent, that day, on a trip to the temple above Men Tou-kou and so missed seeing them. Their demonstration, as it turned out afterward, was the first step in the widespread student movement which was to make history. Their patriotic fervour had, on that morning, been brought to the boiling point by the first inkling of the Paris decision on Shantung.

The first reaction of the Chinese people as a whole to this news was one of dumb dismay. It was a stunning, paralyzing blow. It seemed that all the brazen intrigue through which Japan had been seeking to strengthen her hold on Shantung, all the cunning by which she had prepared the basis of her claim to permanent possession of the German rights, had been endorsed by the Versailles Conference.

The Chinese people, discouraged in Peking, had centred their hopes on Paris. When hints of a possible acceptance of Japan's demands were received in Peking, the first impulse of the students was to see the American minister, to ask him whether this news was true, and to see what he had to say. I escaped a severe ordeal.

When they were told that I was absent there was at first a hum of voices, then came the cry: "To the house of the traitor!" They meant the house of Tsao Ju-lin, where the schemers had assembled to make the contracts which China hated. Tsao Ju-lin, the smooth little plotter whom most people regarded as the guiding spirit of the humiliating business, was the most despised; but they associated with him Chang Ching-hsiang, who had been Chinese minister at Tokyo when the secret treaties were drawn up.

The students rushed over to the house and broke down the door and trooped inside. They found both men there. No time was lost, either on the part of the students or their prey. The students breaking up chairs and tables and using pieces of them for weapons went after the two diplomats. Tsao, still smooth and slippery, managed to escape through a window and into a narrow alley where he eluded his pursuers. Chang, however, was beaten into insensibility. Lu Tsung-yu, the other plotter whom the students would have "treated rough", was not to be found.

For four days we were without foreign news. The first brief telegraphic intimation of the Paris decision was followed by the cutting of the wires; Japanese agents, the people surmised, did this to prevent the universal Chinese protest from influencing the decision or causing its review.

Primarily the cause of the student violence lay in the proximity of the fourth anniversary of the Japanese ultimatum of 1915; but they were also anxious and stirred because of the reported action of the old men at Paris.

While other telegraphic communication was cut off I got information of what was actually done by wireless. I found it hard to believe that President Wilson would be compliant to the Japanese demands, in View of the complete and insistent information the American Government had had from me and all other American officials in China as to what would result from such action. The Shantung decision constituted a wrong of far-reaching effect; no general benefits bestowed by a league of nations could outweigh it. Indeed, as I stated to the Government, it destroyed all confidence in a league

of nations which had such an ugly fact as its cornerstone.

To any one who had watched, day by day, month by month, the unconscionable plotting for these claims, the decision was a lamentable denial of every principle put forward during the war. President Wilson brushed aside the unanimous opinion of the American experts, it would seem, for two reasons: first, he believed that if only the League were established, all difficulties of detail could easily be resolved; and, second, he had not given enough attention to the Shantung question to realize that this was not a matter of detail, but a fundamental issue.

President Wilson tried to make himself and others believe that with the acceptance of the Treaty and Covenant, the Shantung question would be solved through fulfilment by Japan of its promise "to restore Shantung Peninsula to China with full sovereignty," reserving only economic rights. This was his primary misconception. The ownership by a foreign government of a trunk railway reaching from a first-class port to the heart of China could not be correctly termed an economic right. Political control of such "economic rights" was exactly what American policy had tried to prevent for decades. The President submitted, also, in the apparent fear that Japanese delegates might follow the lead of the Italians and leave the Conference. Colonel House, it appears, was frightened into this belief and communicated it to President Wilson; the two believed the League was endangered, and that every sacrifice must be made to save it.

The fear was quite unfounded. I had seen indications enough, of which I had told the Government, that the Japanese set enormous store upon their

membership in the Conference and their position in Paris. As a military, naval, and financial power, Japan could certainly not be put in the first class, notwithstanding the tactical advantages which the war had brought her. She would never forego the first-class status bestowed by the arrangements of the Peace Conference. The Japanese had not the remotest idea of throwing these advantages to the wind. The impression they produced on Colonel House simply proved their capacity for bluffing. Had President Wilson taken the trouble to understand the situation, he could without difficulty, by the use of friendly firmness, have secured a very different solution. As a matter of fact, it is now well known that the Japanese were ready to agree to an arrangement whereby the German rights in China should accrue to the Allied and Associated Powers jointly with an early reversion to China.

Probably nowhere else in the world had expectations of America's leadership at Paris been raised so high as in China. The Chinese trusted America, they trusted the frequent declarations of principle uttered by President Wilson, whose words had reached China in its remotest parts. The more intense was their disappointment and disillusionment due to the decisions of the old men that controlled the Peace Conference. It sickened and disheartened me to think how the Chinese people would receive this blow which meant the blasting of their hopes and the destruction of their confidence in the equity of nations.

In the universal despair I feared a revulsion of feeling against America; not because we were more to blame than others for the unjust decision, but because the Chinese had entertained a deeper belief in our

power, influence, and loyalty to principle. They would hardly understand so abject and complete a surrender. Foreign papers, also, placed the chief responsibility on the United States. The British in China felt that their government had been forced into the unfortunate secret agreements with Japan when it could not help itself, because of the German danger and the difficulties Japan might raise by going over to the other side. The United States, whose hands were free, could have saved us all, they said, by insisting on the right solution. They had really hoped for this; their saying so now in their editorials and in private conversation was in no spirit of petty hostility, but they had to give vent to their feelings. I feared the Chinese might feel that they had been betrayed in the house of their friends, but they met the blow with sturdy spirit. They never wounded my feelings by anything approaching an upbraiding of the United States for the part that President Wilson played at Paris. They expressed to me their terrible dejection, but said merely that President Wilson must have encountered very great difficulties which they could know nothing about.

They all knew, of course, that the case of China had been weakened by the treaties made through the connivance of Tsao Ju-lin and his associates in the fall of 1918. Their resentment was turned toward Japan, which had thus taken advantage of the war and the weakness of China, and against the Chinese politicians who had become Japan's tools.

The Americans in China, as well as the British and the Chinese, were deeply dejected during these difficult weeks. From the moment America entered the war there had been a triumphant confidence that all this sacrifice and suffering would establish just

principles of world action, under which mankind could live more happily and in greater security. That hope was now all but crushed.

In commemoration of the soldier dead, the American community gathered on May 30th, Decoration Day. It fell to me to make the address, in which I spoke of those recently stationed in Peking who had died during the war. Especially, I spoke of the fruitful career of Major Willard Straight. It was remarkable how many officers of the Marine Guard recently in Peking had gone through the brunt of the war and had been distinguished in their service. I spoke of General Neville, General Bowley, Commander Hutchins, Colonel Newell, and Colonel Holcombe, all of whom had been in the thick of it, and rejoiced in their record and the fact that though they passed through the valley of death they had been spared. My eyes often rested on the sad face of Mrs. Deering, transfigured with the mother's pride in that heroic son whose war letters, published by her, are one of the intimately human memorials of the great struggle.

I was impressed with how inadequately this wonderful country of China and the promise of its people were understood in America. I knew the difficulties and dangers to be overcome there, and I felt that Americans well-disposed toward China would take a hand in its development. But the "folks back home," especially the interests that controlled the economic life of America, remained blind and deaf, lavishing their money in Europe.

I had spent my energies freely, withholding assistance from none who deserved it, although I could easily have limited my official action within narrower and more convenient bounds. In

developments that would mean a slow lift of this fine old civilization to a modern plane real American interests had come in. Foundations had been laid in the Canal Contract, the China Medical Board, the railway concessions, the creation of a Chino-American bank, and many other enterprises. America stood no longer with empty hands; she could not be confronted with the gibe so often used before: "It is easy for you to suggest generous action, for you have nothing to contribute."

With these as beginnings, I arrived at the conclusion that more, possibly, could be done by way of arousing American interests in Far Eastern affairs by going to the United States than by staying in China. I feared, also, that if I remained away from America too long, it would be difficult readily to get in touch again with affairs there.

For such reasons, I came to the decision that I should send my resignation to the President. I did not wish to run away from a difficult and disagreeable situation. Indeed, until the first effects of the Paris decision had been overcome, I would not leave. Beyond that time, I had no desire to remain. Like the Chinese, I at that time still believed that President Wilson had probably met tremendous difficulties of which I had no knowledge. At any rate, it was far from my purpose to embarrass him or the Government through my action. Therefore, the only motive I gave for my resignation was my desire to return to the United States. However, in my letter to the President I tried to express in moderate but serious terms my view of the situation and of the action which had been taken at Paris. This letter follows:

June 7, 1919.

DEAR MR. PRESIDENT:

I have the honour to place in your hands my resignation as minister to China and to request that I may be relieved of the duties of this post as soon as convenient to yourself and to the Secretary of State. My reason for this action is that I am wearied after nearly six years of continuous strain, that I feel that the interests of my family demand my return to the United States, and that I should like to reënter affairs at home without making my absence so long as to break off all of the most important relationships.

I desire to thank you for the confidence you have reposed in me, and it shall be my greatest desire to continue in the future to coöperate in helping to realize those great purposes of national and international policy which you have so clearly and strongly put before the American nation and the world.

In making this communication to you I cannot but refer to recent developments with respect China. The general outlook is indeed most discouraging, and it seems impossible to accomplish anything here at present or until the home governments are willing to face the situation and to act. It is not

difficulties that deter me, and I should stay at my post if it were necessary and if I did not think that I could be of more use in the United States than in China at the present time. But in fact, the situation requires that the American people should be made to realize what is at stake here for us in order that they may give the necessary backing to the Government for support in any action which the developments here may Inquire. Unless the American people realize this and the Government feels strong enough to take adequate action, the fruits of one hundred and forty years of American work in China will inevitably be lost. Our people will be permitted to exist here only on the sufferance of others, and the great opportunity which has been held out to us by the Chinese people to assist in the development of education and free institutions will be gone beyond recall. In its stead there will come a sinister situation dominated by the unscrupulous methods of the reactionary military régime centred in Tokyo, absolutist in tendency, cynical of the principles of free government and human progress. If this force, with all the methods it is accustomed to apply, remains unopposed there will be created in the Far East the greatest engine of

military oppression and dominance that the world has yet seen. Nor can we avoid the conclusion that the brunt of evil results will fall on the United States, as is already foreshadowed by the bitter hostility and abnormal vituperativeness of the Japanese press with regard to America.

The United States and Great Britain will have to stand together in this matter; I do not think this is realized as fully by Britishers at home as by those out here. If Russia can become an independent representative government its interests would parallel ours. The forces of public opinion and strength which can thus be mobilized are entirely sufficient to control the situation here and to keep it from assuming the menacing character which is threatened at present; but this can only be done if the situation is clearly seen and if it is realized that the military party of Japan will continue its present methods and purposes which have proved so successful until it becomes a dead wall of firm, quiet opposition. There will be a great deal of talk of friendship for China, of restoration of Shantung, of loyalty to the League of Nations, but it will be dangerous to accept this and to stop questioning what are the methods actually applied; as long as they

exist the menace is growing all the time. We cannot rest secure on treaties nor even on the League of Nations without this checking up of the facts. Otherwise these instruments would only make the game a little more complicated but not change its essential character. The menace can be avoided only if it is made plain to Japan that her purposes are unmistakable and that the methods utilized to effect them will by no means be tolerated. Such purposes are the stirring up of trouble and revolution, encouragement of bandits and pirates, morphia, financial corruption, misleading of the press, refusal of just satisfaction when Americans are injured in order to gain prestige for absolute power, and chief of all official duplicity, such as the disavowal of knowledge when loans are being made to the Chinese Government by leading Japanese banks and the subsequent statement by the Japanese minister that these loans were private arrangements by "merchants."

If continuous support could be given not only to the activities of American merchants but to the constructive forces in Chinese national life itself these purposes and methods would not have the chance to flourish and succeed

which they now enjoy.

During the war our action in the support of constructive forces in China necessarily could not be effective, as our energies were required elsewhere. Yet I believe that a great opportunity was missed when China had broken of relations with Germany. The very least recognition of her sentiments, support and efforts, on our part, would have changed the entire situation. But while millions upon millions were paid to the least important of the countries of Europe not a cent was forthcoming for China. This lack of support drove Tuan and his followers into the arms of the pro-Japanese agents. Instead of support we gave China the Lansing-Ishii Note.

Throughout this period the Japanese game has still been in the stage of bluff; while Germany seemed at her strongest in the war, indeed the Japanese were perhaps making their veiled threats with a feeling that if they should ally themselves with a strong Germany the two would be invincible; but even at that time a portion of the American navy detached could have checkmated Japan. Since the complete breakdown of Germany the case of Japan has been carried through

solely on bluff though perhaps it may be that the Japanese militarists have succeeded in convincing themselves that their establishment is formidable. But it is plain that they would be absolutely powerless in the face of a stoppage of commerce and a navy demonstration on the part of any one of the great powers. No one desires to think of this contingency, but it is plain that after the breakdown of Germany it was not feasible for Japan to use force nor could she have suffered a greater damage than to exclude herself from the Peace Conference where she had everything to gain and nothing to lose. In ten years there may be a very different situation. Then also our people, having grown wise, will be sure to shout: "Why was not this stopped while there was yet time?" It seems to me necessary that someone in the Government ought to give attention primarily to China and the Far Eastern situation. It is very difficult to get any attention for China. I mean any continuous attention that results in getting something actually done. Everything else seems to come first because Europe seems so much nearer; and yet the destinies of Serbia, Czecho-Slovakia, and Greece are infinitesimal in their importance to the future of America compared

With those of China.

During my service here I have constantly suffered from this lack of continuous attention at home to the Far Eastern situation. It has reacted on the consular service; the interpreter service which is absolutely necessary to make our consular corps in China effective has been starved, as no new appointments have been made. In my own case promises of assistance which had been given repeatedly went unfulfilled. In this matter I have not the least personal feeling. I know the result is not due to the personal neglect or ill-will of any man or group of men, only it seems to me to indicate a general sentiment of the unimportance of Far Eastern affairs, which ought to be remedied. I repeat that these statements are not made in a spirit of complaint; all individual members of the Department of State have shown nothing but consideration and readiness to assist, but there has been lacking a concentrated interest in China, which ought to be represented in some one of the high officials, designated to follow up Far Eastern affairs and accorded influence commensurate with responsibilities in this matter.

CHAPTER XXXII

A NATION STRIKES AND UNITES

The students of Peking "started something." For the first time in thousands of years public opinion was aroused and organized in China. Through the action of the students, with whom the merchants made common cause, before and after the Shantung decision, China found herself.

The Japanese papers insisted steadfastly that these student disturbances had been brought on at the "instigation of certain countries." But instigation was not needed. If foreigners had wished to make trouble in this way, they would have been kept extremely busy trying to keep pace with the Chinese themselves. You do not have to instigate a man to resist a pillager who is trying to break into his house. Those who started this tremendous movement toward nationalism—for that is what it grew into—were students in the government schools and in the private schools of Peking and Tientsin. In the beginning the students were alone in the agitation, but not for long. Throughout the agitators were referred to as "students," but this term came to be used in a broad sense; it came to mean Young China, including all of the youth of the land who had been educated in modern schools.

China is the home of the strike and the boycott; but never before had these weapons been employed on such a scale. The merchants and students of north China met during the second half of May, declared a general boycott of Japanese goods, and demanded the dismissal of the three men called traitors, the

notorious agents in the Chino-Japanese negotiations. The boycott spread rapidly, a spontaneous expression of deep resentment. But the movement strove also to control and purify the action of the Chinese Government. The instrument for this was the strike—passive resistance—the stopping of the wheels of commerce and industry till the will of the people was listened to.

The popular sense of equity, which in China asserts itself naturally in strikes, responded everywhere. Unless the Government dismissed the three offenders, merchants would close their shops. Teachers, students, shopkeepers, chauffeurs, dockhands, all classes of workmen would strike. All China, indeed, would go on strike.

The movement gained momentum like an avalanche thundering down a mountain. Its fury was first of all concentrated on the attempt to force the dismissal of the three officials who were, in the popular mind, guilty of trading away the national birthright. The organization of the uprising seemed to be almost spontaneous. Active little groups, similar to the Committees of Correspondence in the time of Adams and Franklin, sprang up in all parts of China. The masses of the people were marshalled for action. From the ten thousand students who had originally struck in Shanghai the movement expanded swiftly until it included merchants and chambers of commerce and dozens of other bodies in every walk of life. Associations of servants were formed under the title of The Industrial National Salvation Society. Even Japanese bankers were put under the ban by the Chinese financiers; finally the boycott went so far that it blacklisted the foreign goods which were brought to Chinese ports by Japanese steamers.

In Peking, fifty groups of student speakers were sent out to appeal to the public. General Tuan Chi-jui, who, among others, was held responsible by the students for the nation's troubles, stoutly stood by his subordinates. The militarists in general, feeling that the student movement was not favourable to them, prevailed on the Government to try to suppress it. Martial law was proclaimed, and students trying to speak were arrested. The students were undaunted and working en masse. The Government soon saw that it could imprison them, but that it was powerless to stem the tide of feeling they were creating. Thundering from all parts of the country, it was recognized that the students could, if they chose, turn the entire people against the Government. By June 4th, nearly a thousand students were under forcible detention in Peking; those recently arrested had wisely provided themselves with knapsacks stocked with food before taking their lecture trips.

Then the girl students came forth. They fully shared the patriotic feelings of their brothers. Seven hundred girls from the Peking schools assembled and marched to the President's palace to request the release of the young men under arrest.

The Government made a technical mistake. When the student feeling seemed to be a little on the ebb, the Government took occasion to issue a decree trying to white-wash Tsao Ju-lin and his confederates. That fanned the flame which ultimately swept all over China.

Weakening, the Government offered the students release if they would return to work and make no further trouble. The students saw their advantage, and stated that they had no wish to leave their prisons, if it meant promising to abstain from

expressing their opinion in future; moreover, they would not leave until the Government had apologized for their unjust arrest.

The jailing of this large number of the youth of China finally brought such ill-concealed opposition that the Government complied with the students' ultimatum. An apology was offered them, whereupon the students returned to their colleges and their work. But they continued their street lectures, calling upon the people to join in a powerful expression of national opinion through which their country's institutions and policies might be put on a sounder basis, and Japanese aggression powerfully resisted.

In Shanghai the boycott and the strike of the shopkeepers were in full force. Their shops were closed, they threatened to pay no taxes unless the "traitors" were ousted. American officials at Shanghai sent me alarming reports. The British there, particularly those of the official class, were inclined to repress the movement.

The Japanese, who were feeling the full force of the popular thrust, tried to brand it anti-foreign and to reawaken memories of the Boxer period. Some of the influential British in Shanghai, frightened by the successful efforts of the merchants and students among the industrial workers, began to call them anti-foreign, too. I was told that the municipal council in Shanghai might take very stringent action against the boycott and strike. The British minister had gone to the seashore, and I sent him word that the situation was serious.

It would have been the height of folly had either we or the British let ourselves be dragged into the disturbance, which was directed solely against the Japanese, and was fortunately not our concern, and

in no sense anti-foreign. I sent specific instructions to the consulate-general at Shanghai advising the American community neither to encourage nor oppose this movement, which was the affair of the Chinese. The Americans saw the point clearly, and realized how undesirable it would be to entangle the municipal council in the business. I told the Consul-General that, illegal and overt acts excepted, the foreign authorities in China had nothing to do with the strike; being happily free of Chinese ill-will, we wished to remain free. In order to avoid all danger of more general trouble, Americans exerted considerable influence with the Chinese leaders to cause them to abstain from action that would tend to involve foreigners generally. They responded willingly.

By this time even the mafoos (horse boys) at the Shanghai Race Club were on strike. A run on the Bank of Communications was started because Tsao Ju-lin was associated with it. More and more serious grew the situation, but the demand on the Government remained unchanged: "When the three traitors are dismissed, the strike will be called off; otherwise, still more people will strike."

The Government finally yielded on the 11th of June. The insistent demand had come from all parts of China that the three unpopular officials go in disgrace. The Peking Government complied. But the great public in Shanghai was not content until the British minister and I gave confirmation of the report that the mandate of dismissal had been issued. Then the strike was off.

However, the boycott against Japanese goods continued unabated. Yet it must not be supposed that the movement, which at the beginning was distinctly

turned against Japan, was either essentially anti-Japanese or purely oppositional and negative. Quite early, its true, positive, national Chinese character stood revealed. The Japanese had stung the Chinese national pride to the quick. It turned against them, not in a spirit of blind hostility, but only in so far as the Japanese stood in the way of the national Chinese regeneration.

Out of this unprecedented popular uprising several momentous facts emerged. First, public opinion must be so awakened that it would be a continuing force, so organized that it would at all times have the means of expressing its will, so that it would be able to compel the Government to resist further encroachments on China's rights. That would take time; but it could be done, the strike and boycott proved that. For the first time in her history China had roused herself and wrung from her government a specific surrender. That lesson sank deep. The leaders realized that this single act was merely a very small beginning. But the important thing was that it did constitute a beginning.

The second important result was the sudden focussing of attention on the means by which native Chinese industry might be built up. The boycott of Japanese goods had had a positive as well as a negative side. Indeed it had been stated positively all along. The people were not told to refrain from buying Japanese goods; they were advised to avoid buying goods of an inferior quality—which would be interpreted to mean Japanese products, of course—and they were pointedly urged to patronize home industries. The people responded with a will. They did buy the wares produced by their own factories. It gave great impetus to the development of Chinese

industry, and gave both the manufacturers and the Government a clue as to what a definite campaign for the stimulation of the home industries might accomplish.

While we were talking together informally at a meeting of the diplomatic corps, the French minister, M. Boppe, remarked: "We are in the presence of the most astounding and important thing that has ever happened—the organization of a national public opinion in China for positive action."

Thus out of the evil of the Paris decision came an inspiring national awakening of the Chinese people, a welding together for joint thought and joint action. All ranks of the population were affected. When to avoid foreign complications student delegates went among the workers of a factory in Shanghai to persuade them not to strike, the workers asked: "Do you think we have no feeling for our country, nor indignation against the traitors?"

About the evil of the Shantung decision the foreign communities were unanimous, nor did they feel that they ought to be silent. They were on the ground; they knew the inevitable consequences that would follow the rigid application of the decision. They spoke out. Sir Edward Walker, chairman of the Commercial Bank of Canada, gave an address on June 6th before the Anglo-American Association of Peking, dealing particularly with the needs of transportation. What the completion of two or three trunk lines would mean to China he fully realized. After his address the British minister and I, who were honorary members, took our leave, as it had been intimated that the Association would discuss the Shantung matter. The meeting then adopted a resolution which expressed the conviction of

Americans and British in China in this wise:

> We express our solemn conviction that this decision will create conditions that must inevitably bring about extreme discord between the Chinese people and Japan, and raise a most serious hindrance to the development of the economic interests of China and other countries. A settlement which perpetuates the conditions created by Germany's aggression in Shantung in 1898, conditions that led to similar action on the part of other states, that were contributing causes to the disorders in North China in 1900, and that made inevitable the Russo-Japanese war, cannot make for peace in the Far East, for political stability in China itself, or for development of trade and commerce equally open to all.
>
> Further, the evil consequences of conditions which are not only subversive of the principle of national self-determination, but also a denial of the policy of the open door and of the principle of equality of opportunity, will be greatly accentuated if Japan, a near neighbour, be now substituted for Germany, whose centre of political and economic activities was on the other side of the globe.
>
> Therefore we, the members of the

> Peking Anglo-American Association, resolve that representations be made to the British and American Governments urging that the states taking part in the Peace Conference devise and carry through a just settlement which will not endanger the safety of China and the peace of the world.

CHAPTER XXXIII

TAKING LEAVE OF PEKING

The Government was now confronted with the question of whether its delegates at Paris should or should not sign the Treaty and Covenant. The Chinese people were opposed to signing, for with China's signature would go specific recognition of the transfer of German rights to Japan. They had learned one great lesson: that to make concessions to foreign powers never got them out of trouble, but only aggravated it. If the Peking officials in 1898 had turned a deaf ear to the German demands, despite threats of naval demonstrations, the Germans could never have secured the things which the Chinese actually gave them. The Chinese people now said: "Never again!"

I was informed on the 28th of May that nearly all the officials in Peking were agreed that the Treaty should be signed. Knowledge of their readiness to capitulate brought the national movement of the Chinese people to its height almost immediately, in

opposition to the reactionary militarist control. By the 1st of July, a gentleman from the immediate entourage of the President, who often came to see me on the latter's behalf, told me that the President had instructed the delegates at Paris not to sign the Treaty. They did not sign it then, and steadfastly resisted all efforts to make them sign it later.

When the student troubles were at their height, on the 2nd of June I was at the Legation late one evening to answer some cablegrams. I was interrupted by an American woman teacher who with five Chinese schoolgirls came to my office in a state of great excitement. The girls had stood with a crowd for forty-eight hours asking admission to the President's palace to present their grievance. They had endured these hardships as bravely as any of the young men, but they were now alarmed because two of the student leaders had been seized and taken inside the palace. The girls feared their execution, and begged me to intercede. As I could not quiet their apprehensions, I finally said I would direct that an inquiry be made at the palace. By telephone I learned that the students were being detained because they had been too forward in their demonstrations, but that nothing untoward would happen to them. The girls, happy and thankful at this reassurance, went home.

No one could fail to sympathize with the aims and ideals of the students, who were striving for national freedom and regeneration. I, too, felt a strong sympathy, though I, of course, abstained from all direct contact with the movement, as it was a purely Chinese matter. Nevertheless, the Japanese papers reported quite in detail how I had organized the student movement, and how I had spent $2,000,000

in getting it under way. As everybody knew how spontaneous and irrepressible the movement of the students was, these items excited only amusement.

Pessimism reigned among liberal-minded people in early June. They feared that followers of General Tuan would insist upon putting him back into the Premiership, in which case there would be no escape from another revolution to oppose him, with the general demoralization and waste of national resources which would attend it. The second *aide mémoire* of the associated representatives was presented to the President by Sir John Jordan on the 5th of June; it conveyed the hope that China's internal difficulties might now come to an end, that the peace conference at Shanghai might be resumed and successfully concluded without delay, and it stated that meanwhile military measures should not be resumed. The friendly advice encouraged the liberal elements, particularly the express desire that there should be no further fighting. It was felt that the President's hands were strengthened for peace.

Dr. Chiang Monlin, Acting Chancellor of Peking University in the absence of Dr. Tsai Yuan-pei, went to Shanghai because the militarist faction wished to hold him responsible for the acts of the students. He was, indeed, one of their chief counsellors, but he counselled wisdom and moderation. He told me that the leaders were conscious of much progress in organizing public opinion, but that at least ten years of further work and experience would be necessary before there could be any approach to a public opinion consciously and unceasingly active in support, or in proper restraint, of the Government. "All we ask," Doctor Chiang said, "is ten years' time—freedom from outside interference—then the New

China will be organized."

I visited General Tuan, finding him calm but stubborn as usual. I asked him whether, if the students should call on him, he would go out to speak to them. "I would certainly do that," he replied; "I am in sympathy with them, but I feel that they are often misled by people whose motives are not disinterested." I told him that I believed the students would gladly follow him and make him their leader if they could be assured that he would not be controlled by counsellors who had not the true welfare of China at heart.

This movement of the Chinese people impressed me the more vividly in the light of a letter from R.F. Johnston on July 3rd which led me to hark back to the days of the old Empire. Mr. Johnston was a tutor of the young Emperor, and he inclosed a translation of a Chinese poem which the Emperor had written out for me. It bore the Imperial seals, and was dated: "Eleventh year of Hsuan Tung, sixth month, fifth day." Here is the first verse:

> The red bows unbent,
> Were received and deposited.
> I have here an admirable guest,
> And with all my heart I bestow one on him.
> The bells and drums have been arranged in order,
> And all the morning will I feast him.

Shortly after, in a talk I had with Mr. Johnston, he told me that the little Emperor had himself conceived the idea of writing something for me. Johnston had suggested a certain poem but it did not satisfy his pupil, who finally made his own selection. He said to his tutor: "I want to imagine that the American

minister is coming to the palace as my guest."

The young Emperor, Mr. Johnston said, was interested in everything that went on in the political and social life of the capital, and read the papers every day. I attributed his interest in my doings to the fact that the Emperor shared the love for America that is general in China; but, also, I think the repeated likelihood of being taken to the American Legation for refuge and shelter had impressed itself very strongly on his youthful mind, so that it seemed to him a haven of escape from all terror and danger.

Reports came at the end of July that President Wilson was defending the Shantung settlement, by stating that it conferred on Japan no political rights but only economic privileges. Had Mr. Wilson given attention to the details of the question, as reported over and over again in telegrams and dispatches from the Legation and consulates in China, he could not have harboured such a misunderstanding. In this instance the President based his action rather on vague assurances given by Japan, the actual bearing of which he did not know. The term "economic privileges" can hardly apply to such matters as control of the port of Tsingtao and the Shantung Railway, and to a general commercial preference in Shantung Province; yet these were plainly what Japan wished to retain. Her pledge "to return Shantung Peninsula with full sovereignty" sounded satisfactory, but it was never defined to cover more than the 150 square miles of agricultural and mountain land which the Germans had held as a leasehold, exclusive of Tsingtao port. That important harbour the Japanese intended to retain, as well as the terminals, railway, and mines.

The refusal of the Chinese to sign the Paris Treaty afforded an opportunity for saving Shantung to China. But if the German rights were to be confirmed to Japan under the term of "economic privileges," we should soon find that these economic privileges meant an end of independent American enterprise in Shantung Province. Japan had used such "economic privileges" in Manchuria. We were amply warned what to expect from an extension of that policy to other parts of China.

President Wilson stated later that the League would prevent Japan from assuming full sovereignty over Shantung. Here he again misunderstood. Japan had no idea of asking for sovereignty over Shantung; she had absolutely no right to it, and did not need it for carrying out her plans, so long as she could retain the politico-economic rights awarded at Paris.

I reiterated these statements in my telegrams to Washington. I explained again that ownership by a foreign government of port facilities and of a railway leading into the interior of China, together with exclusive commercial preferences, are economic rights so fortified politically that they constitute political control—as Manchuria shows—without the name. In fact, they could be safely accompanied with most profuse protestations to respect Chinese sovereignty.

The question of political sovereignty was beside the mark. It had been broached, as I have pointed out, to make the world believe that something was being returned. "Returning Shantung Peninsula with full sovereignty" was a big phrase and it had an imposing sound. But the sovereignty of Shantung was not involved, it had never been either German or Japanese: it had always been Chinese. The 150

square miles of unimportant land outside the port of Tsingtao might be "returned with full sovereignty," but nobody cared for that. To talk of sovereignty merely obscured the issue.

Dr. Sun Yat-sen was just then busying himself with the task of drawing up projects for the further economic development of China with international participation, and I corresponded with him. In one of my letters I considered how rapid and sweeping the industrial transformation of China should be. I wrote:

> I believe that we should at all times keep in mind the fact that we are not dealing with a new country, but with one in which social arrangements are exceedingly intricate and in which a long-tested system of agricultural and industrial organization exists. It is to my mind most important that the transition to new methods of industry and labour should not be sudden but that the old values should be gradually transmuted. It is highly important that artistic ability, such as exists, for instance, in silk and porcelain manufacture, should be maintained and protected, and not superseded by cheaper processes. The one factor in modern organization which the Chinese must learn to understand better is the corporation, and the fiduciary relationship which the officers of the corporation ought to occupy with respect to the stockholders. If the Chinese cannot

> learn to use the corporation properly, the organization of the national credit cannot be effected. Here, too, it is necessary that the principle of personal honesty which was fostered under the old system should not be lost, but transferred to the new methods of doing business. So, at every point where we are planning for a better and more efficient organization, it seems necessary to hold on to the values created in the past, and not to disturb the balance of Chinese society by too sudden changes.

Among his suggestions for constructive works, Dr. Sun Yat-sen had spoken of a northern port, somewhere on the coast of Chihli Province, which should have water deep enough to admit large ocean-going ships. The port of Tientsin is not adequate: it is far up river, and lacks satisfactory anchorage where the river empties into the sea. Chinwangtao is a far better port, but so exposed that enormous expenditure would be needed to improve it; and its capacity, even then, would be too small. I asked Mr. Paul P. Whitham, special commissioner of the Department of Commerce, to go to the Chihli coast to see whether about half way between Tientsin and Chinwangtao a satisfactory port site might be found. He succeeded in finding a site where, with comparatively moderate expense, a deep-sea port could be built. It was easy to see the transformation in north China commerce that this would bring about. Here would be an outlet for a rich and extensive hinterland, including the Province

of Chihli and all the region to the north and northwest of it, particularly inner Mongolia and western Manchuria. I talked the matter over with the civil governor and other provincial leaders of Chihli Province, also with the representatives of Governor Li Hsun of Nanking, besides certain members of the Central Government. They greatly favoured the project, and before many weeks preliminary surveys were made. It was to be known as the Great Northern Port.

I visited Sir John Jordan on August 14th telling him of my resignation, at which he expressed regret; but he admitted that he could understand why I wished to return to the United States. He, too, wished to be relieved of his duties as soon as possible. I had on that day a very full talk about Shantung with Mr. Yoshizawa, Japanese Chargé, in which we considered ways which might render the Shantung arrangement more satisfactory, especially if Tsingtao should be made into a genuine international settlement. But I emphasized the importance of the return of the railway.

The negotiations for the new Consortium had been going on for some time. The Japanese proposed that the Consortium should not apply to Manchuria and eastern Mongolia. The Japanese-controlled press had attacked the first proposal of this Consortium, as Japan purposed during the war to achieve complete leadership of foreign finance in China. If the United States would join the *old* Consortium, Japan would have been pleased, for there she led. But ordinarily the financial power of Japan is of distinctly

secondary importance, and the abnormal conditions of the war could not last. Now Japan approved of the new Consortium in principle, but continued to procrastinate when a decision on details was required.

My resignation was accepted in a cablegram received on the 18th of August, the President expressing formally his regret that I should find it necessary to insist upon relinquishing my post. Even now, when I knew how decidedly the President had misjudged the Chinese situation, notwithstanding my insistent and detailed warnings, I had no desire to advertise differences in policy. The Japanese press, I knew, would consider my resignation due to the defeat of my "policy" to have America maintain her honourable and trusted position in China. I did not wish to favour this sort of interpretation by a controversy with the administration.

The Chinese understood the situation quite completely. When I told the President, the Minister for Foreign Affairs, the Premier, and non-official Chinese friends, they seemed discouraged at the prospect of my leaving China at this juncture. I had the good fortune to make many friendships in China with men whose loyalty and truthfulness could be relied upon. Though seemingly distressed at the idea of my going, they knew I only hoped it might enable the work of developing close relations between the two countries to continue more effectively. I wished to bring about positive practical action. The spirit of the American policies and declarations was admirable, but not enough individual and specific American activity in China accompanied them.

Mr. Fu, Acting Minister of Education, and a number of his associates visited me on the 25th of August, to

consider arrangements for exchange professorships in American and Chinese universities. I had always favoured bringing young Chinese scholars into lectureships in American universities, to make accessible to the American public the treasures of Chinese literature, philosophy, and art. President Yuan Shih-kai had supported this idea, and, but for the unfortunate monarchical movement, would have done much to promote intellectual contact between the United States and China. His successors shared his sentiments, and only the turmoil in Peking's political life prevented their working out plans in detail.

General Hsu Shu-cheng called on me from time to time and told me about his Mongolian venture. When the War Participation Bureau became plainly obsolete its name was changed to "Northwest Frontier Defence Bureau." Everybody knew against whom this Bureau was to "defend" China, though there was talk about Bolshevik activity in Mongolia, also of the designs of General Semenoff to create a Pan-Mongolian state. General Hsu unfolded in his talks with me very large schemes for developing Mongolia, including a colonial bank, the building of highways for motor transport, the digging of artesian wells, and the establishment of model farms. He would, he said, also promote the completion of the railway from Kalgan to Urga, and would even extend it to Chinese Turkestan. Report had it that the Japanese had promised General Hsu an advance of $50,000,000 for his enterprises. But he told me that he would carry them out with capital entirely subscribed in China. The President and other Peking leaders, it was said, apprehensive of the direction the overflowing energies of General Hsu might take next, bethought themselves of the undeveloped reaches of

Mongolia. There would be the field ample enough for his ebullient nature. All this time the Japanese were carefully watching any factor that might become active in Mongolia, including General Semenoff, General Chang Tso-lin, the Viceroy of Manchuria, and General Hsu Shu-cheng. Whatever might happen there, they undoubtedly intended that it should fit in with their policy of imposing their influence upon that dependency.

Mrs. Reinsch and my family had sailed from Chinwangtao on the 12th of June for Honolulu, where they were to spend the summer. As my resignation had already gone forward, it was a farewell to Peking for Mrs. Reinsch, who was reluctant to leave the city which she had enjoyed so much. A series of farewell luncheons, dinners, and receptions began for me in August which, with the heavy work of winding up the business of my office, filled the remaining weeks with activity every day from sunrise until after midnight. When President Hsu Shih-chang entertained me for the last time, he said: "The Chinese look to you to be a friend and guide to them, and we hope your action and influence may continue for many decades." On the next day he invited me, through Mr. Chow Tsu-chi, to act as counsellor to the Chinese Government, with residence in America.

I left Peking on the evening of September 13th. All my colleagues with members of their staffs, the high Chinese officials, and a throng of other people, had gathered at the station to say "good-bye." Drawn up on the platform were companies of the American marines, the Indian troops of the British Legation Guard, and Chinese troops. With the Acting Premier, Mr. Kung Shin-Chan, I inspected them, accepted their

salute, and made a few farewell remarks to the faithful marines. As the American band played "Auld Lang Syne," the train moved out of the station, and the thousands of faces of those who had come to see me off became blurred in the distance, leaving impressed on my mind a composite face, friendly, eager, urging to endeavour.

My friend, Chow Tsu-chi, accompanied me as far as Tientsin where I parted with him. It had, all in all, been a truly heart-warming leave-taking. I felt that the spontaneous expressions of deep confidence both on the part of my countrymen and of the Chinese would remain with me as the best reward for any exertions and efforts I had made.

Dr. Charles D. Tenney, American Chargé d'Affaires after my departure, wrote the following report to the Secretary of State concerning the farewell hospitalities:

> I have the honour to state that the departure from Peking of the Honourable Paul S. Reinsch, American Minister to China, whose resignation has been accepted by the President, was made the occasion of gratifying manifestations of cordiality toward the United States and of the highest popular and official esteem for the retiring Minister.
>
> Mr. Reinsch was naturally the guest of honour at numerous dinners and receptions in the period just preceding his departure, at which the Chinese present expressed the

deepest appreciation of his diversified activities during the six years of his tenure of office. Published references to Mr. Reinsch's career as American Minister, also, refer to his many-sided interest in and efforts to promote the joint commercial, industrial, and educational interests of China and the United States, in addition to the usual duty of fostering international unity between the two nations. It was made strikingly evident that the Government and people of this Republic have come earnestly to desire and expect a policy of vigorous advancement of these interests by the United States in China. The feeling of all was epitomized by President Hsu Shih-chang, who, at Mr. Reinsch's farewell interview, asserted his profound belief that the latter's activities as Minister had advanced and strengthened in a very real way all those economic and social relations that to-day bind the governments and peoples of China and the United States in close friendship, at the same time expressing his hope that on his return to the United States Mr. Reinsch would abate none of his efforts toward these ends, but that in his altered capacity he would continue to work in the interests of

China.

> Mr. Reinsch left Peking on the evening of the thirteenth instant and the scene at the railway station was of an unusual and gratifying description. Although it is not customary for guards of honour to be tendered by other legations on the departure of ministers, on this occasion there was present a detachment from the British Legation Guard, and there were also present detachments from the American Legation Guard, the Peking police force and the Peking gendarmerie, with military music. The Acting Premier came in person to the station to bid farewell to Mr. Reinsch and there were present a thousand persons, including Chinese officials, foreign diplomats, representatives of all varieties of institutions and societies, and personal friends of all nationalities.

I had turned over arrangements for my trip through Japan to Mr. Willing Spencer, the First Secretary, who had consulted with Mr. Tokugawa, of the Japanese Legation. Their main difficulty had been the fact that Korea was under quarantine because of the cholera. An amusing experience ensued. In order to avoid any risk of delay I agreed to be inoculated; this was done deferentially by a little physician who came from the Japanese Legation. At Shimonoseki our steamer arrived in the early morning, and was held in quarantine. The inspecting officers who

boarded said I should be permitted to land almost immediately. However, they left and said a launch would be sent for me before noon. As the evening train would be the last that could make my connection with the steamer at Yokohama, I waited somewhat nervously for the launch. It was three o'clock before the officers returned, saying that my baggage could now be taken ashore; soon they disappeared with the baggage, but left me still on the boat. I wired the embassy at Tokyo, telling them of my predicament. The train was to leave at half-past seven, and no launch had appeared at six.

Suddenly out of the evening mist covering the bay a little launch emerged, and an official I had not seen before boarded and asked me to accompany him. Descending to the launch with my two servants, I was surprised to notice that it did not head toward Shimonoseki, but took the opposite direction. I remonstrated, but the officer, smiling reassuringly, said: "It will be all right." Then the two inspecting officers appeared from below; smiling and bowing they told me we were going to the Isolation Hospital!

And to the Isolation Hospital we went. There in the central reception room I was introduced to the chief, who, after a brief exchange of civilities, announced, "Now, everything is all right."

We took the launch, and arrived at Shimonoseki with still a quarter of an hour to spare before the train departed, whereon a special compartment had been reserved for me. Everything was now clear. The Japanese passengers on the steamer were as little pleased at being detained there as I was. Had a foreigner, even a foreign minister, been taken off the ship to Shimonoseki, a small riot might be looked for. So the word was passed around that I was being

taken to the Isolation Hospital, where nobody had any particular wish to go. I could not but admire the resourcefulness of these little officials, and to feel thankful to them for all the trouble they took to solve this knotty problem without doing violence to any of their quarantine regulations.

I had only one day in Tokyo. A luncheon had been arranged for me at the house of Baron Okura, where I went with Ambassador Morris and met several Japanese gentlemen, among them Mr. Hanihara, just made Vice-Minister of Foreign Affairs, and Baron Shidehara, the new Ambassador to the United States. We took lunch on an open veranda, overlooking delightful gardens, and after an animated conversation I took my leave and hurried to Yokohama, with the same agreeable impression of Japanese hospitality that I had received six years before, on my first arrival in the Far East.

THE END

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