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The Present Apparent Conflict between
Foreign and Nationalist Interests in China,
with a Suggested Plan of Reconciliation.

A Thesis

Submitted to the

FACULTY

of the
ROCHESTER THEOLOGICAL SEMINARY

by

E.S. Hildreth/

In Candidacy for the degree of

Bachelor of Divinity/

February 19, 1927.

Outline of Thesis.

I. Definition of Foreign Interests.

A. Trade and Manufacturing. Legitimate.

B. Smuggling, etc., Illegitimate.

C. Missions. Legitimate.

a. Opposed by Chinese at present for alleged connection with imperialism.

b. This will be all right when diplomatic matters are settled right.

D. Diplomatic. Here is where the trouble comes.

II. Conflict between foreign and Nationalist interests.

A. Chinese demands.

a. Extraterritoriality and taxes.

b. Customs autonomy.

c. Educational sovereignty.

d. Hong Kong and foreign concessions.

Dumped up "Revise the unequal treaties."

B. Foreign answers.

C. Vivacious circle. "Who is to break it?"

D. The western nations should break it; understanding and conciliations

E. The Chinese would meet them half way.

III Course of procedure. Talk it over on basis of equality.

A. Special courts to replace consular courts.

a. In the process can correct Daying Academy and similar cases

B. Taxes agreed on between China and foreign governments.

C. Tariff autonomy, with China voluntarily making arrangements to prevent its misuse.

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IV. Advantages of the plan.

- A. Changes the whole situation from demoralization to constructive planning.
- B. Disadvantage of alternate plan of waiting till China cancels the treaties.

V. Other possible plans.

- A. Coercion. Impracticable.
 - a. Temporary success in suppressing agitation at Hankow and ~~Shanghai~~
 - b. What would have happened if the powers had tried to coerce China in June, 1925.
 - c. That, if they had shown a conciliatory attitude.
 - d. No government to coerce now. You cannot indict a whole people.
 - e. Chinese strength is not in army but in boycott; force is ineffective against a boycott.
 - f. No nation except the United States can afford an extended war with China; United States not willing.
 - g. In spite of provocation, Great Britain is following plan B.
- B. Sit tight and wait for the storm to blow over.
 - a. You can't sit tight. Chinese plans for ending treaties.
 - b. The storm won't blow over.
 - c. British government now recognizes the necessity of making some concessions.

VI. Shall we grant maximum or minimal Advantages of maximum.

VII. To get advantages of maximum, act must be voluntary. Need of haste.

VIII Christian Missions ought to take the lead.

IX. If they have to suffer in the process, all right.

the foreigners paid taxes the Chinese paid less

VI. The Government of the Republic of China

1. The Government of the Republic of China has always been a

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It is usually assumed that everyone knows what is meant by "foreign interests", and everyone is left to interpret the term in his own way. It is better to begin by first considering what are the real foreign interests in China, and what so-called foreign interests are legitimate and what are illegitimate. Then when we have seen what the "Nationalist interests" are, we shall be able to see whether the conflict between them and foreign interests is real or not, and what is to be done about it.

Foreign interests in China include all activities in which any power, or one or more nationals of any power are engaged, and from which they derive a substantial or sentimental advantage; also any conditions which the foreign powers or their nationals feel must be preserved in order to foster such activities. We find that foreign activities fall into three classes: trade and manufacture, with the hope of profit; missionary work, with the hope of benefitting the Chinese people in various ways and of securing converts to Christianity; and diplomatic activity, with the hope of influencing China's internal and external affairs in a manner beneficial to the nation that is exerting the influence.

The right kind of trade and manufacture is a benefit to China as well as a source of profit to the entrepreneur. Every foreign-owned flour mill helps to train the Chinese in habits of using its product, thus preparing the way for the Chinese-owned mill; is a school for training future operatives and executives for the Chinese mill; ^{and} forces its competitors to efficiency and economy, to the great advantage of its customers. Every foreign steamship company gives its passengers high-grade service, and is a standing invitation to Chinese competitors to beat it at this game, if they can, and the passengers get the benefit. Every foreign engineering

company is running a continuous demonstration of what up-to-date engineering is, educating the nation to demand first-class work, and helping to train the Chinese who will ultimately furnish this kind of work to their fellow-nationals. Every high-grade foreign trading corporation is helping to show what honesty, industry and efficiency can do in the business world, and to create a thirst for that kind of service, which the Chinese will ultimately supply. Each of these, and similar forms of work - one thinks of foreign dentists, oculists, printing firms, watch-repairers, pilots, insurance, banking, there is no end to the list - each one is helping to raise up lusty Chinese competitors, who will then have a means of livelihood which did not originally exist, and both then and now the customers benefit by the activity of the foreigner.

These "interests" are all real, and all legitimate. The customer is benefitted by them all; all right-thinking persons admit the benefits received from them. This is not to say that these interests have always used fair methods of competition. As in other parts of the world, unfair methods have sometimes been used to the detriment of the competitor. The remedy is not to put an end to the foreign activities, but to correct the conditions so that competition will be fair. A fair field and no favors, is all that the Chinese competitor has a right to ask¹; anything more would be giving him something approximating monopoly conditions, to the disadvantage of his customers, who are also Chinese. Incidentally it may be mentioned that some things which the Chinese regard as unfair will be found to be strictly in accordance with the laws of economics, and

¹The fact that foreigners are exempt from Chinese taxation gives them a definite advantage over their Chinese competitors. There are two sides to this question, however. See page 46 ff

the Chinese have the remedy in their own hands, by merely altering certain conditions.¹

Nationals of various powers have, however, indulged in various activities from which they derived financial profit, to the detriment of the Chinese people. These must be called illegitimate activities. The opium traffic, smuggling of morphine and cocaine, of arms and ammunition, are conspicuous examples. Whether or not the activities of the British-American Tobacco Co. come under this head, seems to be still a matter of debate. Certain features of the railroad concession game appear to be open to question. In this class we must certainly put the practice that some of the minor powers have indulged in, of misusing their privileges of extraterritoriality by taking under their aegis Chinese and others engaged in smuggling and other anti-social activities - for a valuable consideration. All these "interests", and others of the same kind, are illegitimate. It is obvious that no government ought to harm China by allowing its nationals to engage in them. It is becoming apparent that no government can afford to do so. Any government which attempts to protect its nationals in prosecuting such a traffic, gets the full light of a very pitiless publicity, and its legitimate interests suffer in consequence. The legitimate interests of its nationals are the real interests of the government, and money made by morphine and rifles is too dearly

1. For instance the Chinese resent very keenly the refusal of foreign banks to honor certain kinds of Chinese commercial paper, while readily accepting somewhat similar kinds of foreign paper. The reason of course is that the banks have doubts about the safety of such transactions or their profitability. If these doubts are justified, the Chinese can alter the conditions so that the business will meet the bank's requirements; if they are not justified, the matter merely calls for a clearer understanding. Obviously the foreign banks are not going to throw away business that is both safe and profitable, merely in order to put Chinese businessmen at a disadvantage.

earned. ¹

These mercantile and manufacturing activities of foreign nationals in China are all on the economic basis. In addition certain nations of the West, notably the United States and the various members of the British Empire, are engaged in a large and varied enterprise of an altruistic nature known as missions. The sole motive originally was to convert the Chinese to Christianity, and this is still the dominant motive. But either in order to enable the missions or the churches to prosecute this work more effectively, or as natural by-products of Christianity, there have risen manifold institutions such as schools, from kindergarten to college, theological seminary, and medical school, hospitals and dispensaries of all kinds, institutional churches, homes for orphans, the aged, blind, deaf, and insane, and other forms of activity, which exemplify the spirit of Christianity, make good will and so pave the way for the acceptance of the gospel, and confer large and substantial benefits on numberless Chinese. The foreign nationals who support this enterprise receive no financial return, but do have the substantial advantage of feeling that they are doing their duty or following their Lord's command; those who are engaged in

1. A resolute determination on the part of all the powers to put a stop to the smuggling of arms and ammunition by their nationals would definitely limit the activities of bandits and militarists, for all the Chinese arsenals put together can supply only a small portion of what is required for operations on the present scale. But the profits of the traffic are so large as to furnish a motive to certain foreigners of predatory instincts sufficient to overcome the will-to-righteousness of their respective governments. It is a source of gratification that the U.S. leaves this traffic severely alone. But the present writer has seen Winchester sporting rifles in the hands of Chinese soldiers, and has been informed that every bandit and pirate in the Canton delta has such a rifle, bought and paid for at prices which would strike New Haven and Bridgeport with the utmost amazement. One of the captives in the Liencheng outrage was a smuggler of arms, who was considered to have cheated the Chinese on a certain deal, and the bandits treated him with special severity.

the work receive a salary which the Chinese on their depressed scale regard as princely, but which will be seen to be very moderate when compared with the remuneration of similar work in the west, even when the greater purchasing power of money in China is taken into consideration¹. And it is all paid from abroad. The support of many Chinese who are engaged in this enterprise also comes from abroad. And the missionaries give substantial portions of their salary to help their Chinese friends in many ways, notably in helping finance their education or that of their children.

Curiously enough, this enterprise, which costs the Chinese nation nothing, and from which large benefits are reaped, has recently been the subject of bitter denunciation, as being the advance guard of imperialism and cultural aggression. In so far as it is true that Christian missions, whether consciously or unconsciously, have been the tools of imperialism, the remedy is not to stop the missions, but to stop the imperialism. At present it is sufficient to say that the missionary interest is a legitimate interest, and is as fully entitled to government protection as the economic interest. That methods should be followed, or what status should be given to missions in order best to advance the cause of Christianity, are different questions. Whatever changes are made or not made in the treaties, it is certain that the question of the "toleration clauses" must be faced and settled by Christian missions, and settled in the Christian way.²

1. This greater purchasing power of money in China is rapidly diminishing. During the last six years a variety of causes, including the delayed influence of the world war on prices, the course of silver exchange, the rise in wages caused thro the work of labor unions, heavy taxation and military exactions, has nearly doubled the price of commodities, and wages of laborers in some parts of China.

2. See appendix

Then the relations between the foreign nations and China are on a satisfactory basis, and Protestant Christianity is divested of anything which would make it seem to be other than it is - an altruistic enterprise devoid of political connections - then the present special hindrances to the propagation of Protestant Christianity will be smoothed away. If at that time Catholic Christianity is content to occupy the same status, it will be in an equally favorable position. There will remain, of course, the difficulties which Christianity always encounters in a sinful world trying to bring sinful men to repentance.

The third main foreign interest is the diplomatic one, the effort to influence China's internal and external affairs in a manner favorable to one's own nation or nationals. Here is where most of the trouble has come. The methods have been largely those of war, diplomatic pressure and high finance. Diplomatic pressure, with gunboats in the background, has usually been a real or implied threat of military measures. Some of the things that have been extorted in these ways have been "for the the good of China".¹ It is not our purpose to discuss that question, nor the more fundamental

1. Most of the railroad concessions were extorted from China. But in the cases where the railroads have actually been built, they have been a benefit to China; and the price was sometimes exorbitant. The Chinese find the railroads profitable on these terms, and probably could not have got them built in any other way. The Crown Colony of Hong Kong and the Foreign Concessions at Shanghai are the result of wars in which China was defeated. If they had remained in Chinese hands in all probability Hong Kong would now be an unimportant port and the Shanghai concessions would be a suburb of the native city. The present situation has been very profitable for the British and others, but far more profitable to the Chinese, who see the advantages of the places, and have swarmed in until they far outnumber the foreigners, who are to a certain extent being driven out of the concession and forced to find residences in Chinese territory.

question as to whether or not "civilization" and "development" are a benefit. Assuming, as most civilized persons do, that civilization is a good thing, and that a backward country is benefited by being developed, provided the development is done in the right way, we simply say that many of the concessions and privileges that have been extorted from China have really been benefits forced upon her. But we must also recognize the fact that many of these concessions and privileges have inflicted serious wrongs on China,¹ and many more are serious violations of China's sovereignty.² In the days of yore, very few Chinese cared about the latter point. Nowadays, with the rise of national self-consciousness, the question of China's sovereignty is becoming a very vital matter. And it is just there that the apparent conflict between Nationalist and foreign interests becomes most acute.

1. Opium is of course the most conspicuous of these. The traffic in narcotics by Japanese peddlers, who under the protection of extraterritoriality were able to defy Chinese laws, has also been serious.

2. In 1926 the Diplomatic Corps made use of a treaty of 1901, to insist that precautions for the defense of Tientsin against warships of a hostile Chinese army must be relaxed to permit foreign shipping free access to the port. There is difference of opinion as to whether this course was justified; there can hardly be a difference of opinion as to whether it constitutes a violation of China's sovereignty.

About ten years ago, the American Consul at Swatow, Mr. S.O. Hanson, sent for an American warship and forbade the warships from Peking to bombard Swatow, lest they damage the Standard Oil property; thus making a definite contribution to the downfall of the Yuan Shih Kai government. A government which cannot use its own navy to suppress a rebellion has suffered a very perceptible loss of sovereignty.

It is not our purpose to consider here the very much debated question as to whether the real interests of the Chinese nation would be advanced or not, if the whole program of the Nationalist party, the students, and their sympathizers, were to be attained. If any Chinese consider that their real interests lie in the lines of another policy, they are keeping very quiet about it; and there is no conflict between their "interests" and those of the foreigners. The present conflict is between those Nationalist Chinese who demand the immediate correction of China's grievances, ^{those} and the foreigners who say that their interests demand the retention of the status quo. It is the purpose of this thesis to show that under existing conditions the real interests of the foreigners are to be best attained thro graceful compliance with China's demands, and the speedy correction of all China's grievances that are real ones.

The Nationalist Chinese demand the abolition of extraterritoriality¹, the restoration of customs autonomy,² the recovery of educational sovereignty,³ the abolition of foreign concessions, in a

1. Extraterritoriality is the system by which nationals of the chief powers, when resident in China, are subject not to the laws of China, but to the laws of their own country, which are administered thro consular courts, and otherwise. But an unjustified extension of the extraterritoriality clauses in the treaties, the powers have also insisted that their nationals be exempt from paying taxes to the Chinese government.

2. At present China is not free to assess whatever import and export duties it believes would be for its own interest, but it is compelled by treaty to assess a very low fixed duty. It is almost impossible to get the treaties revised, and the rates are too low to furnish adequate revenue to the government; they are also not scientifically adapted to China's needs. The Nationalist Chinese demand that China be free to assess whatever duties it sees fit. The related question as to how long the present foreign management of the Maritime Customs service should be perpetuated, is not one of the major demands.

3. This demand means that all mission schools in China must register with the Board of Education and comply with its rules, instead of sheltering themselves behind the provisions of extraterritoriality, as at present. This demand would be easy to comply with, were it not that the rules are very severe, and are intended to secularize the schools.

¹See appendix

word, the revision of unequal treaties. They want the powers to quit interfering in China's affairs, they want the right to control and tax all persons within their borders, they want to be recognized as a sovereign nation, and be treated as an equal by the other nations. And any foreign privileges that are inconsistent with this, they want quashed at once; if in the process they Chinese have to suffer, too, they are willing.

The characteristic foreign answer to this demand is "first put your own house in order, and then we will consider whether, and when, and under what conditions we will allow you the privileges you request."

The Chinese then say that they are not asserting a privilege, but asserting an inherent right, of which they have been unjustifiably deprived by the foreign powers; and under the influence of some of their advisors they have come to believe that their present woes are largely due to foreign interference and oppression, so that they cannot put their house in order until foreign relations have been corrected. At any rate, the articulate portion of the nation has determined that it will get the treaties revised first, before devoting its attention to internal affairs.

The foreigners then point out that Chinese courts are in an unsatisfactory state, and they are not willing to have their nationals brought under the control of such courts. The Chinese reply by denouncing the consular courts and the Mixed Court as prejudiced and inefficient. And so it goes. Neither side convinces the other, and the longer the controversy continues the more difficult it becomes to get the solution. The Nationalist party declares that the treaties "of a right ought to be" cancelled, and they are determined to treat them as if they ~~had~~ were. And they have found effective ways to nullify some of them.¹

The foreign powers still have their gunboats and occasionally use them, but neither they nor the Chinese are satisfied with the results. During the last year or so, Great Britain has endured large numbers of acts, which if perpetrated by a 'civilized' power, would immediately result in either an apology or an ultimatum; but the Chinese get away with it. The Chinese, on the other hand, experience no satisfaction at having been able to twist the British Lion's tail with impunity, for none of their demands have been granted, and thus their impotence is emphasized¹. How are we to get out of the situation?

Or, as the Johns Hopkins Conference put the question:

'On the one hand it is claimed that so long as foreign nations have so tight a grip on China, the establishment of an ordered and effective national life is impossible; while on the other hand it is urged that until China sets her house in order the status quo² as to foreign control must largely continue. When, how, and by whom should this vicious circle be broken, in the interest of China, and of international well-being in general?'

The answer here advocated is that the western nations should break the circle, and should do it by a sympathetic process of understanding and conciliation. It is the belief of the writer that in this case the western nations will find the Chinese ready to meet them half way. During the last year, it has been emphasized over and over again that to the Chinese the important thing is the attitude of the person he deals with; the manner in which a thing is done is far more important than the thing itself.

Perhaps this point can be illustrated by an experience of the writer with a Chinese milkman whose milk had curdled several days in

1. The Chinese are determined to become powerful enough to get their desires if there is no other way except power, by which they can do so. It is significant that in two schools in Canton which were formerly mission-controlled, and are now Chinese-controlled, the names were changed to Southern Powerful, and People Powerful.
2. As the colored preacher said: "Status quo an de Latin for de mess we is in."

secession, due either to adulteration or lack of cleanliness. The question of adulteration was tactfully ignored by both parties, and the demand was made by the missionary that in the future the cow should be brought to the missionary's kitchen and milked into utensils which had been washed by the missionary's cook. This would be a considerable inconvenience, and would effectively prevent the customary adulteration with river water, a factor which enters vitally into the price of milk. The demand was resisted by the milkman on the ground that his utensils were adequately clean, and international complications were piling up when the missionary's wife took charge of the discussion and commenced by admitting that her kitchen wasn't as clean as it ought to be. Immediately the atmosphere cleared; and so long as the family remained in that region the milkman brought his cow every day to be milked, without water, and without increasing the price of milk.¹ The way it was done, was clearly more important than what was done; and the milkman readily granted the somewhat severe demand made on him, as soon as he was treated on a basis of equality. The writer believes that the plan advocated below, or a similar plan, if followed by the foreign powers, will have equally happy results; that it is a good plan in itself, and worthy of being adopted on its own merits; and that it is the only plan practicable under the circumstances.

The plan would work out something like this: the representatives of the western nations say - We recognize that the present treaties are not suitable to present conditions². All right; we are willing to make new ones which shall be satisfactory to both parties.

1. It would have been only reasonable to pay an increased price for this milk, and the missionary was prepared to do so if requested. The request was never made. The milkman was satisfied with the way he was treated personally, and so was willing to accept a reduced profit.

2. The Chinese would be tactful enough not to insist that the foreign nations admit that the treaties were unjust at the time they were negotiated.

Let's talk it over together, and see what each side wants¹. We assume that the Chinese government wishes to treat all foreigners fairly and our task is merely to work out a method of making that desire effective. The Chinese nation wishes to abolish extraterritoriality, and make all foreigners subject to Chinese law and courts. What courts do you think are suitable for cases in which foreigners are concerned? Obviously the ordinary Chinese yamen, whose officials know neither foreign laws, customs, nor language², is not suitable for the purpose. Is it your plan to make special arrangements for foreign cases at these yamen courts, or to have special courts for foreign cases? What plans have you for keeping these courts up to the standard you desire to set for such courts³, what form of court procedure is to be adopted⁴?

1. It is a fixed principle in Chinese negotiations that each side must concede something; but the concessions are made after the negotiations have commenced, never before. In order to get any concessions, you have to open discussion, and concede something yourself.

2. These are points that the Chinese can admit without any loss of face. Of course, the real reasons why the ordinary courts are unsuitable are that they are subject to bribery and to interference, especially by military officials. It is not necessary to mention this openly, as the Chinese know it as well as we do, and they know without our specifying it at the time, that what we desire is an honest and independent judiciary for foreign cases. If the discussion is properly handled, they will provide this "voluntarily". The foreigners will then have secured what they want; the Chinese will have what they want; and both sides will have face.

3. That means safeguard their integrity and independence. The Chinese will take means to do this if it comes as an expression of what they wish to do for the foreigners, rather than what the foreigners demand for themselves.

4. That means, among other things, the abolition of torture, of imprisonment of witnesses, and of cruel and unusual punishments, and the improvement of the prisons. The Chinese know that we are interested in these things. Also torture, etc. have already been officially abolished, but it is not pleasant to be reminded that the abolition may be only partly effective. They will give us especial assurances on these points, if we let them do it voluntarily.

The Chinese will then either bring forth some constructive suggestions as to their plans for providing justice for foreigners, or else admit themselves unable to handle the problem, in which case they can hardly have any face to continue agitating for the abolition of extraterritoriality. It is inconceivable that they would incur the loss of face of admitting that they had no plans for providing justice, and they would hardly dare to maintain that their present courts were good enough¹. The only course open to them would be to plan for special courts, carefully safeguarded, and it ought to be possible to arrange courts of this kind which would be satisfactory to the foreigners; if the courts and allied matters are satisfactory, there is no motive for clinging to extraterritoriality, which has admitted disadvantages; and if the Chinese voluntarily offer such courts, there is no loss of face for them in the process. They lose face over extraterritoriality because it is imposed upon them by force. A new arrangement, satisfactory to both sides, and arranged so that either side may take the initiative in revising it, is what the situation demands. The real interests of the foreigners, and the real interests of the Chinese, will both be met. The foreigners need not be unduly anxious about exposing themselves to unfair treatment. Under the new regime China would be put upon its mettle to furnish real justice to foreigners, and to make good on its claim to equality. And while the new treaties are being negotiated, the old ones will remain in force. Negotiation of new treaties on a basis of equality does not mean granting every demand of every irresponsible agitator. The treaties must be acceptable to China; they must also be acceptable to the other nations.

1. If they did, they know the foreign answer would be to expose the deficiencies of the courts, as was done in the report of the Extraterritoriality commission.

The new treaty might well provide that the process of abolishing extraterritoriality and putting foreigners under the Chinese courts should be a gradual one. In the course of this process, such cases as, ^{the case of} the Anglo-Chinese College at Swatow and the American Baptist Academy at Haying, both of which were violently seized by Chinese organizations, could be reheard and settled. At present there are only two courses open: either those who seized the property can remain in possession, which is a very grievous injustice to the two Missions concerned and the people who contributed to the erection and equipment of the buildings; or the Chinese can yield to foreign pressure and eject the occupants, with resulting loss of face and ill-will, not only on the part of the organization ejected, but also that of large numbers of Chinese who think that their case is just and who will regard it as ^{precisely} just another case of foreign oppression. But if the new courts restored the properties to the missions in question, as a just court undoubtedly would, there would be no occasion to charge foreign pressure, and the prestige of the new courts among foreigners would be greatly enhanced.

The problem of taxes is insoluble on any other plan. But on this basis it would be comparatively simple. It is obviously unfair that foreigners in China should be entirely exempt from taxation¹. But the Chinese who think that taxing the foreigners would lighten their own burdens, are greatly mistaken. In practically all of China the plan is that of charging all that the traffic will bear; and if

1. If for no other reason, because it gives them an undue advantage over their Chinese competitors who are heavily taxed.

the foreigners paid taxes, the Chinese would not pay less; the officials would get more, that's all.¹ Furthermore, most occidentals are used to having the government furnish something in the way of police protection, sanitation, schools, public works, and the like, in return for the taxes, and in most parts of China such things are largely conspicuous by their absence. As a matter of fact, taxes in China are largely either a punishment which the people suffer for tolerating such governments as they have, or an inducement to become an official, preferably a militarist, and so be able to prey upon one's fellow countrymen. Foreigners in China do not feel that they deserve this punishment, and they have no "hope of office", even if they wanted that kind of office. Again businessmen are in China to make money, and if they had to pay taxes on the basis that the Chinese do they would be driven out of business and have to withdraw to their native land or elsewhere. And missionary organizations whose money is given for the good of China, would find that it came in very small quantities if the givers were convince that it would ^{largely} find its way into the coffers of the militarists.²

But no right-thinking person would object to paying reasonable taxes for proper purposes. Here, then is the opportunity of the

1. The Nationalist party has a somewhat more enlightened tax policy, but has not made very great strides in putting it into effect. And because of the heavy taxation necessary to finance the Northern Expedition, its taxes are probably no lighter than those of other parts of China.

2. A letter from Shantung reads: "If extortivity is abolished and we are compelled to pay taxes in accordance with the value of our property we should have no money with which to continue our work. This estimate on the amount of taxes was made on the basis of taxation levied by the present tuchun of Shantung." Report of Conference on "The Church in China Today" (Mott, Jan. 5-7, 1906) page. 95

diplomats, while they are revising the treaties, to say to China - Our nationals are willing to pay reasonable taxes for suitable purposes. We assume that you wish to assess only reasonable taxes. Please tell us what you consider to be reasonable taxes, and how are they to be collected. If they are to be income taxes, please tell us your ideas as to who should examine the books and assess the taxes; if they are to be taxes on property, who shall determine the value? To whom shall they be paid in order to ensure that they actually reach the Chinese government? We are not willing to leave these matters to be negotiated between local officials and the foreigners affected¹, but we are willing to agree on them with the Chinese government, and guarantee, if you wish, that our nationals will pay all such taxes without evasion. Of course we expect the Chinese government to see to it that local officials collect these taxes and no others. Is that fair? If the problem is approached on the basis of fairness on both sides, it is not hard to solve. On any other basis, there is no solution in sight.

The question of the tariff ought not to be hard. At present China is allowed to charge only a small duty on imports, because the foreign nations want to import large quantities of goods into China. The Chinese feel that this is a grievance because it keeps down to a low figure the revenue their government might hope to obtain from the Custom House, because it does not allow them to discriminate between things they make themselves, on which they would like a protective tariff, raw materials, on which they would assess little or no duty, luxuries, which they would tax heavily, especially harmful ones such as foreign wines and cigars, and things which they cannot make for themselves, on which they would charge a tariff for revenue only; but most

1. The collection of taxes partakes somewhat of the nature of a bargain, with haggling and threats. It is obviously undesirable.

of all because the arrangement is forced upon them and is a violation of Chinese sovereignty. All of these contentions are thoroughly justified. What the foreign nations really want is that the import duties shall be not exorbitant and not unfairly discriminatory,¹ and that the Custom House shall be effective in order that debts whose security is the Customs Revenue may not be jeopardized by a possible failure of the Custom House to collect enough for the debts, to say nothing of a surplus for the government. Roughly speaking, this is also to China's interest. If China should secure and misuse customs autonomy, the foreign nations would suffer; China would probably suffer far more. Customs autonomy is necessary for the Chinese, in order to get their face back; but right-thinking Chinese would not object to an arrangement to prevent its misuse, and in the revision of the treaty this matter can be worked out to the mutual satisfaction and the mutual advantage of China and the West.

A declaration such as above indicated, if made in a way to indicate that the foreign nations really meant it, would entirely alter the atmosphere. There would no longer be any point in denouncing the foreign nations for maintaining the "unequal treaties". The treaties are to be revised on a basis of "equality" and are to be "fair" to both sides. China's sovereignty is to be recognized and fully respected, and at the same time China is voluntarily to take certain means for protecting the foreigners within her borders. Denunciation would be thoroughly out of place, and any remarks made by Chinese on the subject must be in regard to what constitutes fair treatment, ^{and how it is to be attained.} IN this

1. This is more important that that the duties shall be low. A scientifically constructed tariff, would have a long free list; there is none at all now. It would be far better for China than the present arrangement. It might prove to be just as much better for the world at large.

discussion the foreigners would have a full and equal share. From being a set of people who by naval power were holding on to unfair privileges which the Chinese desired to cancel, they would be transformed into friends who were helping to plan out the new conditions; in the meantime, the old conditions would prevail - but without the sting. The foreign nations would have to agree to the new conditions before they became operative, and they could not be forced to agree to anything really unfair; the Chinese, once being recognized as equals, would not try to do anything unfair, which would spoil their reputation and their chances of getting the treaties speedily revised. Foreign interests and Chinese interests would both be fully safeguarded.

If we do not do this, we may wait till China is strong enough and courageous enough to cancel the existing treaties. This she is determined to do sooner or later. In such a case, foreigners in China would have no standing at all until new treaties were negotiated, and their governments would have nothing to offer in the negotiations. China by cancelling the treaties, had got what it wanted; the foreign nations would have to try to see what sort of treatment they could induce China to grant their nationals. Having nothing to offer, the diplomats would have to depend on China's sense of fairness and if this was not adequate, there would be nothing left but the discredited methods of force, economic pressure, bribery, and the like. And when the matter was over, there would be no resulting good will accruing to the foreign nations, nor any incentive to China to treat the foreigners in China in a way to command the approval of public opinion. China, after being the victim of oppression, by foreign powers, would feel that it had become strong enough to throw off the yoke and treat the foreigners in China as it saw fit. The victim. The plan of reconciliation offers the foreign nations a satisfactory treaty, a substantial

amount of good will, and gives China a strong motive for seeing that the provisions of the treaty are carried out.

For the immediate present, there are two other courses open to the foreign nations.¹ One is coercion. This plan is not widely advocated, but it is strongly pushed by a large section of the business community in South China, especially in Hong Kong, and by some others. Arguments in favor of such a plan are based on the Chinese psychology of two or more years ago, and the present Chinese psychology is entirely different.

Passing by arguments as to whether a policy of coercion would or would not be fair to China,² we may look at the fact that such a policy is utterly impracticable. The efforts of the Japanese government to coerce the Chinese government into suppressing the anti-Japanese boycott of a few years ago, were entirely unsuccessful, and there is no reason to think that the government could have suppressed that agitation if it had wanted to. The Peking government of those days had some influence in China. The present Peking government has little or none; and the former anti-Japanese boycott was a mere flash in the pan compared to this disturbance.

It is true that in a few isolated cases, officials were able for a while to sit on the safety valve. Governor Chao of Changsha and Governor Hsiao of Hankow were conspicuous examples of this. It commonly believed that these men acted as they did, not out of love

1. A third possible plan, hardly worthy of serious consideration, is that of intrigue and bribery, playing off one faction against another, to prevent any faction from getting strong enough to reduce China to order. It does not appear necessary to adduce arguments against this.

2. But in passing the writer would like to record his conviction that to suppress by force the effort of Young China to realize its aspirations would merit the phrase which Senator Borch applied to it,

for the foreigners or respect for treaty obligations, but because they had other fish to fry.¹ It is also true that Changsha and Hankow are now in the possession of the Cantonese army, whose avowed purpose is to abolish the unequal treaties.

Again the army under Chen² and Hung³ succeeded during the summer of 1925 in driving the "Red" army out of the Swatow district, and the anti-British movement there promptly collapsed. But this lasted only a little over two months, and then the anti-Reds were again driven out - to stay. Hung was assassinated by a "patriot" while a passenger on a foreign steamer near Shanghai. Chen is a hopeless exile. At present the "Red" or Nationalist regime is so strongly entrenched at Swatow that its downfall seems no more likely than the downfall of Mussolini,⁴ less likely, indeed, for it seems probable that if Mussolini should die his whole structure would collapse; but the death of a prominent member of the Nationalist government would be the signal for huge memorial services and "his soul goes marching on". Anyone who contemplates the assassination of a prominent communist would do well to remember that it was just such an act which threw all power^{in Canton} into the hands of Chiang Kai-shek where it has stayed ever since.

These are facts. The following statement cannot be proved, but the writer believes that all known facts agree with it: if the British and Japanese had applied more coercion to the Chinese government after

1. They belonged to the anti-Nationalist faction, and ruthlessly suppressed the student agitation arising from the May 30 incident, which was supporting the demands of the "Nationalist party."

2. Chen Chiung-ming, former disciple and colleague of Sun Yat-sen, who allowed him to be both civil and military governor of Kwangtung province. After a disagreement on a question of policy, Chen became strongly anti-Nationalist. He had for a long time been chief ruler of the Swatow region, but was driven out by Nationalist troops early in 1925.

3. Hung Tiao-lin, his chief lieutenant.

the May 30th incident, the result would have been to unify Chinese opinion more strongly against Britain and Japan; if "the Powers" had joined in this coercion, the movement would have become anti-foreign in general, and not merely anti-British and anti-Japanese. The aim of the "nationalist movement is to abolish "unequal treaties" and all the important foreign nations except Germany, Austria, and Russia, have such treaties. To boycott all the other foreign nations would be an enormous task, and the dynamic of the movement was not adequate; so they concentrated on Great Britain and Japan, who had the largest interests to damage, and the most history to criticize. But if all nations had joined in attempting to coerce the Chinese government, and done it loudly enough, that would have been sufficient to unify all China in an anti-foreign movement.

The following statement is also not susceptible of mathematical demonstration, but the writer believes that most of the known facts agree with it, and none really disagree: if immediately after the Shanghai affair of May 30th, the Municipal Corporation had shown a conciliatory attitude, had suspended Inspector Swercock and the Captain Superintendent of Police, had agreed to an immediate investigation by a body that the Chinese would recognize as impartial, and agreed to abide by its decision, no matter ~~what~~ it was, the agitation would have been comparatively small; there would have been no occasion

1. "Had justice been meted out promptly after this unfortunate incident at Shanghai, and if instead of adopting harsh measures a sympathetic attitude had been taken by the Municipal Council toward the Chinese protest, the case would not have become as serious as it did." P. S. Kuo, address at the Johns Hopkins Conference, Report, page 22.
 "During the Shanghai trouble a Britisher who knows the Chinese said: 'One word of sympathy from the Municipal Council for the bereaved, one phrase of regret that the lives of unfortunate youths had been taken in the discharge of what seemed duty in defence of the community, and later developments would have been avoided'". H. F. Ward, Asia, Nov. 1925, p. 1005

for strikes and boycotts, and the question of unequal treaties, if brought up at all, would have been much easier to handle. Instead, the marines were landed and martial law was declared, thus aggravating Chinese feeling. The riot at Louss Station was aired in the Mixed Court, which was absolutely under foreign control, thus emphasizing the refusal of the Municipal Corporation to return it to Chinese control (as ought long ago to have been done, and has been done since then) and also by its verdict confirming the Chinese opinion that the Mixed Court cannot be depended upon to give a just verdict when Chinese and foreign interests are on opposite sides.

But whether or not ~~the~~ would have been effective in the summer of 1925, it is quite impracticable now. Upon whom shall it be exercised? Upon the vacuum which fills the place of what was formerly the Peking government? Shall we ask it to suppress a nationwide agitation when it can't even secure a cabinet to hold office, to say nothing of fulfilling the functions of a government? Upon Wu Pei-fu and Chang Tso-lin, who are having their hands full in trying to stem the advance of the "nationalist troops, and will be lucky if they can continue in control of any part of China? Upon General Feng, in his inaccessible wilderness, which marches with Soviet Russia? There is no way to hit him, and any attempt to do so would make him still more anti-foreign and pro-Russian. Upon the Cantonese government? There was a lively agitation in Hong Kong a while ago, to send a military and naval expedition up to Canton, to help "the right kind of Chinese" free themselves from the "tyranny of the "nationalist government". There was also an international campaign in the fall of 1918, to help the "right kind of Russians" to emancipate themselves from Bolshevik tyranny. The Siberian expedition was doomed to failure from the

start; a similar campaign against Canton has still less chance of success. The Nationalist government would make deadly use of it as rallying cry to all Chinese patriots to rise and join it in resisting foreign aggression.

The plain fact is that military force is impotent against China at present. You can fight a lion or a wolf with a rifle, and if you put a bullet in a vital spot the whole animal collapses. But you can't fight a wasp's nest with a rifle. If you shoot the nest you make a nice little round hole right thro it, and make the wasps mad. If you happen to hit a wasp you simply annihilate him, but make no impression on the rest; and a buzzing wasp is not an easy target to hit. The figure of speech does not exactly apply to China, but there are strong points of resemblance. The blind assumption that a small foreign army could wipe China's army off the map, might meet with a rude awakening if it were tried on the Cantonese army, drilled under expert Russian officers, and fighting for a principle. But if it succeeded, the destruction of the armies, the capture of Peking and Canton, would be only the beginning of the struggle; from then on a thoroughly unified China would be fighting with its own weapons, boycott and confiscation; bullets are no effective answer to a boycott. During the course of the war all foreign interests in China would be extinguished, and it is uncertain how far they could be regained when the war was over; there would be a lasting heritage of ill-will, only to be overcome with great difficulty. Only a puppet government would undertake to negotiate a peace on the basis of the status quo ante, and the whole nation would refuse to recognize such a peace and would continue the boycott until the foreign nations agreed to terms which to a large extent granted the demands of the Nationalist party. The conscience of the world would not tolerate imposing on China such

conditions as those from which the Chinese are ^{now} endeavoring to free themselves. And even a short war in China would be so enormously expensive that no nation except the United States can afford the price; and the American people were so thoroughly disgusted with their experience in a similar adventure in Siberia in 1918 that even those who care nothing for China's aspirations would refuse to have anything to do with a China expedition.

The advocates of coercion have failed to read the signs of the times. Altho noisy, they are few in number and their plan has no chance of being adopted on a large scale; on a small scale here and there, it merely pours kerosene oil on the flames of the anti-imperialist agitation. The nations of the west recognize the fact, in spite of the ^{loud} noisy calls of the Hong Kong community for intervention, the British government has pretty steadily followed the policy that it will use military force only to protect the lives and property of its subjects. It has put up with large numbers of pin-pricks, insults, high-handed seizure of property, and even such an act as the imprisonment of a British subject of Chinese extraction on the charge of "having dealings with the British", in a port right under the guns of a British destroyer. Great Britain has pretty definitely followed the second policy of "sit tight and wait for the storm to blow over"

If the storm will only blow over, this course is, from Britain's point of view, the only correct procedure. Let the agitation die down, the strikes and boycotts end, the students return to their books, and the laborers to their jobs, cut out all the nonsense, and resume the conditions that prevailed in late 1924 or early 1925, just before
 1. Chen Kaoping, comprador of Messrs. Bradley & Co., Canton.

Sun Yat-sen's last campaign of agitation which was "terminated"¹ by his death. Then go to work to set China's house in order, and in the event bye and-bye, when China's courts and everything else, are all that they ought to be, let us follow the recommendations of the Extraterritoriality Commission. Without question, that report gives the facts with a high degree of accuracy. China has not to any visible extent followed the example of Japan in improving her courts so that they command and deserve the confidence of the foreign nations, (in which case they would be very glad to abolish extraterritoriality) The fate of Tsingtao and Weihaiwei when they reverted to Chinese control does not encourage those who have invested money in Shanghai and Hong Kong, when they think of these places being "recovered" by China. The conduct of likin² under Chinese management is a painful contrast to the way the Maritime Customs are managed by foreigners. In a word, China has not yet commenced to "set her house in order"

But China asks "What right have the foreign nations to perpetuate these wrongs on China?" and answers the question itself, "No right at all". At the Washington Conference, the various powers agreed to recognize China as a sovereign nation, and yet they refuse to revise the treaties which violate the sovereignty of China. The American Minister³ says that extraterritoriality has now become a necessary evil, and the Chinese quote Mencius⁴ to prove that the evil ought to be abolished at once, and would be if the foreigners were

¹ In the same way in which a lobster-fisherman terminates the life of a starfish by tearing it in pieces and throwing them back into the water, where each piece becomes a new separate starfish.

² An internal customs duty system. Collections are made at various places, somewhat arbitrarily, and the proceeds go to local officials. An article may have to pay duty half a dozen or a dozen times on one trip.

responded to reason. It is not pleasant to think of standing condemned by the connections of the "heathen" Chinese.

And on the practical side, the plan of sitting tight and waiting for the storm to blow over has two principal defects: one can't sit tight; and the storm doesn't show any tendency to blow over.

A chief feature of the "sit tight" policy is to hug closely one's extraterritorial rights, because Chinese courts are ^{nowadays} sure to give decisions adverse to foreigners, but one is a defendant in the courts of his own country, where he is sure the decision will not be anti-foreign. The Chinese have a very simple plan to alter all this. In certain parts of China, in any dispute that is worth the bother, they take violent possession of the property, or beat up the man they have it in for; and if the owner of the property wishes to exist, or the victim of the beating wishes redress, he must sue in the Chinese courts, which, under existing conditions, are very unlikely to give anti-Chinese verdicts.

Another feature of the plan is to insist that the conventional tariffs shall remain in force until altered by agreement with all the foreign powers, and that no duties and no taxes shall be levied on goods imported from abroad. This is strictly in accordance with the "unequal treaties", but is openly flouted, both by the Nationalist government of Canton, and the irresponsible militarists in various parts of the country. It is very hard to sit tight on a chair as loose as this.

And the expectation that the storm will blow over seems doomed to continual disappointment. The Hong Kong strike and boycott is officially ended, but a boycott of British goods, not persons, is announced; this will not hurt the Chinese at all, and may prove annoying to British trade. The Shanghai strike is over, but the Shanghai region seems

to be in imminent danger of falling under the control of the Nationalist government. The sporadic riots in Hankow and elsewhere just after May 30, 1925, were not repeated for a long while, but the epidemic of strikes following the advent of the Cantonese army was perhaps as detrimental to British interests; and when they did stage another riot the Chinese "recovered" the British Concession. The fury which filled the student class in the summer of 1925 has quieted down, but its place is well taken by agitation among labor unions and peasants' unions, and the missionary in charge of a school finds he has by no means a bed of roses¹. This subject is an unusually difficult one to prophesy about. But the evidence that the agitation is going to "peter out" is conspicuously lacking. On the contrary, the agitation is now penetrating to obscure interior places which for nearly two years have been practically unaffected.

The recent change of attitude on the part of the British government in the direction of giving more or less recognition to the Nationalist government as a de facto government of part of China, indicates that it recognizes the fact that some concession must be made to the Nationalist demands.

What then? Shall the western nations grant just as little as possible, or shall they be generous in their concessions? A nation truly Christian in its dealings would go the second mile in its efforts to treat China fairly. But without laying undue stress on the question of how many really Christian nations there are, it is simply a fact that the wisest course now is not to concede as little as possible to Chinese demands, but to give

them as much as can possibly be given, in fairness to all. In that

¹ As this is written, the American Baptist Academy at Swatow, a school which has taken a strongly "patriotic" line, has been closed by student agitators; and a similar fate has befallen the Girls' School, more than half of whose students are Christians.

then as much as can possibly be given, in fairness to all. In that way, what is given will be seen to be voluntarily given, and not grudgingly conceded, and the result will be good will. The Chinese will see that the foreign powers, tho a little slow and obtuse, are yet willing to do the right and generous thing when they finally see what it is.

But in order to get this advantage, the act must be voluntary, not under compulsion. It is still possible to do this, but the time is none too long. Every victory gained by the Nationalist troops increases the pressure on the foreign nations, and decreases the margin which they can voluntarily and generously grant.

It would have been far better to act in this way in June or July 1925, if the western nations had only had the wisdom to realize the fact. At that time the matter could have been adjusted with comparative ease. The Chinese were painfully conscious of their grievances, but they had not yet absorbed the "fixed idea" that foreign imperialism was dyed in the wool, and must be overthrown by Chinese agitation. The Nationalist party, the labor union movement, and the peasants' union movement, which have since had a phenomenal growth in influence and popularity, and have taken a strong anti-foreign and anti-Christian line, were then still in their infancy. A policy of conciliation, if adopted then, would have had a quick and joyful success; such a policy, now, will be harder to put across, and less fruitful.

"It might have been", in July, 1925. But fond regrets for the lost opportunity of 1925 will not solve the problem of 1927. And the longer we delay, the harder the problem gets. To use a common figure of speech, it was a three-minute egg in 1925; it is now very hard-boiled. But no lapse of time will un-coagulate the albumen. It is still possible to follow the plan here advocated;

a little more delay, and it may be too late.

Christian missions ought to take a leading part on working for this plan of reconciliation. The first reason is that China's demands are just, and deserve missionary support on their own merits. The second is that the Chinese know that Christianity, by its own principles, ought to work hard for what is right, and they are watching the representatives of Christianity to see whether they live up to their religion, or stand aside and say, "that is none of our affair".¹ A third is that this is the only way, as well as the correct way, to settle the anti-foreign and anti-Christian agitation which have brought the progress of the church to a standstill in many parts of China, and to remove from Christianity the stigma of "foreign religion" which is at present a serious and wholly unnecessary obstacle to its acceptance by the Chinese. Another is that while businessmen who are personally obnoxious may succeed in business because their goods are better or cheaper, the good will of the Chinese is vital to the prosperity of the Christian movement, and the approval of the Chinese conscience still more so. Good will can, of course, be bought at too high a price. But fortunately, in this case, the course that brings it is also the right course. Fortunately, too, many Missions and Boards have seen this fact, and have expressed themselves publicly.² It seems that by no means all the Chinese are aware of the fact; greater publicity for such utterances is much to be desired. But however excellent a missionary utterance may be, the action of the missionary's home

1. A common criticism of Christianity is that its teachings are correct, but not effective in the lives of its followers.

2See appendix for several such declarations.

government on the lines above advocated, is better.

But we should not forget that in order to make effective any plan of reconciliation, there must be a complete alteration in the ordinary attitude of many foreigners in China towards the Chinese. As has been well expressed by a British missionary

'remember that the Chinese have many real grievances against the western powers and not least, the arrogant and even contemptuous treatment of the Chinese by westerners, which unfortunately is the rule and not the exception in the treaty ports of China.' 1

If in the process of readjustment it is necessary that missions and missionaries should undergo suffering, they (or we) should be ready to do so. The missionary call is not conditioned upon the protection of one's own government, nor upon fair treatment by the people among whom the missionary work is to be done. When the Chinese converts are exposed to persecution, it is not wholly a disadvantage that the missionary should be placed where he might sometimes have to suffer with them. If the plan here advocated is right, God is for it. and if he was able to protect Judson in the utterly barbarous and bitterly hostile environment of Burma, he will doubtless protect his messengers in a China which has ambitions to be regarded as civilized, and which has written "religious liberty" into its constitution. And if not His will to do so, His will be done. Alf by giving up our "special privileges" we expose ourselves to suffering, it is not likely that on in one thousand will be called upon to endure one-ten-thousandth part of what Judson gladly endured. And we may find that the special privileges have been all along a millstone around the neck of Christianity in

⁶⁶
H.F. Collier, of the Anglo-Chinese College, Tientsin, writing to the Manchester Guardian; quoted in the Peking Leader, Aug. 9, 1925.

China, and when the Christian movement is freed from this, we shall see the ingathering we have hoped for all these years. But whether missions stand to gain or lose by the change, whether we thereby enter a period of persecution or an era of unexampled prosperity, is not the question at stake. We can assure our government that the plan of correcting China's grievances is in the highest degree expedient; that is what present-day governments are interested in. For ourselves, we are satisfied to say, "It is right."