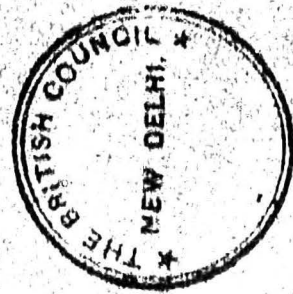


PRESENTED TO THE INDIAN INSTITUTE OF ADVANCED STUDY, SINGAPORE

BY



SOME PROBLEMS OF THE CHINESE REPUBLIC

BEING CERTAIN PAPERS ON
EXTRATERRITORIALITY AND THE PRESENT
POSITION IN CHINA

Reprinted from the "Journal of the Central Asian Society"

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FOREWORD

For several years illuminating papers and lectures have appeared in the JOURNAL OF THE CENTRAL ASIAN SOCIETY on various phases of China in travail. The Council feel that some of these, dealing as they do with all the main points which puzzle us to-day, and prophetic as some of them are, will be of wide interest at the present time, and they have collected and reproduced them. Among the earliest Mr. Ch'en himself, the British-born Chinaman of Honduras, speaks earnestly of all those spirits which he hoped to conjure from the deep, and now finds too much for him.

The series commences with Mr. Morse's paper on "Extraterritoriality," originally published in 1919, but reprinted with an up-to-date note in 1925. It places the story fairly before the reader, and shows how necessary is the *dictum* of the Powers that only when China has a Western code and a judiciary capable of applying it justly can this right, which has long obtained in Turkey and Egypt, be given up. The last word indeed on the subject has been implied by Lord Parmoor in his recent letter in *The Times*, in which he indignantly attacks the diplomatic body at Tientsin for having allowed Chinese authorities to arrest within an international settlement Chinese subjects, even though engaged in trying to plunge their country into the horrors of Communism! This resulted, he adds, in their being slowly strangled as a punishment and a warning. Truly his letter is the last word on the subject for some time.

Mr. Alfred Hippisley's lecture of 1912, describing the Chinese Revolution, comes next, and is a valuable contribution to contemporary Chinese history, still further strengthening our sympathy with those leaders who would modernize China, but showing even these how hard it would be to pour new wine into old bottles.

Mr. Eugene Ch'en's lecture of 1913, "Chinese Affairs, and the Ripeness of China for Democratic Rule," takes the third place. It is an able and winning exposition of what the modern mind of China aims at—aims that Great Britain so cordially supports while wondering if clever young thinkers from Western hothouses realize how easy it is to think and plan, how hard to carry out to the scale of four hundred million souls. It is sad reading, and may, perhaps, cause the hot-air merchant and all those really good people who have been described as having hearts full of gold and brains full of feathers to pause. Mr. Ch'en's lecture, while appealing to all, will perhaps

make those who believe that good, kind aspirations make a difficult world good and kind, realize that dreams come true but slowly, and will cause them to be thankful that massacres in the European settlements are not to lie at their door.

These three earlier lectures lead conveniently to two lectures given during the current year, the first being by Mr. E. Manico Gull on "The Position in China"—the collapse of the Republic of Sun Yat-sen and the "rule of the Major-Generals," which a too hasty revolution brought once even to Merry England. Here we do see clearly that a little too much Anglo-Saxondom fairly and truly exasperated reasonable Chinese opinion, in the super-efficient administration of the Maritime Customs, without much regard to the toad beneath the benevolent, but still pointed, harrow; our sin here must, however, be written back to the delays of the Peace as well as to the turmoil of the war.

The series closes with a paper read a few weeks ago by Professor P. J. Bruce, so many years with the Baptist Missionary Society in Shanghai. This paper, "The Republic of China," gives an analysis of the causes of the failure of that Republic, and Professor Bruce gives also what is of such value to-day—some ideas of how China may be set on her feet again, and how her wonderful assets may be combined to one end, her simple hardworking people, her competent high-principled merchants, and her enthusiastic young intelligenzia.

GEORGE MACMUNN.

I

EXTRATERRITORIALITY IN CHINA*

BY H. B. MORSE, LL.D.

At Versailles, in 1919, the Chinese delegates demanded the abrogation of extraterritorial jurisdiction in China, as being a derogation from her sovereign status. The claim was rejected; but in 1921 it was again preferred at the Washington Conference. There the claim was admitted to the extent of recognizing that the privilege is a derogation from China's sovereign status, and a Commission has been appointed to proceed to China and examine into the further assertion that the administration of justice in that country has so far improved that foreign jurisdiction may with safety be abolished. The same claim has now been made for the Turkish dominions (April, 1923), and it is advisable to see how the privilege was acquired in China, and what it is.

From the earliest times peregrinating traders have claimed the privilege of carrying with them the law to which they had been born: the Phœnician traders along the coasts of the Mediterranean, the Greek traders following in their steps, and the Arab traders voyaging to China in the seventh and eighth centuries of our era. Foreign conquering invaders have generally left the conquered in the full enjoyment of the law to which they had been accustomed: the Frank in Gaul, the Norman in England, and the various Kitan, Nuchen, Mongol, and Manchu invaders and conquerors of China. In A.D. 824 the Constitution imposed by Lothair on the city of Rome provided that each resident was required to designate the code—Roman, Frankish, or Lombard—under which he wished to live and be judged; the Roman might elect to be hanged for murder, and the Frank to be allowed to compound for it by payment of weregeld.

For traders the privilege endured to a late period. In his *Carta Mercatoria* of 1303 Edward III. of England granted to foreign traders the right to have suits, by or against them, tried by a jury of six citizens of London and six merchants from the same town as the foreigner party to the suit. In 1199 Venice obtained a capitulation from the Emperor at Constantinople granting extraterritoriality to her traders, and in 1207 a treaty in the same terms was negotiated between Venice and France; in 1304 Genoa obtained at Constantinople a similar *privilegium aurea bulla nostra munitum*.

* This article was published in Vol. X., Part II. of the *Journal*, and reprinted in October, 1925.

Abandon-
ment in
Europe.

The States of Europe abandoned this practice between themselves as, in each case, the Government came to be based on law and not on the will of the governors; the law of the place then became paramount, and it was not to be set aside for the benefit of a foreign trader. But when European traders came into relations in the Levant with Asiatic rulers, their respective laws were found to be incompatible: no Venetian or Genoese would willingly, or could in reason be expected to, submit himself to Moslem law, based on the Koran, and no Moslem could obey a law whose chief exponent was the Pope. The Saracens at Alexandria entered into an extraterritorial arrangement with Pisa in 1154; and at Constantinople the Turks took over the same procedure from the Greek Empire which they displaced, maintaining it in force until October 1, 1914.

The Europeans coming to China found a vast and well-organized empire, with a reputation for unconquered strength. The first comers, the Portuguese, had had no trade with the Levant and no experience of extraterritoriality; nor had the next comers, the Spanish; nor, as an independent State, had the next, the Hollanders; and none of these claimed the privilege in China. The English had had a grant of extraterritoriality in the Levant since 1583, and the French since 1535; but coming to China, the one in 1637, the other in 1660, they both followed the example of the earlier comers.

The absence of extraterritorial protection created no difficulty in matters of trade during the whole of the factory period, which ended in 1842. The Chinese have never in the past brought their own civil cases into court, but, having experience and a wholesome dread of the action of their own magistrates, they have invariably settled them in their guilds. The foreign merchants trading at Canton were in the hands of their "security" merchant, a member of the Co-Hong, or Gild-Merchant, of Canton; if a dispute arose between the two, it was settled amicably, or when that was not found possible, the settlement was subject to the dictation of the security merchant. This method worked smoothly, and the foreign traders, engaged in a profitable trade, accepted the situation as a necessary evil, quite dwarfed by the extortion to which they were subjected.

It was the execution of the criminal law which drew their attention to the need of further protection. Against the foreign merchants there was not one charge brought during the whole of the factory period; but their trade was carried in ships manned by heavy crews, and at Whampoa (the anchorage, ten miles below Canton) there would at times be thousands of sailors, full of life, rejoicing in the touch of land after many weary months of the sea, and bent on pleasure. Bloody murder might have been expected on many occasions; but during a period of two centuries, from 1637 to 1833, only sixteen cases of violence are recorded committed by foreigners, and during the same

period five cases of murderous assault by Chinese on foreigners. The death penalty was inflicted on four foreigners only for the cases in which they were implicated; but those four brought home to the responsible authorities the necessity for the protection of their own laws. One (an Englishman) had been tried by the Portuguese court at Macao and acquitted, but was retried by the Chinese and executed; one Frenchman killed a Portuguese in self-defence, but was tried by the Chinese and executed; one, English, was executed as being the gunner on the ship *Lady Hughes* from which a salute had accidentally killed a Chinese; one, American, on the ship *Emily*, had dropped an earthen jar which struck on the head of a woman in a boat and caused her to be drowned, for which he was executed.

The Chinese criminal law had been codified very clearly, and is ^{Chinese Criminal Law.} accessible by Staunton's translation of the *Tatsing Leuli*. The law of homicide may be summarized as follows:

1. Wilful and premeditated murder is punishable by beheading.
2. For homicide during an affray, though without any express desire to kill, or killing another on suspicion of theft, or being accessory to a murder, the penalty is strangulation.
3. Persons who kill or wound another purely by accident (in such way that no previous warning could have been given) may redeem themselves from punishment by paying a fine to the family of the person killed or wounded. The legal amount of this fine, fixed by the Code, was Tls. 12.42 (£4 2s. 9d.).
4. Killing in lawful self-defence is justifiable, and not punishable.

To this law, if justly administered, little objection could be made except on one point; but that was vital. Chinese law judged solely by the result. If a life was lost (except when judged by the court to have been by pure accident) the law took a life in payment. The Chinese carried this to an extreme, and in several recorded cases they demanded a number of lives equal to the number lost, in order to satisfy public opinion among the fellow-villagers of the dead.

The nations of the West adopted a different principle. With them it was the intention which was important. In England (during the period of the factory days at Canton) any attempt at premeditated murder, even if neither death nor wound followed, was punishable by death. By two laws of 1828 and 1837, attempts which did not result in wounds were removed from the category of murder; and in 1861, for the first time, was the death of the victim made a necessary factor. The English (the most numerous element among the merchants and in the shipping) insisted on the necessity of proving intention and premeditation; and, after the surrender of the gunner of the *Lady*

Chinese
judicial
procedure.

Hughes in 1784, refused to surrender any more accused persons for trial in a Chinese court.

The spirit of the Chinese judges was another factor which had to be taken into account. In their opinion, foreigners had no proper understanding of the principles of reason. A truly civilized people, such as were the Chinese, must understand that "reason is never so feeble that it must needs be reinforced by might"; whereas, during three centuries of common relations, foreigners had shown a facile inclination to resort to force whenever any impediment arose to prevent the attainment of their end. The Chinese then, confident in their monopoly of reason, confident also in the unshaken strength of their universal Empire, held an innate conviction that, *prima facie*, their countrymen, belonging to a civilized race, must be in the right as against those of a rude and unlettered stock. These judges, too, belonged to a class of officials who were notoriously the most corrupt of any then existing in the world; who, even a century later, had made no advance in the direction in which the rest of the nations were moving, to integrity and impartiality in their public officers; who were always ready to prostitute their official position for the sake of gain or for racial prejudice.

Another element was the certainty that torture would be applied to any person under trial in a Chinese court. Torture was not unknown to the nations then represented at Canton, but its use had long before been discarded in the West. Of the three most numerous nationalities, the Americans had never known it, except as applied to them by the Red Indians; the Dutch had abandoned it in their legal procedure, and it was not in common use in England after the time of Elizabeth, or in Scotland after James I. and VI. In England it endured longest to break down the obstinacy of accused persons who "stood mute," refusing to plead; in 1658 Major Strangeways, standing mute, was pressed to death in about ten minutes, "iron being laid on him as much as he could bear and more"; in 1726 one Burnwater, accused of murder and standing mute, was pressed for an hour and three-quarters with 4 cwt. of iron, and then consented to plead; in 1772 it was enacted that standing mute should be taken as equivalent to a plea of guilty, and in 1827 as a plea of not guilty. For extracting evidence from witnesses torture has not been applied for more than three centuries in the more advanced nations of the West; and in England and America an accused person is further protected by being exempted from interrogation, and by the legal presumption that he is innocent until the prosecution has proved him guilty.

In China, the foreigners found, the theory was the same as in the West, but in practice the prisoner was presumed to be guilty until he was clearly proved to be innocent; and his trial was for the purpose of publicly establishing the charge and determining the penalty. In the case of the American ship *Emily*, in 1821, the magistrate conducted

a first trial on board; he heard the evidence for the prosecution, refused to allow that evidence to be interpreted, refused to hear argument or testimony for the defence, and adjudged the accused guilty. After this mockery of a trial and farce of a judicial decision, the accused was put in irons on board ship, but was not surrendered. The trade of all flags had been stopped, and the stoppage continued; and, a week later, the prisoner was surrendered. He was taken into the city, tried again (no one from the ship or the foreign community being present), was again adjudged guilty, was executed by strangulation, and his body returned to the *Emily*, all within twenty-four hours.

China, it was further found, was governed on the doctrine of responsibility; for every unlawful act, someone must be found to accept responsibility — the act of God, *force majeure*, circumstances over which one had no control, were excuses not recognized in Chinese law. Among the Chinese the father is held responsible for every act committed by any member of his family; the whole village for any act committed within it; the magistrate for the detection and punishment of any crime in his district; Governor and Viceroy for the maintenance of order in their jurisdiction. This responsibility is personal; a village elder might be executed (or, perhaps, tortured and ruined in purse) for a murder committed by some person unknown; a Viceroy might be cashiered (or, perhaps, left in his office humiliated by the deprivation of his honours and titles) for failure to suppress brigandage.

The same doctrine of responsibility was applied to the foreigners. In one case (British ship *Neptune*, 1807) fifty-two sailors of the crew were involved in a riotous affray in which one Chinese lost his life. Every effort was made during two months to fix the personal responsibility; twice were investigations conducted on board, but the guilty person could not be found; the supercargo was held personally responsible for producing the guilty man; the responsibility was transferred to the English Headman (the President of the Select Committee of the Honourable East India Company); during the whole of these two months all the English trade was stopped; and finally the Chinese accepted one sailor as guilty of "accidental homicide" (penalty 12.42 taels = £4 2s. 9d.), and trade was reopened.

In every case that occurred the foreigners contended that the charge should have been one of accidental homicide, or of killing in self-defence; while in every case the Chinese held that it was killing in an affray, with or without intent, the penalty for which was strangulation. The English surrendered none of their accused after 1784; but, in several later cases, offered to send their men as prisoners to England, there to be tried and punished according to English law.

The Americans had at that time in their own country laws which were much less ferocious than those of other Western nations; but, in their dealings with the Chinese, they accepted the Chinese stand-

point to a date much later than the others. In the case of the *Emily*, in 1821, they declared to the Chinese authorities: "We are bound to submit to your laws while we are in your waters; be they ever so unjust, we will not resist them." This was their public policy; but their personal feelings, as expressed in their private correspondence, were the same as those of the English.

The idea of granting extraterritorial jurisdiction to the foreigners was not at first repugnant to the Chinese. In 1687, at Amoy, a sailor of the *London*, being drunk, broke into the Custom House and committed a robbery, involving under Chinese law the penalty of death; all that the authorities demanded was that "a due punishment might be given to him by ourselves according as, in our opinion, y^e crime meritted; w^{ch} was inflicted in Publick view ashore by 100 Stripes wth a Catt of nine Tails & Pickle, to their satisfaction."

In 1729 the supercargoes of four of the English Company's ships, bargaining for admission to the port of Canton, demanded "that we desire there may be no Punch houses erected at Wampo, that so all quarrells between our Sailors and the Chinese may be prevented; and that we may not at Canton be accountable for any such accidents, it being impossible for us to be answerable for them at such a distance; and that if any of our people should be found to be the Aggressors in any Broils between them and the Chinese, that we ourselves only shall inflict such punishments upon them as they shall deserve and according to the Laws of our Country."

Extra-
territoriality
granted.

This was extraterritoriality, granted at haphazard, but never acted on for over a hundred years.

The English fought with China the war which was ended by the treaty of Nanking in 1842. In this treaty, imposed on China after her defeat at all points, any terms might have been inflicted; but Lord Palmerston, in his instructions, had directed his plenipotentiary that, if the Chinese Government were willing to cede an island (Hongkong or Chusan) to serve as an entrepôt for the trade, then only the national questions, and not those concerning trade, should be definitely settled. Accordingly the treaty provided for the cession of Hongkong, the opening of five staple ports, the appointment of Consuls, a money indemnity, the abolition of monopoly, a uniform and moderate tariff, and equality between the officials of corresponding rank of the two nations; but it made no stipulation for jurisdiction by British courts over British subjects. This was secured by the General Regulations for Trade published in 1843, in which it was declared that "regarding the punishment of English criminals, the English Government will enact the laws necessary to attain that end, and the Consul will be empowered to put them in force; and regarding the punishment of Chinese criminals, these will be tried and punished by their own laws."

America's
policy.

The American policy had been to accept Chinese jurisdiction over

American citizens; but Mr. Caleb Cushing, Commissioner of the United States to negotiate a treaty, found good reasons for abandoning this attitude of acquiescence. There had been several attacks by Cantonese rowdies on foreigners in the grounds of the foreign factories. On June 16, 1844, a party of Americans were attacked, and they were driven to defend themselves; and, in the affray, a Chinese was killed. The Chinese soldier guard gave no protection; and the Viceroy Kiyang, a Manchu, declaring that the Cantonese were a turbulent people, warned Mr. Cushing that they would probably demand a life for a life. They did so demand, but Mr. Cushing refused to submit the case to Chinese jurisdiction; and he convened a jury of six Americans, who found that those implicated in the affray had acted strictly in self-defence. During the same period an American was killed by Chinese soldiers, and in this case Mr. Cushing left the offenders to the jurisdiction of the Chinese authorities.

In the American Treaty of 1844, signed two weeks after this affray, the procedure in criminal cases was declared somewhat more explicitly, but in similar terms to that laid down in the British Trade Regulations; but in his instructions to Consuls, Mr. Cushing declared categorically: "In my opinion, the rule which obtained in favour of Europeans and Americans in the Mohammedan countries of Asia is to be applied to China. Americans are entitled to the protection and subject to the jurisdiction of the officers of their Government." This policy he maintained in later years in his considered opinions as Attorney-General of the United States.

The French Treaty of 1844 was very precise in its assertion of criminal jurisdiction, declaring in addition: "Il en sera de même en toute circonstance analogue et non prévue dans la présente convention, le principe étant que, pour la répression des crimes et délits commis par eux dans les cinq ports, les Français seront constamment régis par la loi française." The French Treaty.

Extraterritoriality was now fully established in criminal cases. The need for it in civil cases had, as has been stated, not been felt during the factory period at Canton; but, with the abolition of the monopoly of the Co-Hong, foreign merchants of all nations and of all classes were brought into direct relations with Chinese merchants of all classes. The monopoly had come to an end, but the Chinese merchants continued to work together in their guilds, while the foreigners, always individualistic and self-dependent, were as a flock of sheep in the presence of the united Chinese. Protection in civil cases was felt to be necessary, but the foreign merchants had not yet put into concrete form the best way of supplying their need, when the plenipotentiaries of four Powers (England, France, America, and Russia) negotiated their treaties of 1858. All these treaties provided clearly for consular jurisdiction in criminal cases, but, for civil cases, only provided for the

recovery of debts through the courts of the debtor; the French Treaty, however, repeated word for word the clause in the treaty of 1844 :

"Il en sera de même en toute circonstance," etc.

Extra-
territoriality
in civil
cases.

Extraterritoriality in civil cases, to the full extent of present-day practice, grew up through the weakness of China, and the inability of her officials to execute the functions of their offices. Through the first half of the nineteenth century sporadic risings had been of frequent occurrence in almost all of the provinces, loosening the bonds of obedience to the law, spreading everywhere a feeling of unrest, and interfering seriously with the ordinary emoluments of the officials; and, by 1850, there existed throughout the whole empire a condition almost amounting to anarchy. Order was not maintained, justice was not rendered, the officials were held in contempt; and these last were driven to expedients, beyond those customary, to supplement their emoluments which had been seriously curtailed. Then arose the Taiping rebellion. Starting in the poor and mountainous province of Kwangsi, the rebels marched north through Hunan, conquering, devastating, and increasing their forces, as they advanced; and, by the end of 1852, they made good their footing on the Yangtze, by the capture of the triune cities Wuchang-Hankow-Hanyang. They pushed down the Yangtze, and, on March 19, 1853, took by assault the former capital of the empire, Nanking, having overrun and devastated the major part of six provinces, while other risings gained their footing in other provinces. In the summer of 1853 not one of the eighteen provinces of China proper was free of rebels, and many—even the majority—were dominated by them. The Manchu resident garrisons were massacred to a man, and woman, and child; the Chinese armies were saved by timely withdrawal, the officials saved themselves by flight, and millions of civilian refugees streamed to places which, they hoped, would provide shelter from the devastating hordes, some thousands even as far as Shanghai.

Piracy, of the sea and of the river-ways, is endemic among the Chinese; and during this period sea piracy was rampant along the coast. The authorities, civil and military, were quite incapable of dealing with it, and such check as was imposed on it was imposed by the ships of the British Navy. In 1847 H.M. brig *Scout* brought into Amoy three pirate junks. In 1849 Commander J. C. D. Hay, with 3 ships, the largest mounting 16 guns, destroyed in Bias Bay a piratical fleet of 23 junks, carrying 12 to 18 guns each and manned by 1,800 men; in the same year, with 3 ships, he destroyed 58 out of a fleet of 64 pirate junks, carrying 1,224 guns and manned by 3,150 men; and in March, 1850, with 1 ship, he destroyed a fleet of 13 pirate junks: these three actions were all in Cantonese waters. In 1855 H.M. brig *Bittern*, 12 guns, destroyed on the Chekiang coast a pirate fleet of 23 junks, carrying nearly 200 guns and manned by 1,200 men,

the *Bittern's* loss being 2 killed and 15 wounded.* During these years the Chinese authorities were in a constant state of friction with foreign interests; even in May, 1858, when England and China were openly at war, and during the days when the allied British and French forces were taking the Taku forts by assault, H.M.S. *Surprise* destroyed a large piratical fleet at Lintin; and all these operations, including that in 1858, besides many others of less importance, were undertaken at the request of the Chinese authorities, and were carried out with the co-operation, ineffective though it was, of Chinese government ships. During all these years the burden of protecting British merchants and shipping was thrown entirely on the British authorities and the British Navy, and was never assumed by the Chinese authorities.

If any foreign Power was to undertake the duty incumbent on the Chinese it was obviously England, since the greater part of the trade was British. In 1855 there were resident in Hongkong and the five Treaty ports of China 1,038 adult male civilians, of whom 377 were at Hongkong, 334 at Canton, and 243 at Shanghai; and this total of 1,038 was divided among 111 English firms, 45 British Indian, 23 American, and 31 of all other nationalities. The proportion of the trade may be gauged by the export trade of Shanghai in 1853, when the total value of all exports was 24,000,000 dollars; of this sum, 14,500,000 dollars was the value of shipments by English merchants in British ships, 8,500,000 dollars by American merchants in American ships, and 1,000,000 dollars under all other flags.

These particulars serve to illustrate the extent of the foreign trading interests, and the impotence of the Chinese officials at the time, September 7, 1853, when the administrative city of Shanghai, protected though it was by strong walls, was seized by surprise by a body of Triad rebels, claiming affiliation with, but not recognized by, the Taipings at Nanking. The next day they made an irruption into the foreign settlement, sacking and burning the Custom House which dealt with the foreign trade; but thereafter, for seventeen months, they remained besieged by tens of thousands of Chinese troops, but continuing to hold the city against all assaults. Of the territorial and fiscal officials, some were killed when the city was taken, and others escaped to the foreign settlement, finding there a refuge under the protection of the extraterritoriality enjoyed by the foreign residents.

The foreigners were confronted by a difficult problem. For many years they had not obtained the protection which it was the duty of the Chinese Government to give them; and, after the events of the two days, it was obvious that the Chinese authorities could not offer any resistance to the rebels. On the other hand, the Government had for

* To commemorate this action a memorial window in memory of Lieutenant (Vice-Admiral) Vansittart was erected in the Parish Church of Bisham-on-Thames by public subscription of the foreign residents of Shanghai and Ningpo.

twenty years been in a state of acute conflict with the foreign interests, and this conflict had been temporarily alleviated, on paper but not in fact, by the Treaties of 1842 and 1844; and the foreign interests, while giving a personal refuge in their settlement to the dispossessed officials, could not agree to their exercising their functions, collecting their revenue, and conducting military operations, under the protection of foreign guns, foreign prestige, and foreign privilege. The foreign Powers in general were at the moment represented by merchant Consuls—Portugal, the Netherlands, Hamburg, Lübeck and Bremen, Prussia, Denmark, and Siam by English merchants, Spain by a Portuguese, Sweden and Norway, Russia, and the United States by an American (the first official United States Consul arrived in February, 1854); the French (official) Consul had national interests of very small importance; and it fell to the British Consul, Mr. Rutherford Alcock, to take the lead in all matters of common public interest.

Mr. Alcock was a man of marked personality. After a period of distinguished service with the British Legion in Spain, he was appointed one of the first Consuls to China under the Treaty of 1842. At Amoy in 1844, and again at Shanghai in 1854, he upheld the right of the Consul to protect from molestation Chinese subjects in foreign employment; in 1845 he re-established British prestige, which had been impaired, at Foochow; in 1848 at Shanghai, on an occasion in which he conceived that the Chinese authorities had been neglectful of their duty of protecting foreign life, he boldly, with one gun-brig, declared war against the Chinese Government; and, on many occasions, he had shown that he was not afraid to assume responsibility in a time when the monthly mail was slow and telegraphic communication did not exist.

The three foreign Envoys declared for a strict neutrality between the Imperial Government and the rebels—the British and American after the fall of Nanking, and the French after the seizure of Shanghai—but the neutrality was declared to be conditioned by the necessity of directly defending any threatened foreign interest when directly attacked. Under this declaration, Mr. Alcock induced his two colleagues, Consuls of the two Treaty Powers, to join with him in asserting the neutrality of the foreign settlement in the struggle between the rebels within the city and the Imperial authorities and forces outside.

This neutrality produced a threefold effect. While the rebels in the city were hemmed in on three sides by the besieging troops, and on the fourth, the northern side, by the neutral foreign territory, they were at the same time protected from all assaults on that northern side, from which the Imperial troops were excluded. This exclusion was not pleasing to these troops, who found there a degree

of personal safety not obtainable elsewhere; and in the Battle of Muddy Flat, on April 4, 1854, some ten thousand of them, who had drifted in, were forcibly expelled from their coign of safety by a force of 200 sailors from the British and American ships of war, and 200 merchants of Shanghai. The city was evacuated by the rebels in February, 1855, but the neutrality of the foreign settlement was still maintained. In August, 1860, on the days on which the allied British and French forces were engaged in the assault on the Imperial forts at Taku, other British and French troops were manning the walls of the Imperial city of Shanghai and defending it from an assault in force by a Taiping army; and, in 1862, the two Allies undertook to protect Shanghai and to keep clear of rebels the territory within a radius of thirty miles around it—a duty which, even at that date, the Imperial forces were quite incapable of performing. It is not too much to say that, without this declaration of neutrality, and without this foreign military intervention, the seaport of Shanghai would have been taken by the Taiping army and the course of history changed.

A second effect was that the Chinese Government was debarred from collecting its Customs duties from the foreign trade of Shanghai. The Consuls tried one expedient after another to enable it to obtain this revenue, by some method which would not involve, on the one hand, the entry of armed Chinese guards into the foreign settlement, and, on the other, the giving of armed foreign protection to the Chinese officials engaged in the collection; but in the end it was found expedient, in July, 1854, to introduce a system of mixed Chinese and foreign control of the Customs—leading ultimately to the creation of the Inspectorate-General of customs, the development of which owed so much to the genius of Sir Robert Hart.

Collection
of Customs
duties.

A third effect was that the Consuls were driven to assume jurisdiction over the Chinese resident within the limits of the foreign settlement. In 1852 this territory comprised about 250 acres along the river-front, occupied by the houses and offices of the foreign merchants, and back of this about 400 acres, conceded later and intended primarily for purposes of recreation; within this square mile there were no Chinese resident, except the house and office servants of the foreign merchants. On the fall of Nanking many thousands of refugees fled to the only apparent place of safety, Shanghai; the disturbed state of the vicinity after the seizure of the city drove other thousands to the same refuge; and by the end of 1853 there were over fifty thousand, some with scanty means, some with none, all squatting in the open spaces of the foreign settlement. Year after year more thousands flocked in, and in 1860 the fall of Soochow and the consequent expansion of the area of Taiping domination drove in many myriads more, until, by the end of 1862, there were over a million and a half of Chinese refugees resident in the area reserved for foreigners,

The Chinese
residents
in the
settlements.

finding there under the foreign flags the protection denied them under their own. Policing, sanitation, protection, and feeding had to be provided for this host, and the task, unwelcome though it was, was undertaken with Western thoroughness by the small community of English and American merchants.

Authority, however, did not lie with the merchants. Many attempts were made to throw the burden of police jurisdiction on the Chinese officials; but there was the double difficulty, that Chinese armed guards could not be admitted to the foreign settlement, and that there were no funds available unless the Chinese could be allowed to exercise the taxing power within the foreign limits. The mercantile community then evolved the plan of making Shanghai a "free city," independent of all Chinese jurisdiction, and existing under the joint protectorate of the three Treaty Powers; but they were promptly called to order by the three Envoys at Peking, who reminded them that "the (English) Concession at Shanghai, was neither a transfer nor a lease to the (British) Crown . . . and the land so acquired remains Chinese territory."

With the enormous Chinese population to be administered, some authority, however, had to be exercised, and the task was undertaken by the official Consuls, the British and the American, for what was afterwards the "International Settlement," and the French for his own. They dealt with all ordinary police cases, and the penalties inflicted were fines of moderate amount or imprisonment for a few days; criminals requiring severer punishment were sentenced to be handed over to their own authorities, involving expulsion from the foreign settlement. Mixed civil suits were commonly settled by Gild action or by friendly arbitration, as they had been in the factory days at Canton; but when they came before any Court, it was before a Consular Court. One such case occurred at Hankow as late as May, 1864, when the Oriental Bank brought suit before the British Consul against two Chinese for enforcement of a contract; judgment was given for the plaintiff in the sum of 68,232 taels (£22,000). The Chinese defendants probably regarded the suit as an arbitration, and paid the sum awarded.

The establishment of the Mixed Court.

After the suppression of the Taiping rebellion in 1864, the foreign authorities at Shanghai took early steps to restore to the Chinese officials their proper jurisdiction over their own subjects; but they had, at the same time, to safeguard the extraterritorial status acquired for the foreign settlement. They accordingly moved the Taotai to establish a Mixed Court for the trial of charges or suits, in which there was a foreign interest, brought against Chinese resident in the foreign settlement, or taking shelter there. The rules were amplified in 1869, and from time to time since, the latest amendment being in 1903; and they are based on the principle laid down in the British Convention of

Chefoo, 1876, that "cases are tried by the official of the defendant's nationality . . . the law administered will be the law of the nationality of the officer trying the case"—but always with the further proviso that nothing shall be done to impair the extraterritorial status of the settlement.

The Mixed Court is a Chinese Court, presided over by a Chinese official, who is the deputy of the magistrate of the district of which Shanghai is the administrative centre; and this official, with the rank of sub-magistrate, is assisted in his administration of justice by an assessor deputed by one of the foreign Consulates. Appeals lie to the Taotai, sitting jointly with a member of the judicial committee of the Consular body; and irreconcilable disagreement between the Mixed Court sub-magistrate and the foreign assessor is referred to the diplomatic arm, becoming the subject of correspondence and conference between the Taotai and the senior Consul or the Consul directly concerned. (The appellations of the officials under the Empire are used in this account; their names and their functions have been changed under the Republic, and it is probable that they will again be changed, and not once only.)

We are now in a position to study the working in practice of extra-territoriality at the port at which it has been most fully developed—Extra-territoriality in practice.
Shanghai.

The foreigner charged with a criminal offence against a Chinese, whatever the residence of either, is charged before his own Consul at the nearest Treaty port (British and American at Shanghai before special Courts not subject to Consular control), and tried and sentenced according to the laws of his own land (British by the laws in London, Americans by common law supplemented by statute law applicable to the District of Columbia). The Chinese have the right to send a delegate to listen to the trial, but have not customarily availed themselves of the privilege.

The Chinese, not resident in the foreign settlement, charged with a criminal offence against a foreigner, is charged, on the application of the Consul to the Taotai, before the magistrate of the district in which he lives, and is tried and sentenced according to Chinese law. The Consul has the right to send a delegate to listen to the trial, and if he dissents from the decision of the magistrate, his report becomes the basis of diplomatic correspondence between the foreign legation and the Chinese Government; in cases of murder, especially of missionaries in the interior, this right has invariably been exercised.

Civil suits brought by Chinese against all foreigners, and by foreigners against Chinese residents outside the foreign settlement, are subject to the same procedure.

Criminal charges (including all police cases) and civil suits, brought by a foreigner against a Chinese resident in the foreign settlement, are

brought before the Mixed Court. The foreign assessor is supplied in rotation by the three Consulates—British, American, and (until 1917) German—having adequate staffs with a competent knowledge of the Chinese law and language; but any case in which a foreigner of other nationality is interested as complainant or plaintiff is postponed to await the presence of an assessor from the Consulate of the plaintiff's nationality. The assessor intervenes actively in this Court, assuming the functions of a *puisé* judge. In case of need, he imposes his judgment on the sub-magistrate, head of the Court; and, in case of disagreement, he may refuse to accept the decision of the latter. This Court decides all cases which may be settled by damages, fine, imprisonment, or the ordinary Chinese punishments of the *cangue* and the bamboo (flogging); but serious cases, for which, by Chinese law, the penalty is death, the cage, or banishment to the frontier, are remitted to the magistrate of the district for trial and ultimate decision; but in such cases it is the duty of the assessor to assure himself that the charge actually before the Court is fully substantiated, and is not the cloak for ulterior designs on the life and liberty of the accused.

Chinese
nationals
and the
Mixed Court.

Suits brought by Chinese, whether officials or private persons, against Chinese resident in the foreign settlement are brought before the Mixed Court. These present a real difficulty. No foreign interest has any desire to intervene in purely Chinese cases; but the foreigners hold that the extraterritorial status of the foreign settlement must and shall be maintained, and that this is impossible with two rival and incompatible jurisdictions covering the same field. In these cases the foreign assessor assures himself that the charge before the Court is fully substantiated, and is without ulterior motive; but he does not otherwise interfere with the decision.

At Shanghai the French have always followed a particularist policy, and have refused to consolidate their interest with those of the general mercantile community; there are two settlements, the French under solely French control, and the International under the control of all nations, including the French: and there are two Mixed Courts, one for each section. In criminal cases, the Chinese accused is brought before the Mixed Court of that settlement in which the crime was committed. In mixed civil suits, if the plaintiff is French, the case comes before the French Mixed Court; if a foreigner (not French), it comes before the International Mixed Court. If the Chinese defendant resides in the other settlement, he is brought, by a regulated procedure, to the Court having jurisdiction. Suits between Chinese are brought before the Mixed Court of the settlement in which the defendant resides.

While every foreigner is amenable to the jurisdiction of the officials, and the law of his own nationality, certain corporate bodies, notably

the Shanghai (International) Municipal Council, are not subject to the jurisdiction of any one nation. Suit may be brought against them, under the general principles of equity, before the Court of Consuls, composed of three members of the Consular body, elected annually by their colleagues.

This is extraterritoriality as practised in China, and specifically at Shanghai. It has been considered a necessary condition, if foreigners were to live and trade in China; and it has been a convenience to Chinese who, from 1853 on to the present time, have found at Shanghai, under foreign privilege, a shelter from rebels or from their own Government. It is not the object of this paper to consider whether the privilege should be abrogated or modified, or whether it should be retained; but it may serve a useful purpose to examine the points which must be borne in mind when the question comes up for consideration.

First, what is murder? The laws of Western nations require that to justify the death penalty proof of premeditation and intention to kill is essential; Chinese law prescribes the death penalty also for homicide during an affray, even when there is no intention to kill. How can these be reconciled? It would not be sufficient to change the Chinese law, since that is based on Chinese public opinion. No Chinese judge would be bold enough to brave the opinion of his countrymen by refusing to adjudge the death penalty if a Chinese life had been lost; and if the foreigner, charged with murder, were acquitted, the fellow-villagers of the slain man could be trusted to raise a riot, with its concomitant homicide and arson.

Suborned and perjured testimony is met in Western countries by cross-examination, but Anglo-Indians know the difficulty of applying this method to the East. In Eastern countries any evidence required is produced, even to the dead body of a victim still living; it has often happened that a body produced as that of a man murdered by violence has shown on medical examination no sign of external injury. In the East, when the Oriental judge suspects, or wishes to elicit, that evidence is false, torture is the method.

The accused, too, is tortured. The presumption is that he is guilty until he proves his innocence, and a refusal to confess his guilt is treated as contumacy and obstruction of justice. Moreover, by Chinese law an accused may not be condemned save on his confession of his guilt.

Chinese officials have always been corrupt; the best of them in the sense that Surintendant Fouquet was corrupt, while the worst may be likened to Verres in Sicily. The element common to Europe in the past and China in the present is that no suitor might win his just cause nor claimant obtain his just dues without feeling heavily the official who should decide, and all his subordinates. The Foreign Offices of Western nations will require to be well assured, beyond the adoption

of a new constitution, that the Republic has improved on the methods of the Empire before they will consent to entrust the interest of their nationals to Chinese officials.

Under the Empire the judicial and administrative functions were combined in one official, while the constitution of the Republic has severed them, and provides for an independent judiciary. This is an improvement, but it remains to be seen if the severance will, automatically and without strenuous effort, secure the impartiality and the independence which are essential to the proper performance of the judicial function. The judges will still retain their feeling that their Chinese civilization is of a higher type than that of any of the Western nations; they will still be psychologically incapable of offending the public opinion of their countrymen; and they will still entertain the universal Oriental notion that the salary of an office is only a stepping-stone to its actual emoluments. If China should succeed in the great task of reforming its judiciary, and of securing an upright and unbiased Bench, the result will be weak judges; the profits of public office in China are so vast, that those who will consent to accept a judgeship will be the failures in public life.

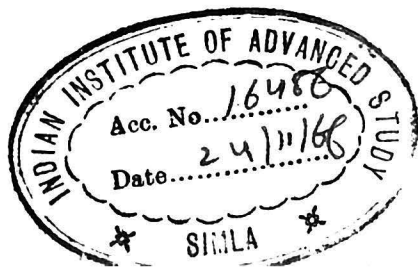
There is no doubt that China suffers from some remediable abuses of extraterritoriality, abuses more common from the action of protected subjects of the British Empire than of natives of the United Kingdom. To the extent to which these can be remedied China has every claim to our consideration, but before she can demand the abstract restitution of her sovereign rights, before she can obtain the abrogation of extraterritorial privilege, she must convince the nations enjoying that privilege that she has risen to their level, in practice as well as in theory; and she must remember that extraterritoriality, honestly and impartially administered, is a safeguard to China herself, protecting her from coercion for alleged maladministration.

POSTSCRIPT (AUGUST, 1925).

This paper on "Extraterritoriality in China" was written six years ago; and in writing it I wrote as an historian, giving an account of the undeniable and immutable facts on which the privilege is based, and not as a publicist arguing for or against the abrogation of the capitulations. It was for this reason that no reference was made to the assumption by the Municipal Council of the administration of the Mixed Court. This occurred in October, 1911, when all the Chinese officials of the Court fled from their posts, and when neither

the body of Consuls nor the Municipal Council were willing to recognize any of the Chinese factions warring for control of the Customs revenue and the administration of justice. This usurpation was only intended to be temporary, but the foreign control of this Chinese Court has continued, although for some years past the Chinese civil authorities have been asking for its surrender. The foreign merchants have, in fact, obtained that "free city" status which they claimed for Shanghai in 1862, and which was then denied them (see my "International Relations of the Chinese Empire," vol. ii., p. 124). In this connection I would quote from a dispatch from Sir Frederick Bruce (H.M. Minister at Peking) to Mr. Medhurst of September 8, 1862:

"It is my duty to remind you that the Chinese Government has never formally abandoned its rights over its own subjects, nor has Her Majesty's Government ever claimed or expressed any desire to exercise a protectorate over them. The only case in which, consistently with the principles laid down for the guidance of Her Majesty's authorities in this country, the Consul has a right to interfere is where the Chinese is in the employ of a British firm, and where there is reason for believing that the arrest of the Chinese servant is an outrage through him on his employer. But it is the interest of the British subject, and not the Chinaman, which is protected. I do not understand what interest Her Majesty's Government has in lending itself to a system which is unjustifiable in principle, which would be attended with endless embarrassment and responsibility, and which the Chinese Government would never submit to willingly. Great Britain has no interest except in providing a secure place for British trading establishments; and whatever inconveniences may arise from the conversion of the Settlement into a Chinese town, I do not think that Her Majesty's Government will be induced to seek a remedy for them by extending its jurisdiction over a large section of the Chinese population. Because we protect Shanghai from falling a prey to a horde of brigands, it does not follow that we are prepared to inter-



fere with the natural relation of the Chinese to their own Government."

The three B.'s—the three foreign Ministers Plenipotentiary then in Peking (Sir F. Bruce, Mr. Anson Burlingame, and M. de Bourboulon)—and the three powers involved were in accord on this declaration of policy.

SECOND POSTSCRIPT (APRIL, 1927).

The Shanghai Mixed Court, referred to in the previous postscript, has from January last been restored to the control of the Chinese authorities; but to the opinion of Sir Frederick Bruce (in which he was supported by the three Governments concerned) I think it well to add the opinion of Sir Rutherford Alcock (who succeeded Sir F. Bruce at Peking) which he wrote in answer to a demand from the merchants of Shanghai and Hongkong in 1869 for an extension of their privileges:

"Pressure, indeed, there must always be here if anything is to be achieved for the advancement of foreign interests and commerce. In one way or other, however we may disguise it, our position in China has been created by force—naked, physical force; and any intelligent policy to improve or maintain that position must still look to force in some form, latent or expressed, for the results."

This expression of opinion may be commended to the attention of those who believe that a privileged position may be maintained by negotiation unsupported by force, latent or expressed.—H.B.M.

II

THE CHINESE REVOLUTION* PRESENT CONDITIONS AND FUTURE OUTLOOK

By ALFRED E. HIPPISELEY,

Late Commissioner of Chinese Maritime Customs

YOUR Committee have been kind enough to invite me to address you to-day upon "The Chinese Revolution: its Present Conditions and Future Outlook." While deeply appreciating the great honour thus done me, I have, I confess, accepted this invitation with great hesitation and diffidence; first, because the causes which have led up to this revolution are so many and of such deep interest, that it is impossible to do justice to so large a subject in the short time at our disposal; and secondly, as regards the outlook, while it is proverbial that it is always the unexpected, so far as we Westerners are concerned, that happens in China, Chinese themselves will not venture to forecast what is likely to happen in their country in the immediate future. All therefore I shall attempt to do is to touch upon the most salient features, begging your indulgence for the many deficiencies and the sketchiness of my paper.

CAUSES OF THE REVOLUTION.

As you are aware, it required the disasters of the war with Japan in 1894 to wake China from her sleep of complacency of many centuries' duration. When these were followed by what seemed to be the impending partition of the country, the younger and more intelligent classes, headed by K'ang Yu-wei, Liang Chi-chao, and Tan Sze-tung, urged national resistance and reform. Under their guidance the Emperor issued the series of remarkable Edicts which made the summer of 1898 memorable, but all of which were cancelled a few months later by the Dowager Empress after the *coup d'état*; to be re-enacted by her later, after her own humiliation in 1900. The crushing defeat of the Boxer hordes by a comparatively small body of international troops, the flight of the Court to Si-an, the imposition of a crushing indemnity, and the fighting out of the Russo-Japanese struggle on Chinese territory, with the terrible loss of life and of wealth it entailed—all these experiences, contrasted with Japan's victories over Russia, forced upon the Chinese a realization of the depth of degrada-

* Lecture given to the Central Asian Society in April, 1912, the Earl of Ronaldshay in the chair.

tion to which their country had sunk. A general demand for reform arose, and became so insistent that the Government could not ignore it. The time-honoured system of education in Chinese literature and history as the one door to official employment was discarded in favour of Western science, mathematics, and jurisprudence, and students flocked by thousands to Japan and the West to pursue these new studies. Commissions were despatched to all the countries of the West to examine their several Constitutions, and to select such provisions as were suited to China; their reports were published and eagerly studied. In response to the general demand for a Parliament to voice the opinion and wishes of the nation, an Edict was issued on September 1, 1906, sanctioning a Constitution and the co-operation of the people. A year later, largely in consequence of the general excitement caused by what was regarded as the insolent behaviour of the Japanese over the *Tatsu-maru* affair, a series of highly important Edicts were issued. The eventual institution of two houses of parliament was promised; the establishment of an Advisory Council in each province and of a National Advisory Council in Peking (the Tsze-chêng-yüan) was sanctioned, and a Commission for the study of Constitutional Government was appointed to frame the laws and regulations necessary to give effect to these promises. And with such energy did this Commission enter on its work, that a year later (in August, 1908) the Throne fixed the year 1917 as the date for the assembling of a Parliament, and was able to issue a complete scheme of the reforms to be introduced in each intervening year, to the end that by 1917 the political machine would be in full working order, and at least half the people sufficiently educated to realize their duties and responsibilities. It was a well thought out and practical scheme; but when the National Assembly met in the winter of 1910 the provincial delegates, urged by a real fear that the period of transition might be availed of by some foreign Power to make aggression on China, insisted that the interval be shortened; and, as responsibility for any decision of the Government lay only with the Grand Council, not with the Minister concerned, they demanded the instant appointment of a Cabinet. The Regent, pressed on one side by the clamours of the vernacular Press, and hampered on the other by palace intrigues, yielded. He fixed 1913 as the date for the assembling of a Parliament and appointed a Cabinet. Even these concessions, however, did not satisfy the most ardent and vociferous of the reformers.

Meantime an acute situation had been created by the action of the provinces in regard to railroads. The Central Government desired to control the construction and management of these arteries of commerce, while the provincial gentry, fearing, or affecting to fear, that such an arrangement would be utilized to strengthen the hold of Peking on the provinces, and that foreign loans would give opportunities for foreign aggression, insisted that each province should be allowed to build all

railroads within its borders, and with provincial funds only; and Peking, terrorized by the violent language of the native Press, in several instances gave way. These successive surrenders to popular clamour had seriously impaired the prestige of the Peking Government, and weakened the authority of the provincial administrations; and with this weakening of authority, general discontent and unrest had grown in intensity and in anti-Manchu violence. The appointment, in January, 1911, of Shêng-Hsüan-hwai, a well-known supporter of the nationalization of railroads, as President of the Board of Posts and Communications, seemed to indicate a reversal of policy on the part of the Regent; and this impression was strengthened by Shêng's arrangement in the next few months of several foreign loans in succession, aggregating some 18½ millions sterling, to develop the work of his Board and of the Hukwang railway system, and to reform the currency; as well as by the issue on May 9 of an Edict proclaiming the State ownership of all trunk lines. This policy called forth a general explosion of public wrath. Violent protests issued from every railway and self-government bureau and in the native Press. In the Kwangtung province the excitement would have developed into revolt but for the strong hand of the Governor-General, Chang Ming-chi; and in Szechuen the opponents of Shêng's policy took advantage of local opposition to a newly imposed tax to foment an armed attack on the provincial capital, which was suppressed with difficulty, and was at first regarded as the real origin of the revolution, though it is now known to have had no connection with it. In view of the woeful ignorance of engineering displayed by the provincial railroad bureaux and of the vast sums entrusted to them that have disappeared, the nationalization of the trunk lines is beyond question the wisest course from a national point of view; but the intensity of the general feeling against it may be gauged from the fact that the humiliation of Shêng and repudiation of his policy was the first of the ignominious efforts on the part of the Government to placate the revolutionaries.

THE PROGRESS OF THE REVOLUTION.

The revolution itself came to most foreigners as a bolt from the blue; but not to Chinese. A high Chinese official predicted to myself that within less than three years a civil war, Chinese against Manchus, would be raging in China. The revolution broke out nine months before the expiration of the period named. To the observant, indeed, signs were not wanting of what was coming. When, shortly after his accession to power, the Regent, acting on the advice of Prince Ch'ing and of Chang Chih-tung, refused an appeal to grant an amnesty to K'ang Yu-wei and his party, Liang Chi-chao, the second in command and a refugee in Japan, who had consistently advocated constitutional reform and the maintenance of the dynasty, immediately turned his

"fascinating pen" against the Manchus and threw in his lot with the extremists. The "Merchant Students" (or volunteer) corps, raised early in 1911 as a defensive measure when rumours spread that the foreign Powers contemplated the partition of China, were soon turned to account by the revolutionary leaders for inspiration of the common cause against the Manchus. "Throughout the year insistence on this cause became clearer and clearer. It was the prime object of 'the People's Society,' formed by Chinese students in Japan in May. It was preached in season and out of season, especially in the South, by the Chinese newspapers, whose number and influence have grown in the most remarkable manner; it was the burden of every popular street lecture. Constitutionalism, national freedom, and expulsion of the Manchus, went hand in hand on the programme of every reformer, the last requirement being the indispensable condition of the two former" (*North China Herald*, January 6, 1912, p. 13). In fact, the rising had been planned to take place in December last in eight provinces simultaneously, and lists had been drawn up showing the amount of funds which the capture of the treasuries of those provinces would place at the disposal of the cause. That it occurred earlier was due to accident. A revolutionary, Liu Hung (now Inspector-General in the Wuchang Government), made his way to Hankow in the middle of last year, taking with him \$10,000 provided by his family to enable him to purchase office. With this money he began suborning the soldiery, especially the engineers and artillerymen, and rented a house in the Russian concession, in which, assisted by a certain Sun Wu, he set to work manufacturing bombs. The accidental explosion of one of these on October 9 caused the seizure by the Russian police of the house and its contents, including lists of the conspirators, distinctive badges, and proclamations. Realizing that by the seizure of the lists the entire cause was endangered, Liu gave orders for an immediate rising, a band of white calico round the arm to be adopted as a distinguishing badge. The suborned troops, then 3,700 only in number, forced Li Yüan-hêng, the second in command of the Hupeh forces under General Chang Piao, under threat of death if he refused, to assume the command, Sun Wu being appointed his Chief of Staff. During the night of the 10th the Governor-General's Yamên at Wuchang (opposite Hankow) was attacked and burnt, the Governor-General and General Chang being forced to seek safety in flight. The city itself was captured, with treasure to the amount of 10,000,000 taels (over £1,250,000), which has sufficed, it is said, to finance the operations in Hupeh without drawing on outside funds. The native city of Hankow and Hanyang, with its well-stocked arsenal, were captured without resistance. The movement spread so rapidly down the Yangtsze and along the coast, that in Yüan Shih-k'ai's own words "within a month thirteen provinces had been lost, and both Chihli and Shantung were showing signs

of disaffection." The hopes of the Government were centred on Yüan Shih-k'ai, because of his influence over the army, as their only possible saviour. He was recalled to office as Governor-General of the Hukwang provinces, with instructions to lose no time in restoring order. Yüan, however, pleaded that the imaginary affection of his leg—the trumped-up reason given by the Regent for retiring him in 1908—still prevented the performance of active official duties. While communications on this subject were passing, news received of the defection of city after city so alarmed the Court that on November 1 Yüan was appointed Premier, with supreme command of all the forces, military and naval; and two days later the Throne accepted the nineteen fundamental Articles of the Constitution formulated by the Senate, and undertook to announce immediately this acceptance in the Temple of Ancestors, and to promulgate the Articles throughout the Empire. The Peking correspondent of *The Times* thus summarizes their effect: "The security of the dynasty is guaranteed, the person of the Emperor is sacrosanct; but in place of a barbaric despotism guided by a capricious weakling under the pernicious influence of palace women and degraded eunuchs, there will be a Constitutional Monarchy, a Parliamentary Government, a responsible Cabinet, an appointed Prime Minister, and Parliamentary control of the Budget, including the allowances to the Imperial household. The Memorial states that all nations agree that the British Constitution is the mother of Constitutions. The British Constitution has therefore been adopted in China. The Articles show a close study of the British Constitution." Yüan Shih-k'ai says of them: "The Sovereign was thus shorn of practically every vestige of power, and there was nothing left for him to surrender. The Government would have been what some still desire—namely, a Sovereign with an empty title at the head of a Republic." In a most illuminating letter published by *The Times* on November 28 last in a communication from its Peking correspondent, "one of the most learned scholars in China, a man whose name is a household word there, and who has translated into scholarly Chinese the most popular of modern British philosophical works," speaks even more trenchantly. "The Nineteen Articles of the so-called Constitution appear to me no Constitution at all," he says. "It is merely a shift of despotic power from the Emperor to the future National Assembly or to the present Senate. Such a thing can never be durable or stable, and is therefore non-progressive."

When Yüan eventually reached Peking he found the treasury empty, no funds to pay the army, and an utter lack of munitions of war. Troops had, however, been hurried South, who recaptured Hankow; but the fleet revolted, and Nanking fell to the rebels. Then, the provinces having repudiated the Nineteen Articles, and negotiations to raise a loan to meet military requirements having failed, an

armistice was, on the suggestion of Great Britain, arranged, and T'ang Shao-i sent South, as Yüan's representative, to discuss terms with Sun Yat-sen, who had meanwhile arrived from Europe and been declared Provisional President of a Republic of China. When, however, it was seen that Sun insisted upon a Republic, the Throne refused to recognize the revolutionary junta, consisting as it did almost entirely of Cantonese, as representative of the Empire, and on December 28 issued a Decree summoning a National Convention to determine the future form of government. The revolutionaries answered that such a procedure must delay any settlement for months, and result in a serious spread of disorder, and insisted therefore, under threat of an advance on Peking, on terms being arranged with them forthwith and on the basis of the establishment of a Republic. The negotiations were long drawn out, but eventually, on February 12 (the National Convention having in the meantime failed to materialize), the result was an Edict of Abdication issued in the name of the boy-Emperor by command of the Empress-Dowager, of which the following are the most important sentences: "To-day the people of the whole Empire have their hearts set on a Republic, the southern provinces having initiated the movement, and the northern Generals supported it later. In the evident desire of the People, the will of Heaven is made clear. How can I, then, for the sake of the honour and glory of one family, thwart the desire of teeming millions? Wherefore I, with the Emperor, decide that the Government of China shall be a Constitutional Republic, in order to appease the longing of all within the Empire, and to act in harmony with the teachings of the ancient Sages that the Empire is a public heritage." A second Edict approved the treatment guaranteed to the Imperial house after abdication, and a third "exhorts all officials and people to remain tranquil, and not be moved by heated passions, and proclaims the disinterested action of the Throne, which is animated solely by a desire to put an end to anarchy, to prevent internecine strife, and to restore the blessings of peace, responsive to Heaven's will, and acceding to the desire of the people."

The present representatives of the Imperial House, had they resolved to fight for the Throne, had ample means to ensure success in the palace treasure, which Dr. Morrison had told us amounted to some nine millions sterling in 1900, and was considerably added to later. One would therefore like to believe that in surrendering practically without a struggle so magnificent a heritage they had been guided by such lofty motives as are the desire to save the nation from the horrors of civil war, and to give effect to the teaching of the most ancient Chinese books that "the sole aim and purpose of government is the welfare of the people," and that "a ruler forfeits his right to the Throne when he loses the affection of his subjects." But when one regards the Edicts of October, which sacrificed Shêng Kung-pao, which promised that

no member of the Imperial family should be eligible for the Cabinet, which committed the Throne to the unconditional acceptance of any Constitution the National Assembly might frame, and which recognized as a political party the band of revolutionaries who had plotted for years against the Throne under the designation of *K'ê-ming-t'ang*, or anti-dynastic society, and were then in open rebellion, one is forced to recognize that they were being driven headlong by craven fear, and by the last Edict alone had sealed the fate of their dynasty, which had ruled the country for over 250 years, more than half of that period occupied by the reigns of three of the greatest Emperors and greatest scholars China has produced—K'anghsi, Yungchêng, and Chienlung.

The Edict of Abdication gave Yüan Shih-k'ai plenary powers to establish a Provisional Republican Government, and to confer with the Republican Provisional Government at Nanking, in order to effect peace and a union between North and South; and when shortly after Sun proposed to resign the Presidency in Yüan's favour, the latter accepted it. In view of the position Yüan had occupied under the Manchus, this action of his has occasioned no little surprise in many quarters. The explanation of it probably is that Yüan believed that as a northerner he was the one who could reconcile the jealousies between North and South, and bridge over the critical period before the arrangement of a definite Constitution with the consent of the whole nation—and that done, he will resign office and retire into private life. Yüan's adherence to the Republic, however, created such misgiving in the minds of the Peking soldiery that large numbers broke away from discipline, looted the capital, Tientsin, and other neighbouring cities, and then scattered into the country—doubtless to create further disorder later. A temporary lull now reigns both at Peking and Nanking, attention in both capitals being centred on the raising of loans to meet obligations and expenditure.

Such, in brief, has been the course of the revolution, the most bloodless in history. The loss of life on the battlefield has been quite insignificant, though regrettable massacres of Manchus by the revolutionaries took place at T'aiyüan and Si-an, and some 700,000 were rendered homeless by the firing of Hankow city by way of reprisal by the Imperialists. A deplorable feature has been the frequent use by the revolutionaries of bombs to assassinate prominent leaders on the other side, and a company of bomb-throwers in uniform actually formed part of the revolutionary army.

THE OUTLOOK.

Early in January last the Provisional Republican Government of China, of which Dr. Sun Yat-sen had just been elected President, issued a "Manifesto to all Friendly Nations," in which it is stated in grandiloquent language that the hitherto irremediable "suppression

of the individual qualities and natural aspirations of the people, having arrested the intellectual, the moral, and the material development of China, the aid of revolution has been invoked to extirpate the primary cause, and we now declare the resultant overthrow of the despotic sway wielded by the Manchu dynasty and the establishment of a Republic.

"The substitution of a Republic for a Monarchical form of Government is not the fruit of a transient passion. It is the natural outcome of a long-cherished desire for broad-based freedom making for permanent contentment and uninterrupted advancement. It is the formal declaration of the will of the Chinese nation," and so on.

The statement that "the establishment of a Republic is the formal declaration of the will of the Chinese nation" is, of course, mere political clap-trap. The vast bulk of the nation knows nothing about different forms of government; its one desire is to hear as little as possible about the government, and to be allowed to pursue its avocations in peace. If it has appeared to side with the revolutionaries, it is because it has been befooled with promises that can never be implemented, of a Utopia in which trade will increase by leaps and bounds, and taxation be reduced to a minimum. The intellectual classes are almost to a man against it; and its only supporters are the military officers and students educated in Japan and some of those educated in America. Listen to the opinion of the scholar whom I have already quoted: "But one thing certain, according to my humble opinion, is that if the revolutionaries be impulsive and go too far, China will enter on a miserable state herself, and be the cause of disturbance to the world at large. To speak truthfully, China, as she is, is unfit for a totally different new form of government such as the Republic of America. Her people's temperament and their environment will require at least thirty years of differentiation and assimilation before they are fit to make such a change. A Republic has been strongly advocated by some hare-brained revolutionists, such as Sun Yat-sen himself and others; but it is opposed by everyone who possesses some common sense. By the law of Evolution of Civilization, the best, therefore, is to have a form of government one grade higher than the present form—that is, to remain a Monarchy, but limited, with a suitable Constitution. Try to make its structure more flexible than before, so that it may adapt and progress. The Regent may be deposed and, if expedient, the infant Emperor may be compelled to abdicate, and a grown-up member of the Imperial family may be elected in his place." The able writer deplures, therefore, the rejection by the Regent, already alluded to, of the appeal for an amnesty in favour of K'ang Yu-wei and his party; for, he says, "had the Regent granted this prayer, he would have won the hearts of most of the people, and the present revolt would never have occurred."

But even if it were the case that the majority of the people desired a Republic, that would not prove that that particular form of government was suited to their requirements. Taine tells us that "if the people are consulted, they can say what form of government they would like, but not the form that will suit them; they can only learn this by experience. . . . The social and political form into which a people can enter and remain does not depend on their whim, but is determined by their character and past history. In its smallest details it must fit the living body; if it does not, it will split and fall to pieces."*

It must, however, be borne in mind that the administrative system hitherto followed in China has rendered the adoption in that country of parliamentary institutions less difficult than in any other Oriental nation. Though the Government was in theory absolute, it in fact limited itself in the provinces to the appointment of the governing officials, to the exercise of a veto—as seldom as possible availed of—over proposed legislation, and to the requirement that funds be provided to meet metropolitan expenditure. How those funds should be provided was left to the provincial authorities to determine; and when these latter imposed taxes for that purpose which were regarded by the people as oppressive, a communal boycott of all trade was instituted and maintained until the oppressive features of the tax had been removed. In so acting the people unconsciously exercised the essential function of parliamentary government, the maintenance of the principle that taxation can only be imposed with the consent of the people; and their instinctive appreciation of the significance of this principle is shown by the determination evinced from their first meeting by both the Provincial and the National Assemblies to have the last say in determining revenue and expenditure, national and provincial. Again, the character of local administration was largely determined by the gentry and retired officials, on whom the people relied to voice their views and protect their interests; and it was always unsafe for the Government to introduce measures of far-reaching importance without first consulting them and securing their support. Further, the various trades are associated into guilds, as are the natives of one province living in another, and the officials in Peking coming from any one province, and all matters affecting these various interests are settled after discussion by the appropriate guild; while the local or Municipal Councils recently created are miniature parliaments in themselves, consisting as they do at times of as many as sixty or more members. Parliamentary government is thus based on customs and traditions deep-rooted in the Chinese character. It is not, then, the institution of Parliamentary government so much as the haste with which it is being introduced that constitutes the danger to the country.

But the revolutionaries are optimists almost to the degree of being

* Taine, "L'Ancien Régime," Preface.

visionaries. They are satisfied with the superficial appearance of things, and do not trouble themselves to study fundamentals. A Parliament was to come in 1913, but that was not soon enough for the hot-heads: they must hasten its institution, not waiting to reflect that they might thereby plunge the Empire into anarchy and chaos. They argue that because Japan succeeded in reconstituting her Government, they can with no less success reconstitute that of China, and, with Japan's example to guide them, in less time than Japan found necessary. Facts do not support such an argument. Japan was a comparatively small island kingdom, peopled by a homogeneous race numbering at that time some 40,000,000, and traversed by excellent high roads. At the time of reconstruction there were few foreign interests in the country, and no ground to fear foreign intervention. Her daimios held feudal sway, and led trained bands of devoted men-at-arms; their advisers had long experience in the art of government. These daimios combined their forces and surrendered their domains to make the Mikado the *de facto* as well as the *de jure* Sovereign of the country, around whom the whole nation could rally. Yet to restore complete order was the work of over twenty years. In China the exact opposite holds to-day. The country is much more than ten times as large as Japan, and has ten times her population; it has no high roads except the water-ways, and each province is intensely jealous of every other, and only regards its own interests. Foreign interests abound throughout the country, and serious injury to them or acute disorder along the frontiers, thousands of miles in length, may lead to foreign intervention at any moment. Though there are many men of great ability among the revolutionaries, there are none but Yuan Shih-k'ai and T'ang Shao-i of commanding personality or of marked ability as Governors, and few indeed who would surrender their wealth to aid the State. There are no troops upon whose loyalty implicit reliance can be placed; and the Throne, whose commands all obeyed till recently, has been swept away. Under such conditions, is tranquillity likely to be restored in China more rapidly than it was in Japan?

But the dynasty *has* abdicated, and in abdicating has recognized a Republican Government as its successor. What will now happen it is impossible for anyone to tell exactly until the National Convention convoked last December has met, and the precise terms of the new Constitution have been determined upon. This is a difficult and delicate matter, and, if the delegates be wise, they will proceed with their task slowly and with much deliberation. Meanwhile much remains to be done. Hitherto in the districts which have declared for them the revolutionaries have as a rule contented themselves with destroying the old government, but have done little to establish anything in its place. Thus absolute anarchy prevails over vast sections of territory, piracy

and brigandage accompanied by horrors of all kinds are rampant, *likin*—though nominally abolished—is being levied, in at least some districts, with greater rigour and harshness than before, and in the words of the people “the condition of things is far worse than it ever was under the rule of the Manchus.”

To restore order large military forces are required, and these will entail heavy expenditure. Already forced contributions have been levied on private individuals and on the China Merchants' Steamship Company, while the Tayeh Ironworks and its subsidiary mines and all, or nearly all, the native cotton-spinning factories have passed into the hands or under the control of foreigners as security for loans. The raising of further large foreign loans seems, then, inevitable. But seeing that increased taxation would simply mean an aggravation of distress and of consequent discontent, how can the funds required to cover the service of such loans be raised, except by a more honest system of collection than that existing heretofore? and of that there are no signs at present. Almost bloodless as the success of the revolutionaries has been, they are still confronted with several dangers, the following being the most serious: The present movement has been engineered almost exclusively by Cantonese, and, as is perhaps natural, they have monopolized almost all power in their own hands. They are, however, far from popular in Central and Northern China, and their action has created considerable mistrust in those sections. The situation has been somewhat relieved by the withdrawal of Sun Yat-sen in favour of Yüan Shih-k'ai as President. But he is not *persona grata* in the South, and it is evident that the Republican junta is not a united body. Again, the growth of interprovincial jealousies, and a tendency on the part of each province to place its own interests above those of the nation, have become increasingly manifest of late years. They now threaten to lead to separation, if not to general disintegration. Further, while the military control the situation, as they must do, pending the restoration of order and the establishment of a stable government, there is always danger of one leader forging his way ahead of the others and making himself master of a portion of the Empire, or even, if interprovincial jealousies can be sufficiently overcome, of the whole Empire. Lastly, there is the danger of foreign intervention. The foreign Powers sincerely desire to avoid anything of the kind, and to allow China to work out her salvation in her own way; but if anarchy continues for long, they may be forced to intervene not only in order to protect their own interests, but for the sake of humanity and in the interest of the Chinese themselves.

Taking all these points into consideration, it would appear that China will be indeed fortunate if she can re-establish order and a stable government without passing through an intervening period of several years of strife and bloodshed.

III

CHINESE AFFAIRS*

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I

THE RIPENESS OF CHINA FOR DEMOCRATIC RULE.

SINCE my arrival in London I have been constantly questioned on the subject of the stability of the Republican régime, which has been established in China. Is it likely to endure? Learned sinologues and retired Consul-Generals from our Treaty ports assert, and on the alleged authority of the Confucian classics, that China and the Chinese are not adapted for such a system of government. Their views appear actually to involve the suggestion that the descendants of a people who had a settled polity and practised the craft of words and enjoyed the manifold gifts of learning when London, in the words of Mr. Lloyd George, was "but a little pagan hamlet on the Thames," that such a people are unfit to learn and do what younger and newer-born nations have achieved in the sphere of government, because, so it is said, we believe that the gracious rains will not fall and ripen corn for the people if a "Son of Heaven" prayeth not for it! There are others of the same type of political commentators who complain that the peasant knows nothing of the vast changes which a "noisy minority" are endeavouring to effect; as if, forsooth, China—and for that matter, any other country, England or America, for instance—can or must be governed by the "man with the hoe." There are yet others who hold that, although the accumulated and rich stores of Western life and experience lie ready for our guidance, we ought to show more courtesy to the traditional theory of constitutional development which prescribes a transition from absolute monarchy, through a limited monarchy, to republicanism. The good people of this class argue as if it would be necessary for a country, knowing only pea-nut-oil as an illuminant, to use kerosene and gas before introducing the electric light.

But it is also said—and the partial truth seems to have gained currency among some serious observers—that the fate of all Eastern

* Lecture given to the Central Asian Society by Mr. Ch'en in February, 1913, Lord Lamington in the chair.

communities which have attempted political reform in the sense of Western thought appears to be political enfeeblement as well as loss of territory. Turkey is cited as a precedent in which the theory has been concretely verified, and Persia is indicated as another case which is in the process of a completer demonstration. The argument is that what has happened to Turkey, and is in course of happening in Persia, must also happen to and in China. The argument, however, lacks validity.

A common feature of all Eastern peoples is the personal and absolute nature of the system of government existing in their respective countries. And, in a sense, with the possible exception of England, this was true of the countries of Europe down to the French Revolution; although the king who asserted *l'état, c'est moi* never claimed France in the exact and proprietary sense in which our Imperial rulers affirmed their right to China and her people. It is unnecessary to labour the obvious point that the feet of no nation, obeying not laws but the whims of an absolute master, can frequent the free thoroughfare of Western life and progress. While the old conception of a king or sovereign *master* necessarily connoted a thing owned, and therefore the ruler's ownership of his country, some of the European races have succeeded in developing a monarchical system in which—the technical language of the “books” is deliberately eschewed—the ownership of the country has been transferred from the sovereign to the people. The popular explanation assigns this fundamental change to the feudal contest between the territorial barons and their kings, and, later on, with the rise of the cities and great towns, to a similar struggle waged against the former by the kings and their burghers and freemen, and, finally, to the mighty agency of the revolutionary period in Europe. The theory, however, is somewhat inadequate, since France has failed repeatedly in her attempts to establish a limited monarchy. It is impossible thoroughly to go into the matter in this place; but it may be observed in passing that the factor of race has exercised an influence on the constitutional development of European politics which the orthodox writers have failed adequately to consider.

Whatever the true reason may be, it is, of course, clear that the facts of Eastern life call for and demand a totally different consideration. In Eastern societies the idea that the country must be the property of the Sultan or the Shah or the Emperor is so strong and tenacious that not even Japan, with all her supposed modern constitutionalism and military prowess and material progress, has been able completely and truly to achieve the Western conception of good government. The Emperor is still a demi-god, to whom all and everything belongs and is assigned; the people are nothing, except in the sense of tools for the accomplishment of Imperial ends. It matters not that these ends are shaped by a Military Camarilla who are in

reality the inheritors of the old Shogunate; the country belongs to them, not to the people. And what is true of Great Japan—whose success is the result of her “individual racial type,” and other causes special to the Japanese, and not to any other modern nation—is true still more of poor Cossack-harassed Persia, and, in a very real sense, of Turkey. Listen to the “sound and mature” counsel of the pundits and doctrinaires who asseverate it as a sort of law of nature that an absolute monarchy must first become a limited monarchy before a Republican form of government can be adopted by an Eastern people, and you will always witness the fate of a Persia or a Turkey. Retain your Shah or your Sultan, and no application of constitutional embroidery to the Imperial robe will serve to effect a real and genuine change in the mind and outlook of the *people*, who will continue—who must continue—to regard the reigning monarch as their literal master and the owner of the country. And it is because this truth was realized by us that the Nanking Settlement of the Revolution found expression in the existing system of Republican rule. We resolved to shatter the monarchical idea; and by that daring and dramatic act of history, we have been forced to realize that, there being no longer an Emperor, the country belongs to the race who has been in possession of its ancient soil for the myriad years that have passed since our ancestors first settled in the valleys of our great rivers. And along with the idea that the country is a common and national possession, we are also learning that its governance is a matter which concerns—not, as under the old system, a single person or a single family like the Emperor and his house—but the nation as a whole, whose prosperity and welfare must be the aim and end of good government.

In support of these views I can cite no greater authority than the President. It is true that before the event of the Republic he held views which not a few shared with him, on the nature of the government adapted to our ancient country with its settled traditions, customs, and habits. The event which he thought fallible has happened; and he, like others, are now wiser men, and know that we are possessed of the stuff whereof a vital democracy is made. In a notable message, which was handed to me for publication on the anniversary of the Revolution, the President referred to the significant change which was being wrought in the temper and outlook of our people regarding national aims and policies and affairs. “The old system of government,” he went on to remark, “based itself on the welfare of the particular dynasty that ruled in our country from time to time, and nothing was done, or permitted to be done, which was not calculated to promote and safeguard the individual and personal interests of the reigning Emperor. With the momentous transaction which has given us the Republic, a newer and truer conception of government has been born. We no longer have an Emperor, and so it has come to pass

that our people are realizing that the country is a national and common possession, whose good government must be based on the idea which inspires the national life of all the advanced communities of foreign countries, namely, that the end of good government is the good of the people. It is in this great sense that the men who have been entrusted with the high powers of state are governing the country; they regard themselves as in truth National Trustees, whose duty is to act and rule to the end that the fruits of their work and labour shall be enjoyed by the people."

The utterance is clear; and I suggest that it contains a complete answer to the pessimists and the political prophets who indulged, and still indulge, in woeful vaticinations regarding the stability and permanence of the Republican régime in China. We are an ancient people with a political inheritance, which, no more than a year ago, fettered us to the feet of an autocracy whose entire system was structured on the personal welfare of an Emperor; but, within the narrow cycle of a twelvemonth, our people—in particular those of the class whom Luther meant when he exclaimed that "God Almighty governs the world through a few chosen men"—have reversed the teachings of forty centuries, and are dedicating themselves to the mighty work of adapting our civilization—it witnessed the rise and fall of Empires in the valleys of the Nile and Euphrates—to the aims and needs of a polity whose central demand is the good of the people. And we are conscious that the work will abide, because it is being fashioned out of materials which have stood the destructive force of centuries.

II

RUSSIA AND CHINA'S FRONTIER DOMINIONS.

I now pass to a consideration of some other Chinese affairs relating to our frontier dominions—Manchuria, Tibet, Mongolia.

In the course of an article published some time ago, Count Okuma suggested that of "all the governments of the world, the Cabinets of Tokyo and London should meet the Chinese situation with the strongest determination to uphold the territorial integrity of China and maintain the *status quo* in the regions of Eastern Asia." These are wise words, and it is to be hoped that the views of the venerable Japanese statesmen will receive the careful attention of the military party in Japan who dominate, it is alleged, Japanese policy in respect of Chinese affairs. One of the aims of that policy appears to be the overt assertion of a sphere of influence in South Manchuria, as well as, it is said, in Inner Mongolia, preparatory and leading to the ultimate annexation of these portions of Chinese territory, and their incorporation into the continental dominions of Japan. Now I purpose to submit in this connec-

tion one or two considerations which appear to call for a revision of Japanese policy, *vis-à-vis* China in South Manchuria. In the first place, the realization of Japanese ambition in that region will at once create a frontier problem with Russia, assuming that the latter also satisfies her ambition in North Manchuria, which, of course, is a necessary corollary to Japanese action in the south. In spite of understandings *ententes*, etc., it is indubitable that the ultimate interests of Russia and Japan necessarily conflict, and, eliminating the deflecting influence of a strong China, must, at Russia's "selected moment," develop into another tremendous struggle. Disregarding for the moment the desire of Russia to avenge the defeats of the campaign of 1904-5 (which lurks in the breast of every patriotic Russian), Japan will be confronted with one of the most insistent demands of Russian policy in the Far East. As long as Russia remains, and continues to be, an Asiatic Power, the necessity of consolidating and enhancing her Far Eastern possessions will imperiously force her to seek an ice-free port. The acquisition of such an outlet is regarded by her as an imperative act of political destiny. Without it, her marvellous work in Asia will remain a gigantic torso. To fulfil destiny, Russia's path must lead her to the Liao-tung Peninsula. But this necessary aim of her Far Eastern policy stands in direct conflict and opposition to the vital interests of Japan; because the rise of a strong Russian Navy in Far Eastern waters will menace the life, if it does not actually mean the doom, of the Island Empire.

The creation of South Manchuria into a strong and effective buffer zone will therefore be a gigantic undertaking, and it will involve a scale of expenditure and labour comparable only to what we are now witnessing in the naval rivalry between England and Germany. Is Japan capable, with her limited resources, of waging with Russia the struggle of preparation for war which a "buffer" policy in Manchuria must involve? Admittedly she is not rich, and her people have reached, nearly if not practically, the limits of their taxable capacity. In spite of the most skilful and scientific manipulation of her budget, it is apparent that her financial difficulties are not small, and the impression left on the minds of those who are best fitted to judge is that she is living a sort of hand-to-mouth existence. In these circumstances is it wise for Japan to embark in South Manchuria upon an undertaking practicable only upon the expenditure of energies and resources which ought properly to be applied to the improvement and amelioration of her own internal conditions? Is it not, on the other hand, political sagacity, nay, obvious common sense, for her to listen to the wise advice of Count Okuma and, instead of combining and conspiring with a country that is clearly actuated by the lowest motives of opportunism and latent hostility to the yellow man in order to compass the political enfeeblement of China, to adopt an alternative policy of aiding and assisting a kindred nation—we are all men of the same stock—to

develop her national strength and convert Manchuria into a strong and powerful portion of the Chinese Republic?

Consider the meaning of such a Manchuria. Besides barring Russia in her seaward march to our waters, will it not serve as a "buffer" to Korea, "which points like a dagger towards the heart of Japan"? Instead of being forced to launch into a scheme of expenditure which she can ill afford in order to protect frontiers in Manchuria, Japan will be able to direct and apply national energies, which would be absorbed in such an "adventure," to more vital ends and purposes. In this way a singularly grave and gigantic burden, which otherwise would rest on Japan alone, will be largely shared by, if it is not wholly thrust on, China. Politically and otherwise, the Chinese solution of the Manchurian problem is natural and logical and makes for the national safety at once of China and Japan *vis-à-vis* Russia. To both countries the Muscovite is a common danger, and while he continues to be such a peril—which is likely to be permanent, since his Far Eastern march will always be directed towards our waters—the vital interests of China and Japan will necessarily dictate a mutual policy of "understanding," if not alliance, which is likely to elicit from China the recognition of the necessity of naval supremacy to Japan, girt around as she is by the seas, and a consequent shaping of one aspect of Chinese Foreign Policy.

III

CHINA AND TIBET.

I come next to the question of Tibet. In your school-books of geography the children are taught that Tibet is part of China. But if the ultimate meaning of the policy which appears to inspire the utterances of some of the people who are accustomed to think "Imperially" on the subject is rightly interpreted, English youths must at no distant date learn a new lesson concerning the political division of the countries of the world.

It is not denied that the sole and perhaps only interest of Great Britain in Tibet lies in her anxiety for the ultimate security of India. The British contention is that if Tibet is in the effective possession of a Power which harbours designs on the Peninsula, the stability and permanence of British rule in India will become an uncertain quantity. But we point out—and no one who brings a fresh mind to the subject can deny it—that China will never care to descend upon India, because the only two reasons which can dictate and influence her to the adoption of an aggressive Indian policy do not and will never exist. Unlike Russia, China can never wish to reach the sea through India, as she already possesses a littoral unmatched within the seven seas; nor will she ever see in the plains of India fit regions for colonization when the time arrives for the migration of her people outside the limits of our

historical provinces. The case, however, is different with respect to the only other power which can menace the Indian Empire—Russia. One cannot insist too much upon the cardinal political truth that, whether it is in the direction of Scandinavia, or (as some are beginning to suggest) of the North Sea across Prussia, *if* France with the aid of her ally avenges Sedan, or of the Balkans, or of Persia, or of India, or of the Liao-tung Peninsula, the ceaseless search of Russia is for the ice-free seas. The existence and reality of Russian designs on India have never been more clearly stated than in a significant article which appeared some months ago in the semi-official *Novoye Vremya*, the most widely circulated newspaper in the Russian Empire. Dr. Dillon translated and reproduced the article in the *Contemporary Review*, and he described the writer of the article, M. Menshikoff, as the most gifted and influential of publicists in all the Russias. M. Menshikoff holds that “so long as Russia continues to be the one European Power which has advanced close to India, she will always seem dangerous to England. *On the other hand, nothing less than the loss of India by England, whatever cause may bring about this loss, can establish lasting peace between us and England.*” There is no ambiguity here, and be assured that when the pear is ripe the brigand-hand will be swift to rifle it, in spite of *triple ententes* and solemn words. “You are always talking to me of principles,” Alexander I. once sneered at Talleyrand, “as if your public law were anything to me. I do not know what it means. What do you suppose that all your parchments and your treaties signify to me?”

But the political preaching of M. Menshikoff will never pass beyond the stage of innocuous propaganda if and so long as a *strong and united China* holds sway in the region of the Tableland. To conquer India, Russia must first conquer Tibet. And here the point is reached which must be emphasized and upon which attention must be riveted. The interests of China and the interests of Great Britain in Tibet are, in the sense of practical politics, identical. Is not therefore the true British policy in the Tableland clear and plain? We are told that England is influenced in her Tibetan policy by no desire to hear the steps of an English sentry on the walls of the Potala, and that a policy of “adventure,” of territorial aggrandizement, is repugnant to her. The declaration is not questioned, but we maintain that a forward policy involving the appointment of a British Resident at Lhasa must lead necessarily and inevitably to the ultimate annexation of the Tableland, if England means, in Tibet, to entrench her Indian frontier against Russia. To imagine that Tibet can be maintained as a purely buffer state, with Russia on one side of her and China on the other, is idle and, I fear, lacking in seriousness. The truer policy, suggested by a more prescient view of the question, is to transfer to China the main, if not exclusive, task of protecting the frontiers of India by developing

Tibet as an integral part of a strong and united China. That is the course which a wise statesmanship indicates to English statesmen as the path of safety and security for their Indian Empire.

IV

THE MONGOLIAN QUESTION.

Coming to the Mongolian question, I am free to confess that it is not easy for a Chinese to discuss it with academic calm. The action of Russia in granting to Djebzoun Damba-Khutukhtu and the other cattle-breeders of Outer Mongolia a recognition fundamentally more important—it is the creation of a new state according to the interpretation of *The Times*—than that which is still denied to the Chinese Republic by England and the other Powers, is a violation of the law of nations, callous and *disgraceful*, even though the perpetrator is the Power that broke the Treaty of Paris in 1870. And one's mood and temper is not improved when leading English journals refer to the Cossack deed without a single note of dissent or protest, although England has repeatedly affirmed the independence and territorial integrity of China, and, only a few months ago, Sir Edward Grey led us to believe that his country desired to see a "strong and united China." But we are now in the days of the *Triple Entente*.

Some little time ago, the semi-official organ of the Russian Legation in Peking published an article on the Russo-Mongolian Convention, which was understood to embody the official Russian view of the transaction. The contention is that Russia has been forced to deal with the living Buddha of Urga, because China failed to accept her invitation to negotiate—I quote the words of the Russian organ—"un arrangement afin de définir la situation radicalement modifiée par suite de la proclamation d'indépendance de la Mongolie." While Russia can claim no right to interfere in the domestic affairs of China, it must be conceded that if the declaration of Mongolian independence caused an entirely new situation to arise *vis-à-vis* Russia, the latter might reasonably claim from China the conclusion of some arrangement safeguarding Russian interests to the extent that they were endangered or menaced by the action of the Living Buddha or Khutukhtu. But has the declaration of Mongolian independence affected Russia in the sense suggested? It is an admitted fact that the Khutukhtu has been and is still so sensitive to Russian advice and influence that it is not easy to describe him, in a political sense, except as a tool and medium of the Russian Government. It is not denied that, during the early days of the Revolution, there existed a certain degree of political unrest in Mongolia; and, when the fate of the late dynasty was under national decision, that unrest crystallized into a threat of Mongolian secession if China foreswore monarchical traditions. The Abdication Edict, how-

ever, had a most favourable and salutary effect on the political restlessness of Mongolia; and it is undoubted that forces were soon at work which would certainly have secured the adhesion of all the Mongolian Princes and Dignitaries to the Republic. The direction of the new current was perceived by the men who inspire and control Russian policy respecting Outer Mongolia; and at once active measures were initiated to create and develop the factitious aspiration of the Mongolians for "independence." By overt and open acts as well as by the consecrated methods of frontier-politics, a movement of independence was started in a section of Outer Mongolia, encouraged and assisted by and with alien men and roubles. The agitation finally centred around the puppet Khutukhtu of Urga, who is now alleged to be learning the creed of Jean Jacques Rousseau from Russian lips!

In these circumstances, it would be frivolous to suggest that the action of the Khutukhtu has compromised or jeopardized the rights and interests of Russia. It can be asserted as a known and unchangeable fact that the political activity of the Khutukhtu has left the Mongolian situation absolutely unchanged and unaltered in the sense that could alone warrant Russia to intervene in Chinese affairs with respect to Outer Mongolia. The Russian authorities have been challenged to cite one single instance in which Russian interests have been truly menaced by the action of the Khutukhtu or any single respect which has been or is likely to be affected by it. Except in this sense, it must be repeated that there is no validity in the Russian contention that the declaration of Mongolian independence created a situation which called for and exacted international adjustments between China and Russia.

The Chinese Government, therefore, knew that the reason which alone could legitimately justify Russia to act in Mongolia did not and could not exist. But interpreting the Russian Note on Mongolia in the sense of the statement which, publicly and diplomatically, had been communicated to China—*i.e.*, that Russia was opposed to any *military* development of Outer Mongolia which might increase the burden of her military forces on her Siberian frontiers—the President and his advisers decided to countermand the military expedition which had been ordered to Outer Mongolia and to adopt a policy of conciliation towards the Mongolian insurgents. In other words, the Chinese Government answered what it was led to understand was the real and main purport of the Russian Note, not on paper, but in actual deed. The Russian suggestion that the Chinese Government is responsible for the Russo-Mongolian Convention may be true—but only on the principle of the casuist who fixed the responsibility for a robbery on the victim, on the ground that the thief could not rob if there had been no goods to be robbed!

IV

THE POSITION IN CHINA*

By E. M. GULL

MR. CHAIRMAN, Ladies and Gentlemen,—Had I been giving this lecture a month ago, or even a shorter time ago than that, I should have considered it desirable to dwell at some length on certain aspects in the present situation, which I think I can now take more or less for granted. I should have considered it desirable, for example, to dwell on the Bolshevik aspect of the situation, to show how Bolshevik influences began and how they are responsible for a great deal that has taken place. Similarly I should have considered it necessary to point out to you the size of our interests in China — the Chairman mentioned the figure just now — and I should have gone on to emphasize the imperial aspect of the whole question, arising as it very well may, though it has not yet, through Hong Kong. However, to an audience such as this, after all that has been published about Bolshevism, after all that has been published about Nationalism and the very great necessity for distinguishing between the Bolshevik elements and the Nationalist elements, I think that I can occupy your time more profitably by dealing with those aspects of the situation with which His Majesty's Government is dealing at the present time in the negotiations at Hankow and Peking. I think if I deal with the points that are there involved I shall on the one hand give you an insight into the views and the aims of the Nationalists, and at the same time show you the very practical difficulties that exist.

I must warn you, I am afraid, that in the endeavour to put these points before you I shall be dealing with a subject which is to some extent a technical subject. I am not going to give you, I am afraid, anything in the nature of a popular lecture. I want to lay these points before you because it is most essential to my mind that the issues involved in the negotiations at Hankow and Tientsin should be clearly understood in England, and I cannot imagine a better audience before which to lay those points than this one.

As you know, the Government has made certain proposals both

* A meeting of the Central Asian Society was held on Wednesday, February 9, 1927, at 74, Grosvenor Street, W., and a lecture was delivered by Mr. E. Manico Gull on "The Position in China." Sir Michael O'Dwyer presided.

at Hankow and at Peking, and just by way of refreshing your memories I may run through them as published the other day. As published they state that our Government are prepared to recognize the modern Chinese law courts as the competent courts for cases brought by British plaintiffs or complainants, and to waive the right of attendance of a British assessor at the hearing of such cases. His Majesty's Government are also prepared to apply, as far as practicable, in British courts in China the modern Chinese Civil and Commercial Codes and duly enacted subordinate legislation, as and when such laws and regulations are promulgated and enforced. The Government are also prepared to make British subjects in China liable to pay such regular and legal Chinese taxation, not involving discrimination against British subjects or British goods as is in fact imposed on and paid by Chinese citizens. The Government are prepared to discuss and enter into arrangements, according to the particular circumstances of each port, for the modification of the municipal administrations of British concessions so as to bring them into line with the administration of the adjacent Chinese areas. There are one or two other points, but those are the main ones.

In making these proposals, in making these offers, the aim of the Government is to reassert certain principles with which our connection with China began, and to bring to an end where possible the *imperium in imperio*, which through various circumstances has been built up in China; and it has got to do this while at the same time protecting the legitimate British interests that have grown up during the process.

Now the first point I want to make quite clear to you is this, that according to the original treaties foreigners are not exempted from taxation. There is nothing in the original treaties which exempts foreigners from taxation in China, and yet as a matter of fact, with the exception of Customs duties and land taxes foreigners for the most part do not pay any taxes. Similarly, there is nothing in the treaties to withdraw Chinese subjects from Chinese judicial control, and yet until quite recently there were a very large number of Chinese who to all intents and purposes were withdrawn from Chinese judicial control. The treaties do not state that the Customs duties shall be collected by foreigners, nor do they provide for the banking of the revenue when collected in foreign banks, and yet that has for some time past been and is at present the procedure. So you will see that a good deal has been built up which is not actually provided for by treaties, and it is that situation which is partially responsible for the present movement in China; it is that situation which the Government has now to tackle and to alter.

How comes it that this situation has arisen? How comes it that we enjoy in China a number of rights and privileges with which

we did not start, and that we do a large number of things in China for which we can give no actual treaty warrant?

Let me take first of all the extensions that have grown up of our extraterritorial rights. The first mention of those rights was in resolutions issued in pursuance of the Treaty of Nanking in 1842. In virtue of that treaty, as you will all remember, we obtained Hong Kong, and five ports were opened in China, amongst them the great port of Shanghai; not, of course, then a great port at all, but no more than a mud flat. The resolutions laid down: "Regarding the punishment of English criminals the English Government will enact the laws necessary to attain that end, and the Consul will be empowered to put them into force; and regarding the punishment of Chinese criminals, these will be tried and punished by their own laws." That was developed by the Treaty of Tientsin into the following:

Extra-
territoriality.

"Chinese subjects who may be guilty of any criminal act towards British subjects shall be arrested and punished by the Chinese authorities according to the laws of China. British subjects who may commit any crime in China shall be tried and punished by the Consul, or other public functionary authorized thereto, according to the laws of Great Britain. Justice shall be equitably and impartially administered on both sides."

"A British subject having reason to complain of a Chinese must proceed to the Consulate and state his grievance. The Consul will inquire into the merits of the case, and do his utmost to arrange it amicably. In like manner, if a Chinese have reason to complain of a British subject, the Consul shall no less listen to his complaint, and endeavour to settle it in a friendly manner. If disputes take place of such a nature that the Consul cannot arrange them amicably, then he shall request the assistance of the Chinese authorities, that they may together examine into the merits of the case and decide it equitably."

"If criminals, subjects of China, shall take refuge in Hong Kong, or on board the British ships there, they shall upon due requisition by the Chinese authorities be searched for, and on proof of their guilt be delivered up. In like manner, if Chinese offenders take refuge in the houses or on board the vessels of British subjects at the open ports, they shall not be harboured or concealed, but shall be delivered up, on due requisition by the Chinese authorities, addressed to the British Consul."

"All questions in regard to rights, whether of property or person, arising between British subjects shall be subject to the jurisdiction of the British authorities."

"The Chinese Government will place no restrictions whatever upon the employment by British subjects of Chinese subjects in any lawful capacity."

That was the original extraterritorial basis on which our relations with the Chinese were in the first instance founded. I warned you at the beginning that I was bound to be a little technical, but we can pass on now to the next point, which is to show you how this original basis extended, how from having these rights (not all of which of course are extraterritorial—the right to employ Chinese subjects, for example, is not an extraterritorial right) we came to occupy a position, especially

in Shanghai, which exceeds the authority given to us by treaty. I will take Shanghai because the story of that port illustrates the process in the best and clearest way.

Taxation.

Between September, 1853, and 1855 the native city of Shanghai, as you probably remember, was occupied by the Taiping rebels, and in order to escape from them very large numbers fled into the foreign area of Shanghai, which at that time was only about 470 acres in extent (it is now eight and two-thirds square miles, but that was the original size of it); and with this large influx of a Chinese population fleeing from the wrath and cruelties of the Taipings, it became necessary for the authorities of the settlement to seek wider powers of government than they actually possessed. Accordingly in 1854 a set of land regulations was issued, with the approval of the Chinese on the one side and of the Diplomatic Body in Peking on the other, and under those regulations, as Mr. H. B. Morse says, "the Government having authority over the soil and the Governments having authority over the persons and property of the foreigners delegated to those foreigners the highest power in all Governments—that of taxing and policing their own community." It was not intended, however, that this power should withdraw Chinese residents from Chinese control. It was not intended that it should withdraw them from Chinese fiscal control; on the contrary, the Chinese-American treaty of 1858 states quite clearly: "Grants of right or interest in any tract of land should in no event be construed to divest the Chinese authorities of their right of jurisdiction over persons and property within the said tract of land, except so far as that right may have been expressly relinquished by treaty." Mr. Bruce, who was the British Envoy at the time, dealing with this particular point in a communication with the Shanghai settlement, put the matter very clearly. He said: "The Chinese Government has never formally abandoned its rights over its own subjects, nor has Her Majesty's Government ever claimed, or expressed any desire to exercise, a protectorate over them. The only case in which, consistently with the principles laid down for the guidance of Her Majesty's authorities in this country, the Consul has a right to interfere is where the Chinese is in the employ of a British firm, and where there is reason for believing that the arrest of the Chinese servant is an outrage through him on his employer. . . . Because we protect Shanghai from falling a prey to a horde of brigands—the Taipings—it does not follow that we are prepared to interfere with the natural relation of the Chinese to their own Government." In virtue of that authoritative statement coming down to the Shanghai community from Peking, it was agreed to effect a sort of compromise in the matter of taxation, and to allow the Chinese authorities to levy in the settlement a poll tax that was being levied in the native city. Nevertheless, the Shanghai people replied to the views of the Envoy

in Peking, and in their memorial they put the matter this way. They admitted that according to the strict letter of the treaties Mr. Bruce was perfectly right; but they maintained, on the other hand, that according to the spirit of the treaties he was not. They put the point in this way—they said: "It is of very great importance to the future safety and well-being of this important port that some restrictions be placed upon the actions of the local native authorities within the limits of the foreign settlements"; and if you will try and picture for a moment what the condition of things must have been then, with this very large Chinese population—not less than five hundred thousand—flooding into what was an exceedingly small area, I think you will agree that the desire of the Shanghai community to protect themselves from official encroachments on the part of the Chinese was entirely reasonable. It must be remembered that for similar reasons arrangements were entered into in regard to Chingkiang, Hankow, and Tientsin, where we have concessions. The leases of those concessions stated quite definitely: "In the allotting of ground to British subjects, in the construction of roads, 'and in every other matter appertaining to the said ground,' the British Consul shall exercise sole control, and may from time to time make such regulations as he sees fit." That was the basis laid for the government of the concessions—the difference between a concession and a settlement being simply this: that in a concession land is leased by government to government—by the Chinese Government to the British Government—whereas in the settlement of Shanghai and other such places land was taken up by British residents direct from the Chinese owners. Well, the suggested compromise of a poll tax fell through, and from that time down to the present time the Chinese have not levied taxes in the settlement other than Customs duty and land taxes, the principle being the one which was contained in the Shanghai memorial to Peking—namely, that it was essential to protect the Government of Shanghai from interference by the Chinese officials, and to prevent the growth of a dual administration.

How, next, did the settlement come to be withdrawn from judicial control? The origin is to be found in exactly the same circumstances—namely, the Taiping rebellion. When all these Chinese began to flood into the settlement, nobody quite knew who was responsible for them. The Chinese authorities were not certain, our own people were not certain; but somebody obviously had to take the job in hand. The Shanghai magistrate proposed that he should be supplied with a list of Chinese who had entered foreign employment as servants, so that he might know exactly who was doing what, and keep an eye over them. That appeared to the Consuls to be a dangerous thing to let the Chinese officials do, and their answer to the request was as follows: "If the Chinese authorities wish to arrest anyone, a

The Shanghai
Mixed Court.

specific charge describing the offence must be made, and if the accused claim foreign protection the claim must then be referred for the decision of the Consul concerned." That strikes me, as I think it will strike you, as a perfectly legitimate precaution to take in regard to the request which the Chinese officials had made. However, the problem did not stop at that: it was not as simple as that. The Chinese population was increasing, and some sort of arrangement had to be arrived at in regard to the exercise of jurisdiction over them. The practice for some time was for all cases to come before a sort of mixed tribunal, and it was eventually decided to establish a regular mixed court, the deputy of the Chinese magistrate taking cognizance in police cases, and hearing purely civil cases between Chinese, whereas, in accordance with the terms of the treaty which I read to you at the beginning, in cases where foreigners were concerned—either civil or criminal cases—there was to be present an assessor of the nationality of the plaintiff or complainant. In 1869 those regulations were modified in order to enable any case which had a foreign interest in it to be tried by the Chinese magistrate, with a foreign assessor present. That position continued from then right up to 1911.

But in 1911, as you will remember, occurred the revolution which turned the Manchus off the throne of China. The Chinese magistrates of the mixed court fled, incidentally taking with them all the cash they could lay their hands on. They disappeared and the court was left in the utmost confusion. Again, in circumstances not dissimilar from those of the Taiping rebellion, some actual practical method of meeting the difficulties that arose had to be found, and so, as a temporary measure, it was determined that the Consuls should appoint a Chinese magistrate, and that he should be paid for the time being from settlement funds. The arrangement was in origin a temporary one: it was not intended to continue. It was thought the best way out of the difficulty at the time. But the arrangement continued for very much longer, and it continued largely because as a result of the anti-Manchu revolution all government in China began to deteriorate. Year after year matters got worse, civil wars constantly succeeded one another; and to avoid the dangers of living under Chinese rule larger and larger numbers of Chinese came down to live in Shanghai, just as larger and larger numbers of them went to live at Tientsin. So that ultimately you had this position: you had a large number of Chinese living in Shanghai, many actually taking out foreign nationality papers. You had a court which was supposed to be a Chinese court, and which was applying Chinese law, actually functioning under a Chinese magistrate who was really the nominee of the Consuls. It was a very anomalous position, but a position which worked very satisfactorily, the proof of that fact being the large numbers of Chinese who came to live in Shanghai to enjoy the protection

which the arrangement gave them. But, as you will see, in two very important directions, fiscal and judicial, the community of Shanghai had travelled a very considerable distance from the original arrangement provided for in the treaties.

Next to come to the Customs, which, as I said at the beginning, are not by treaty supposed to be collected by foreigners, nor is the revenue placed by Treaty in foreign banks. Here again the origin of the present Customs service and the present banking practice was the Taiping rebellion. On the seventh of September, 1853, the native city fell into rebel hands. The Custom house was burnt, and the Chinese magistrate fled into the settlement. What was to be done? To whom were duties to be paid? The first arrangement arrived at was not to pay any duties at all, but to give bonds for their payment. Later on, when the arrangement proved unsatisfactory, temporary Custom houses were opened; but they, it was very soon perceived, had insufficient authority to run the administration. As a way out an arrangement was arrived at with the Chinese authorities whereby three foreign inspectors were appointed, the arrangement being dated June 29, 1854. One of these was an American, one a Frenchman and the other a British subject. The Frenchman and the American very shortly afterwards dropped out, so that a British subject remained responsible for the collection of Customs duties; and then four years later, by the rules of trade attached to the Treaty of Tientsin, it was provided that "the said officer, that is to say the Chinese superintendent of trade, will be at liberty of his own choice and independently of the suggestion or nomination of any British subject he may see fit to help him in the administration of the Customs." That was how the present Chinese Maritime Customs Service originated: it originated owing to force of circumstances. It originated in and was first applied only to Shanghai; gradually it was extended to other ports.

Control
of Customs
funds.

But up to 1911 all that the foreigners did was to collect the Customs duties: they were not in any sense responsible for the handling of the duties. The money was paid in Chinese banks, and foreigners had nothing to do with that side of the business. All that they were responsible for was to see that the right duties were collected. The circumstances of 1911 I have just related to you, and they had an effect on the Customs similar in a sense to the effect which they had on the mixed court. Some of the Custom houses fell into the hands of the revolutionaries. What was to be done with the money that was being collected? The arrangement arrived at, after various suggestions had been made, was that the duties should be paid into foreign banks; and one reason why that arrangement was arrived at was because the Anglo-German loan of 1896 had fallen into default. You sometimes hear it said that China has never defaulted: it is not true of that particular loan. She did for a time default, and it was partly

owing to that default that this arrangement of paying the money into foreign banks was originally conceived. The agreement was a perfectly formal one made in 1912, and in 1913 altered to read as follows: "The banks chiefly interested—i.e., the Hong Kong and Shanghai Bank, the Deutsch-Asiatische Bank and the Russo-Asiatic Bank—shall be custodians of the Customs funds at Shanghai; at the end of each month, beginning with January, 1914, the surplus, after all payments due each month on account of loans secured by the Customs revenue and contracted previous to 1900 have been duly met, shall be divided *pro rata* amongst the banks having charge of the indemnity service"—that is to say, the Boxer indemnity service—"up to the amount of the instalments respectively due to them each month." At the beginning of the Great War the German bank dropped out.

Now that was in origin a provisional arrangement. It was an arrangement arrived at in order to safeguard the moneys collected by the Customs, a certain portion of which moneys was earmarked for the service of three loans, generally spoken of as the pre-Boxer loans. It was not intended that the arrangement should be a permanent one, but as a matter of fact it remained permanent and a number of other developments took place. One was that in July, 1917, the service of the reorganization loan, in which perhaps a good many are interested, was placed on the Customs and taken from the salt. In the same year, after the Chinese declaration of war against Germany, the monthly sums due to Germany as her share of the Boxer Indemnity were cancelled and placed to the service of certain domestic loans. Subsequently the Austrian and Russian indemnity moneys were treated in the same way, and, furthermore, in 1921 the Inspector-General of Customs, Sir Francis Aglen, was authorized by the Chinese Government to apply the surplus—that is to say, the money left over after foreign loans had been met, and after the Boxer Indemnity had been met, for the service of domestic obligations. The surplus was used for the consolidation of certain other Chinese domestic loans.

Well, then, what was the position? You had foreigners collecting the money under a British Inspector-General; you had that money being placed in foreign banks, of which one was a British bank; and, furthermore, you had all that was not necessary to cover foreign obligations being used for certain domestic loans, nearly all of them contracted by the Peking Government, which for a number of years had been fighting the Southern Government.

Canton and
the Customs.

The consequences were important, especially from the point of view of what has recently taken place. As regards Canton, in 1918 and 1919 the Cantonese put forward a claim to their share of the surplus—that is to say, of the money not required for foreign obligations. They threatened to seize the Custom house if their share was not given to them, a threat which had to be replied to. They were warned

that if they did seize the Custom house certain consequences would follow. In 1919 an arrangement was arrived at as between the Cantonese and the Peking Government, whereby the Cantonese got a share—13·7 per cent.—of the total, and they were paid this share until May, 1920, when, owing to the existence of rival parties in Canton, nobody knew who was entitled to receive the proportion. There were three men who claimed it—Sun-Yat-sen, Tang-Shao-i, and Wu-Ting-fang; but they were all driven out of Canton, and so the money for the time being was withheld and placed in safe custody in the hands of the Inspector-General. Later, in 1920, however, the three men got back to Canton, and they threatened to seize the Customs in Canton. In 1923 they made a fourth threat, and it was necessary for the Powers to keep, from December, 1923, to April, 1924, a number of warships in the vicinity of Canton in case the threat should be carried out. In 1924 there was a fifth threat made.

Similarly we got into awkward relations with the Central Government. In 1919 the Central Government put forward a request that when all foreign obligations had been met, any surplus should be automatically released without the consent of the Diplomatic Body. In 1920 they put forward the same request, and on both occasions the request was refused. The basis of the refusal was in part this: the Diplomatic Body said, "If we agree to release all the Customs surplus without any sort of reference to us at all, we know what will probably happen to that money. We know that it will be spent in armaments and in civil war, and the fact that we are releasing it in this ready way will get us into trouble with the Southerners." So they declined to agree that automatically and without any reference to them the money should become releasable when there was enough of it to release. Then, in 1921, a demand was made by the Chinese Government to raid the very fund which they had agreed the Inspector-General should use for the service of the domestic loans. In 1924, when there was a big civil war taking place in North China, the Inspector-General undertook the service of certain Treasury bills, a step which had nothing at all to do with the Diplomatic Body or with Great Britain. But the Chinese believed that it had, and the Chinese accused the British of quite deliberately taking sides in a civil war and using Sir Francis Aglen, who, they said, was a British agent. They accused the Government of using him to back one set of Chinese militarists against another. Thus by the end of 1924 and the beginning of 1925 there was a very great deal of ill-feeling on the part of the Chinese in regard to our position in respect of the Customs service. You had a dissatisfied South and a not particularly satisfied North, and in the background, as has recently been amply proved, a great deal of Bolshevik intrigue actively engaged in fomenting discontent and spreading anti-British hostility. As you know, it was

on May 30, 1925, that the storm broke. It was in May, 1925, that the riots took place in Shanghai, and everything that has followed since then can be linked up with that affair.

Well, I think that in going over these events I have shown you how, through force of circumstances, arising first of all through the Taiping rebellion and then through the anti-Manchu rebellion, we had got into a position which was never originally contemplated. When regard is had to the circumstances, the position is entirely intelligible, and from a practical point of view justifiable.

It is out of this position that the British Government is at the present time trying to get. It has made certain offers, the offers I read to you at the beginning of this lecture, which will modify the position that I have sketched to you.

It is not an easy position out of which to negotiate this country, for the obvious reason that while the Government is most anxious to do full justice to Chinese Nationalist sentiment, and while it is most anxious to reiterate the principles which were asserted as far back as 1862 by Mr. Bruce—principles which I quoted to you—it has, on the other hand, to bear in mind that, during all these years, there has grown up a very considerable British interest in Shanghai and in the concessions. As the Chairman pointed out, a very large sum of money is invested, and it is absolutely essential, while doing the fullest possible justice to Chinese Nationalism, not to let our own people down—our people who have built up enterprises that are of very great and direct importance to labour in this country.

THE REPUBLIC OF CHINA*

By P. J. BRUCE

MR. CHAIRMAN, Ladies and Gentlemen,—There are just one or two words I would like to say by way of preliminary. It was with considerable diffidence that I accepted the invitation with which I was honoured to address this Society, because you have recently had lecturing to you such men as Mr. Woodhead, Dr. Morse, and more recently Mr. Gull, who are experts and were able to speak with very much greater authority than I can possibly claim. If I have any claim to speak on a subject like this it is because of my affection and pride for my own country. I do not stand in a white sheet when I speak with regard to our own country and its relations to China. I have also a very great admiration for our merchant community in China, and I want to say in that connection that, living as I have lived getting on for forty years among the people, so far as the people themselves are concerned, when they are apart from anything in the way of deliberate propaganda, they share that admiration of the British commercial community in China. (Hear, hear.) Then I also have, and perhaps that is my strongest claim, a very great admiration and affection for the Chinese people. (Hear, hear.) I yield to none in my admiration of their great qualities, qualities that have been manifested time and again all through their history. They are a great race, and it will yet emerge that they have qualities sufficient to carry them through even this extremely trying period. Now we, in this country, have recently had considerable difficulties in our relations with China. I want to emphasize this afternoon that these difficulties are largely, if not wholly, due to the internal difficulties which China has herself. If there were none of those internal difficulties I do not think that we

* The CHAIRMAN (Lieut.-Colonel F. E. Fremantle, M.P.) : Ladies and Gentlemen,—We have the very great privilege this evening of listening to a lecture by Mr. Bruce, who, after having been in China for thirty-six years with the Baptist Missionary Society in Shantung, has now come home and has taken up the position of Lecturer on the Chinese Language and Literature in the University of London. Consequently there is nobody who would be better qualified to tell us of the conditions of that country which is occupying our attention at the present time—the conditions out of which the present chaos and disorder have arisen. When Professor Bruce was in China he was President of the Shantung University, and that brings in another side of the modern life and development of China. I will now call on Mr. Bruce to give us the lecture.

should have any difficulty whatever in adjusting any question that might arise between us and China. As Mr. Gull pointed out in his lecture a little while ago, the so-called unequal treaties arose out of China's internal troubles, mentioning in particular the Taiping rebellion, and it is so to-day. These difficulties that we have, and the desire and plea that the so-called unequal treaties should be revised—should be annulled, in fact—all arise out of China's internal troubles. So my subject, although it may appear to be somewhat apart from what is most in our minds at the present moment, is none the less an extremely important subject. The subject is, as I understand it, the Republic of China, and I want to deal with it in three parts—first the collapse of republican government; then that division between North and South which is so markedly to the fore just now; and finally, if I may venture to state them, what I consider to be the conditions essential to a stable government in China. #

Causes of the
collapse of
first Republi-
can Govern-
ment.

First of all, as to the collapse of republican government, the first thing to be said is that there is no republic in China, and there never has been a republic in China if we speak realistically. There was what was something of the semblance of a republic in China, which lasted for two or three years perhaps, under the President Yuan Shih-kai, but what we see to-day is a collapse of even that semblance of republican government, and what I want to do is to inquire into what are the causes of that collapse. I should name three. I do not mean to suggest that there are no others, but they stand out rather prominently in my mind as the result of observation through several years. The first is the ineffectiveness of the Government at the centre, the second is militarism in the country at large, and the third is financial bankruptcy. Of course, one grows out of the other. They are not, so to speak, in three different watertight compartments, but one is related to the other, and the relation is very much that of cause and effect.

Parliament-
ary diffi-
culties.

To begin with the ineffectiveness of the Government at the centre. I want in speaking of these causes, if I can, to show how there has been in them all a certain measure of what one might call inevitableness. We are rather apt to be impatient with the Chinese people in this their transition stage. I think instead of being impatient we ought to give them all the sympathy that we possibly can. To pass from a millenniums-old despotism to modern democratic government was a gigantic task. I think at first most of us who were friends of China, and most of the Chinese themselves, were optimistic—perhaps too optimistic. It looked as if it was done. It was done without bloodshed. The treatment of the Manchu dynasty was honourable and dignified. There was so much that was admirable about it that we forgot at the time that there must of necessity be certain elements of difficulty inherent in the situation, inherent in the

task, altogether inseparable from such a task, and that those elements of difficulty would in course of time emerge. One of the difficulties to which I refer as inherent in the situation was inexperience. Take the question of illiteracy. I believe I am correct in saying that something like 99 per cent. of the population at that time were illiterate. The illiteracy was the illiteracy of an electorate representing four hundred million people electing a Parliament to represent a vast country. I should suppose that the number of those who understood anything whatever about the issues involved was extremely small, and most of them were in the maritime provinces in the eastern section of China. Then take the ignorance of the legislators. I think that the Lower House of the two Houses of Parliament had something like five hundred members elected from all parts of China. I suppose that four-fifths of them—at any rate, at least half of them—had never seen the inside of a deliberative assembly before. I believe that at that time, apart from Christian communities and young men educated in foreign countries, there was hardly anyone that had had any experience whatever of a deliberative assembly. They would not know what a chairman was, and would not have the slightest idea of chairman law. Now, such ignorance of necessity reflected itself in the Parliament that was elected, and so you had a Legislature that was really incompetent. The only political leaders of the time who knew anything about anything so far as modern politics were concerned were young men educated in colleges and schools of a Western type, some in China, but most of them in Universities in America, Japan, and Great Britain—returned students, as they were called. So far as experience was concerned, all that these young leaders had had was in the College Debating Societies of their respective Universities. Now, imagine a Parliament assembled under such conditions as those, and can you be surprised at the ineffectiveness that has obtained ever since at the centre of government?

Then, secondly, there were certain defects in the Constitution, or in the interpretation of the Constitution, which led to considerable difficulties in government. For example, the relation between the President and the Legislature was very imperfectly understood, to say the least. No matter what you had on paper, there were certain fixed ideas in the minds of those who had to handle the Constitution that were not affected very much by what they saw on paper, and these misunderstandings led early to critical relations between the President and the Legislature. I am speaking now of the time when Yuan Shih-kai was President. Those relations were chiefly with regard to the respective functions of the President and Legislature, so far as executive government was concerned. There was a tendency on the part of Parliament to demand that every detail of executive government should be submitted to Parliament for its approval; and with a man like Yuan

Shih-kai—who was a strong man, a man of the statesman type, a man who had a realistic tendency—with a man like that there was bound to be conflict when he was being held up at every turn on administrative details, matters of executive government, and particularly matters of foreign policy, which affected vitally the welfare of the country. In things of this sort, to yield to a Parliament such as I have described—ignorant, inexperienced, and incompetent—was a thing that a man of his type could not brook; and the eventual result was that he dismissed the Parliament and carried on without it. Then, another difficulty arising out of the Constitution was in the relation between the President and the Premier. Now, we have a republican constitution in the West in the United States of America, where you have a President and Legislature but no Premier. We also have a republican constitution in the West in France, where you have a President and Premier. In America, where there is no Premier, the President exercises executive functions such as are exercised by our Premier, in addition to such functions as are exercised by our King. But in France the President does not exercise the functions that are exercised by our Premier, but only those that are exercised by our King—I am speaking, of course, in general—and in France you have as Presidents men who are strong enough, who are experienced enough, and wise enough, to keep their activities within the sphere of those functions. But in China, if you have a President such as Yuan Shih-kai, or any strong President, you will find that he will not want to be a mere figurehead: he will want to exercise functions which would ordinarily be exercised by the Premier, where you have a Premier. So it was that very early in the day there came collisions between the President and the Premier. Later, in 1917, when Li Yuan-hung—by no means so strong a man as Yuan Shih-kai, but a disinterested and good man—was President, there was very strong difference of opinion between him and Tuan Chi-rui, then Premier, with regard to China entering the Great War, and the result was that Li Yuan-hung dismissed the Premier. But the Premier was a strong militarist, and had many friends among the militarists, who came to his help, and the upshot was the flight of the President. In 1918, after Li Yuan-hung had vacated the Presidential Chair, and the Vice-President, Feng Kuo-chang, was in his place, again there arose conflict between the President Feng and the Premier Tuan in regard to the policy of the Government in relation to Japan. Then again, in 1920 the President, Hsu Shih-chang, under the pressure of the Chihli party, one of the important parties of that time, had a strong difference of opinion with Tuan Chi-rui, the same Premier, who was the leader of the An-Fu party, which party was supposed to be in the pay of Japan and entirely under the control of Japan. So you find that through all this period no steady policy was possible: instead you had intrigues followed by intrigues, which could only result in ineffectiveness. A third

difficulty arising out of the Constitution was the matter of the quorum. A quorum seems rather a simple thing; it is generally put in a corner of a constitution as a sort of side-thought. But it works very great havoc sometimes. Now the quorum required by the Constitution of the Parliament was a majority—a majority of the members must be present for any business to be done. I wonder what our obstructionists in the House of Commons would do with a weapon like that? Any Government would be ready to despair if an obstructionist party, simply by inducing a minority to abstain from attendance, could prevent any business being carried on. I believe the number in the House of Commons required for a quorum is forty. True it was that time and again the Chinese Parliament would meet and no quorum would be there. You see, it was not a case of two-party government. If there had been two-party government, then the party in power would represent the majority, and they could command the attendance of the majority, but there were any number of groups, and it was not difficult in the then state of affairs, with innumerable intrigues going on, to secure at any time that there should not be the necessary quorum to carry on business. So the Parliament became more and more inefficient, particularly when some very important matter had to be decided, for in this case the quorum necessary was as much as three-quarters, and in some particular instances as much as four-fifths.

The second of the causes of the collapse of the republican government is militarism. Militarism. Now, what is the origin of militarism, not in the sense in which we use it in Europe of one country being aggressive in relation to the surrounding countries, but militarism in the sense of the rise of certain what you might call satraps, commanders-in-chief of large armies in various parts of the country, having full power over those regions, including control of the revenues? The origin of it is a very simple one. For the protection of the republican Constitution there needed to be an army—the President's army—and this army was divided into sections resident in various parts of the country. During the Presidency of Yuan Shih-kai these sections of the army were under commanders-in-chief who had grown up under him, had been trained by him, were subordinates in his army before the collapse of the Manchu régime, and so long as Yuan Shih-kai lived those subordinates of his were loyal to him. But after his death the bond was broken, and thenceforth those commanders-in-chief fought each for himself, and, as I have intimated, eventually had control of the various regions of the country, and that control included control of the revenues. They had political control, and they had financial control, and they had military control; and, of course, under those circumstances—it is not necessary for me to enlarge upon it—under those circumstances it was possible for them not only to ignore the Presidential mandates, but even to overawe the President. Now, that is so far as militarism is

concerned: I do not think I need to take up more of your time on that point this afternoon, but pass on to others.

Financial
difficulties.

The third cause of collapse that I mentioned was financial bankruptcy. Under the Manchus tribute was paid by the provinces to the Central Government. In the early years that I spent in China, at any time that you crossed the Grand Canal, or if you went along it any distance, you would find the traffic largely made up of canal boats laden with grain on their way to Peking. It was the tribute of the provinces that were tapped by that canal. But with the revolution of 1911 all that ceased; no tribute went to Peking, so far as I know, after that year. Not only was there no contribution from the provinces to the Central Government, but the demands of the militarists were all the time increasing—demands upon the Central Government, and demands which for obvious reasons could not be ignored by the President as the presidential mandates were ignored by the militarists. In 1913 an effort was made to meet these financial difficulties. There was what you all remember—a Financial Consortium representing the Powers interested in China, and a reorganization loan was negotiated. But the conditions imposed by the Consortium resulted in the collapse of those negotiations. The chief of the conditions that had that result was the demand for an audit of the expenditure under the loan. Now, the demand for such an audit was a perfectly natural one on the part of the financial interests concerned, because experience had already shown that any loan that was given would most likely go to the militarists, and there would be no reorganization resulting from it. But the demand was very much resented both by the Central Government in Peking and by the Cantonese party in the South—resented as an indignity to China and an infringement of China's sovereign rights, and so the negotiations collapsed; and thereafter the Powers practically passed a self-denying ordinance, and there were no more loans forthcoming. The revenue therefore remained inadequate to the needs of the Government, and when you have expenditure at one figure and revenue at a considerably lower figure, you know what the process is. Strikes followed of all sorts—strikes in the different Ministries in the Government of Peking, strikes in the colleges and schools on the part of the professorial staffs, strikes in the armies, going by the name of mutinies. [A good many of the military defeats on the part of the various armies on one side or the other in China were due to the lack of funds to carry on the conflicts, as is largely the case to-day so far as the North is concerned.] Then there was resort to domestic loans, the result of which was that the Government sank deeper and deeper into the mire, because the moment a loan was raised there happened what the Consortium had feared would happen—the militarists put in their demands for considerable shares of those loans, and those demands, as I said just now, could not be resisted. Now, there were two sequelæ of all this financial stringency: one was increasing military exactions among the people,

and the other was the growth of an agitation against the unequal treaties which, so far as the tariff element was concerned, were held responsible for the financial inadequacy of the revenues available for the Government. But the most tragic result was the increased ineffectiveness of the Central Government.

The second main point that I wanted to speak of this afternoon is the division between North and South. This division that we see to-day so clearly marked is not a new division: there has been a historical recurrence of it. One might go back earlier in the history, but I will only go back as far as the reform era under the last of the Manchu emperors. When the Emperor Kuang Hsu made his abortive effort at reforms he was largely guided by a man named Kang Yu-wei, who was a Cantonese. That was a significant fact because it was typical: all those progressive ideas, those new ideas, came from the South. In 1911, when the revolution took place, in a moment as it were, but the outcome of agitation for years under the Cantonese Sun-Yat-sen, at the very first striking of the signal for revolution the whole of the South was on that side. There was a clearly marked division between North and South geographically along the line of the Yangtse River, and it is significant that at that time the halt of the revolutionary party was made at the Yangtse River at Hankow, and Yuan Shih-kai, representing the Manchu dynasty, went down to Hankow and was in command of the Manchu armies there. Then later, when the revolt against Yuan Shih-kai took place, which led to his virtual downfall, and which preceded his death by a short time, that revolt was started in Yunnan, a province in the extreme South of China; and immediately the whole of the South and the whole of the West were on that side against Yuan Shih-kai. Now, this division between North and South has been somewhat masked for the past few years by two causes: one is the weakness of the Cantonese party. The Kuomintang, really the Cantonese party, was proscribed by Yuan Shih-kai at the time he dismissed the Parliament because of its ineffectiveness. After that proscription there was an interval, and then a Parliament was set up in Canton composed of a number of the members of the original Parliament elected by the people of China, which had sat in Peking, and which had been set aside by Yuan Shih-kai. In 1921 Sun-Yat-sen, the leader of the Kuomintang party, went to Canton, and was elected by that Parliament as the President of the Chinese Republic. He was there, I believe, about a year, and then was ejected by a man named Chen, and in 1922 took refuge in Shanghai. From that time the Cantonese party were weak, and remained weak until recently. At times their control did not extend beyond Canton and the next province, Kwang-si, or a province to the north, Fu-kien. It extended a very short distance so far as actual political control was concerned. At one time Wu Pei-fu, who avowed himself strongly in favour of centralized government, and tried to procure the unity of China by military force, had almost suc-

Division
between
North and
South.

ceeded in extending his control to Canton, when through the desertion of Feng Yu-hsiang, the Christian general, he came to grief. The other cause of the masking of the division between North and South has been the dissension between the Northern leaders. First there was the dissension between the Chihli and An Fu parties, represented by Tsao Kun and Tuan Chi-rui, whom I have referred to before. The dissension issued in civil war, which resulted in the victory of Tsao and the defeat of Tuan, largely by the action of Wu Pei-fu. This was followed by another civil war between Wu Pei-fu and Chang Tso-lin, whose name you see frequently in the papers as commander-in-chief of the armies in Manchuria. Later there came the division between Wu Pei-fu and Feng Yu-hsiang, the Christian general, who deserted Wu, and so led to his defeat by Chang Tso-lin. Later still there was a rupture between Chang Tso-lin and Feng Yu-hsiang, who had allied their forces to defeat Wu Pei-fu; and so you had one after the other these ruptures and civil wars between the various leaders of the Northern party. Now, these two things have masked for some years the division between North and South, but what I want to point out is that the division remains. It has a deep root, and has re-emerged in the last two or three years. The first sign of it was a rapid march from Canton on the part of the Cantonese party up to the Yangtse and the collapse of Wu Pei-fu's resistance to that march, due largely to Russian strategists on the side of the Cantonese and their expert advice and to treachery on the part of subordinates on the side of Wu Pei-fu, which I attribute largely to financial causes. But again there has come this halt on the Yangtse: I suppose the time the Cantonese have spent since they arrived at the Yangtse is about double the time that it took them to march up from Canton to the Yangtse. And so we have to-day the two-party situation crystallized, and it is of extreme importance if we want to understand the inwardness of all that is happening in China. In the first place the North retains very largely the monarchical tradition: leaders in the North are generals of the old monarchical régime, and their spirit is a monarchical spirit. Secondly, the South, we have to remember, before the revolution was anti-Manchu, anti-dynastic; and therefore, to say the least, tended to be anti-monarchical. So that in the North the spirit and tendency is pro-monarchical even though it be in republican phraseology, while in the South the spirit and tendency is anti-monarchical; and we have two parties corresponding largely to the parties of the Right and Left in the West. Dare I say, too, that we have Conservatives and Progressives, who tend to emphasize on the one hand the principle of centralization and on the other the principle of local autonomy? They are very like the two parties in the United States of America—the Democratic party, whose slogan is State Rights, and the Republican party, who stand for National Government. But here comes in the paradox of the whole situation: these two

ideals of centralization and of local autonomy, although they are represented in the concrete by these two parties, the North and the South, yet, so far as my experience goes, both exist in every Chinese breast. I have found Chinese who would become passionately indignant at the very idea of China splitting up; they have a passion for the unity of China, and at the same time they would be equally passionate in their demand for the declaration of the independence of their own province. Those two ideas are very really and very genuinely held by the same individuals.

Now I must pass on to my last point: What are the essentials to stable government? First of all, I would say that an absolute essential to stable government is provincial autonomy. I dare to take my stand with the Cantonese on this particular point. Not by any means on all points. I do not believe it is possible—this is not any mere theory on my part, I rather come to it from the practical side—I do not believe it is possible for any one party to dominate the whole of China. It is too vast a country. If the Cantonese win out in this struggle and become the Government of China in Peking, if they try to dominate the whole of China on any other principle than that of full provincial autonomy they will fail. Disintegration is bound to set in. That is my profound conviction. Provincial autonomy on the same principle as in the United States of America—where the powers of the Provincial Government are not delegated by the Central Government, but the powers of the Central Government are conceded to it by the provincial, the State Governments—that is the only thing that will work. I believe myself there will never be a stable Government in China until it is recognized that every province has the right to independence, and only such rights are given to a Central Government as are necessary for national services. If this is conceded, then the provinces will choose their own governors. Hitherto the governors of the provinces have been appointed from Peking; if that continues we are bound to have a recurrence of the War Lord system. The provinces must have full powers to appoint their own governors, and the provincial chambers must have full powers to vote revenues, to vote taxes, and the size of the army, if any, to be maintained in each province. The second essential is with regard to the Central Government: it should be for national services only, and those defects in the Constitution which have led to such difficulties in the past should be removed. There should be no Premier and there should be no Parliament in the same sense as there has been hitherto. I do not think China has the men, or is likely for some time to come to have the men of experience and statesmanship in sufficient number to provide a Parliament in two chambers of something like a thousand members. A small Council—at most two representatives of each of the different provinces—would be amply adequate to the services demanded of it.

Essentials
for stability:
Provincial
authority.

The powers
of the
Central
Government.

Then financially—I mention this, but need not take up your time with

it : To the Central Government certain specific sources of revenue, like Customs, railways, etc., should be assigned, so that the Central Government should not be dependent on the provinces. On the other hand, the provinces should not be dependent on the Central Government : they should have all other revenues in their hands, with full liberty to raise loans and to decide upon taxes without the dictation of any other authority.

The need of
financial re-
habilitation.

Now I come to possibilities—sanctions one might call them. There is the possibility of a Constitution something like what I have indicated being drawn up. There has been talk on the part of the Cantonese party of a People's Conference being called together, and I think it is not at all unlikely that such a Conference would produce on paper a Constitution with provisions such as these. But the crucial difficulty is, how is that Constitution to be maintained? In the first instance, as I said just now, military force was depended upon, and if that is depended upon again we are bound to have a recurrence of all the evils from which China has suffered. On the other hand, there is the absence of tradition, the absence of that spirit of loyalty to a Constitution which is our salvation in a country like this. The only possibility I can see is that of some economic sanction. There must eventually be financial rehabilitation. China cannot possibly get that rehabilitation without foreign assistance, and that foreign assistance should be given on certain conditions—not such conditions as it was endeavoured to impose before, impinging on the sovereignty of China, but simply these : If financial assistance is given in the form of a loan or loans, instead of one huge reorganization loan, the loan or loans might be given in instalments only, and given not to one Central Government, but to all the Governments—the provincial Governments as well as the Central Government. If the loan were given in that way there is only one condition that need be laid down—that is, that the National Government and the provincial Governments alike should observe their own Constitution. Whatever Constitution it is that they agree to adopt, some register of it should be made and deposited with the League of Nations, if you like, as giving some sort of sacredness to it. The Constitution would, of course, contain within itself provisions for its own amendment. If there were such a Constitution, and some sort of register of that kind were made of it, it would be possible for foreign Powers or for foreign financial interests to give financial assistance, on the one condition that the provisions of that Constitution were observed; and if it were given, as I say, in instalments, and given piecemeal to the Provinces and to the National Government, I think you would find that the sanction would work. But that is the suggestion of a novice, and possibly has no value in it whatever. (Applause.)

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