



# The Peril of China

By GARDNER L. HARDING

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SOME fifteen years ago Lord Charles Beresford paid a short, but breezy, visit to the far East, and when he went home he wrote a book about his trip that he called "The Break-up of China." It was a book that expressed and confirmed the settled mood of the time. In the shadow of the Boxer terror, and the hardly less shameful reprisals that avenged it, the dissolution of China did seem very near. Subtler minds than that of the impressionable British admiral thought of that flabby old empire, and the image at the back of their minds was one of helplessness baited all about by clutching foreign hands. In the intimacy of the crushing experiences of 1900 they forgot, as we are forgetting to-day, that the weakness of China is a very old and a thoroughly matured problem. They might have read to advantage, as we might read it now, what was said in the sixties by Anson Burlingame, that strange, quixotic American genius who went on a mission to Europe half a century ago to save China from a dissolution which he feared to see in his own lifetime. How wholly modern it seems to hear him say, "I hope to procure some mitigation of those aggressive steps and tendencies which are rapidly bringing nearer the parcelling-out of China among the greedy monarchies of Europe"!

Since Burlingame's day waves upon waves of the aggression in which he foresaw immediate ruin have rolled ever nearer to Peking. China has been stripped of the fortress-harbors on her coast; provinces and dependencies have been torn

from her borders from Korea and Mongolia round to Tibet and Tongking. Foreign trunk railroads have cut strategic thoroughfares up and down and across the heart of her dominion. Foreign bankers and debt commissioners have held in ransom her finances and have dominated her trade. And finally a torrent of revolution from within has replaced the dynasty of a quarter of a thousand years with a makeshift combination of republicanism without democracy and tyranny without a throne. The last fifteen years in China have been in particular one steady course of continuous and ascending crises, a drama of unsettled forces driven from without by complicated currents of political adventure and economic greed. Yet in the face of all these humiliations, which have comprised the deliberate policy of our generation to capitalize and perpetuate her feebleness, look with unprejudiced eyes on the China of this year 1915, and what do you find? Not merely a new patriotism and a new nationality born in the self-revelation of the Revolution, but a firmer and better consolidated authority over the eighteen provinces than ever before in the history of China.

A year has just passed in which China has done two amazing and absolutely unprecedented things, which no one who does not know of the Sisyphus-like handicaps against her can possibly appreciate. On her own national credit and among her own people she has raised her first substantial domestic loans, a financial initiative which has brought her a fund of

almost thirty millions of dollars. And she has come through the last financial year not only with the staggering burdens of her foreign indebtedness paid up on the nail to the last penny, but with an actual surplus of cash in hand that has been helped by no foreign loan. Such achievements are not due to mere clever financial management; they are the moral answer of a people protesting against the extinction of their political life.

This is a very significant thing. It means that the old peril—the peril of bankruptcy, of attrition through incompetence that Beresford and his school talked about—is, to say the least, no longer a sure thing. The game of getting deeper and deeper into the mire by paying off old debts with new loans is almost over in China.

I emphasize these unquestionable signs of progress and growing solidarity to put them in all the sharper contrast with a new peril—a peril that within the last few months has overshadowed everything else in the far East. That is the series of harsh and drastic demands which Japan has put up to China in the nature, if not in the form, of a peremptory ultimatum. Nothing is more ironic than the distinction, the perfect contrast between the old peril through which China was at last beginning to see her path to self-respect and this new peril, against which all her painful reconstruction counts as absolutely nothing. The handicaps that have been loaded on her do count. Their example counts in spurring Japan on to an emulation which European nations can hardly deny her with consistency. Their political results count in making Japan feel that only by other such handicaps—which in her case begin to look like badges of ownership—can she make good her opportunities in terms of a new balance of power in the Pacific. In other words, the burdens of international meddling provide an essential and ideal condition for the present high tide of Japanese aggression. They have chloroformed the victim; but it has fallen to a rival to pick his pockets.

Japan's hegemony in the far East is

now assured,—temporarily, at any rate,—and in it we see the first and the most dramatic alteration in the world's balance of power which has so far been effected by the great war. So far as her new ascendancy is going to influence China, however, we cannot see her opportunity in its right proportions until we have put it from the side of China herself. The Japanese have raised the wind undoubtedly in which China's junk is madly careering to-day, but it was not they who over-ballasted her with debts and difficulties, so that even in time of peace her load-line was over her hatches. It is true that the crushing indemnity she imposed at the end of the Chino-Japanese War of 1895 put China in debt to the tune of over \$270,000,000 at the beginning of her borrowing career, of which more than \$150,000,000 is still outstanding. But this sum was assented to by the powers at a time when they possessed a real right of interference in the affairs of Japan. And five years later they made it look insignificant indeed when they placed on China's shoulders the long-drawn-out disaster of the Boxer indemnity.

To-day the Boxer indemnity is the freshest and the most stinging of all the grievances of the Chinese people. They see now that this monstrous imposition of \$337,500,000, which will have swelled to something between \$650,000,000 and \$700,000,000 by the time the usurious methods of juggling its deferred interest by annual payments stretching to 1939 are fully worked out, was in reality nothing more or less than a deliberate quietus on their political aspirations for a generation. For the powers not only created a gigantic obligation; they stultified the very consolidation which might have enabled China to meet that obligation. For their own benefit they appropriated and pared down all the funds that could really be called national, and the reorganization which it was then their supreme opportunity to initiate they contemptuously disclaimed.

Those consequences we see to-day. They culminated in a revolution, which

had its fundamental cause more nearly than anything else in this one fact—China's humiliation before her foreign bondholders. When the revolution broke out in October, 1911, three provinces were in revolt against the nationalization of railways, not because they were opposed to that policy, but because its influence was a foreign influence and because it meant the buying out of Chinese railways with foreign money. This was the beginning of the second chapter of interference by the international concert. In the first chapter the great banking powers really sought nothing more than to paralyze Chinese reconstruction before the rush of foreign initiative they knew was imminent. The second chapter saw them meeting another great crisis in Chinese society with the belated decision to put this reconstruction into effect themselves. We can lump together the series of sweeping concessions and rearrangements and internal crises which culminated in the big five-power loan of the spring of 1913 in an intelligent appreciation of one main object. This was the creation of a debt commission. The shadows of revolutionary turmoil and anarchy gave a unique opportunity for the painless absorption of China's freedom. Viewed as a single process, it is amazing to look back and see how far this strategy went as a firm and deliberate policy. Its understanding is absolutely vital in order to gain a true perspective of the present situation.

There were two lines of advance: every power got what it could for itself by developing the "spheres of interest" wedge into the fast-decaying "open-door" theory; and the consortium as a whole conceived and put into operation a practical framework of foreign control at Peking. It was then that Russia got outer Mongolia and that England invented and enforced new prerogatives in Tibet. Railway absorption promised Germany twenty million dollars' worth of new lines in southern and western Shan-tung. Japan got eleven hundred miles of new railway concessions in Manchuria and eastern Mongolia, an invaluable foothold for valida-

ting her present claims. France and Russia between them, with a Belgian company as a cat's-paw, cut China with grandiose completeness by two vast systems from the French border on the south to a rail-head in the extreme north in easy completing distance with the Trans-Siberian, and by a concession of three thousand miles through the heart of China to the sea, pointing in the far west directly toward the spreading trans-Caspian system from European Russia. England confirmed her hold with two thousand miles of new projects in the Yang-tse basin. Our own bankers were ordered off these much-trespassed premises by President Wilson himself, but it is a question if we did not carry away the choicest single plum of all when the Standard Oil Company secured what amounts to the exclusive exploiting right over the north-western oil-fields, agreed by more than one international authority to be the richest oil-deposits in the known world.

The form of these concessions was one of the most chaotic competition and opportunism, but the broad lines into which they have resolved themselves to-day bear all the earmarks of conceded privileges, which the financial consortium divided up at its council tables in Peking. Their group achievements were even more impressive. The four-power railroads concentrating on Hankow comprise a typical instance of joint control, a rather amusing instance now, in that the German section can be appropriated by its French and British co-promoters, while the Americans look on in China, as in the Western World, as helpless neutrals.

This condition reached its high-water mark in those days of anarchy and disintegration immediately following the forced passage of the five-power loan at the end of April, when a large part of the South, led by most of the men who had been prominent in the first revolution, definitely broke their allegiance with President Yuan Shih-k'ai's government. I was in Peking just after this loan was passed, and met many of the Southern leaders, who were beginning then their

desperate and futile fight. I traveled south, finding rumors of an impending rebellion more and more insistent and circumstantial; and the very night that rebellion broke out in the middle Yang-tse provinces I was with Dr. Sun Yat-sen at the offices of his railway administration at Shanghai. I can say confidently that the second revolution had as one of its most wide-spread and influential causes the apprehension of this very debt commission. The strain of sansculottism in the first revolution, which had much cleverer and more responsible leaders than it has ever been given credit for, revolted at the idea not so much that Yuan Shih-k'ai was seizing the country for his own purposes, but that he was seizing it for the foreigner's purposes. Envy and constitutional futility submerged this idea later beneath empty personal vituperations against the president; but although the vituperations were excessive and unjust, the president has never altogether lived down the original apprehension. Surely the enormous burst of foreign railway and commercial concessions following the crushing of the Southern party—nearly five thousand miles of new railway lines being conceded, for instance, in a little over a year to enterprises beyond direct Chinese control—has not tended to restore confidence among the exiled revolutionaries that their apprehensions were unfounded.

The opportunity for a debt commission reached its high-water mark, however, in this stormy and rancorous period; since then, by a curious combination of circumstances, it has steadily and surely receded. The most curious of all these circumstances is the one I mentioned at the beginning: it is that China has pulled herself together. The old leisurely method of weakening China by taking things from her bit by bit, validating and sharing each step by international coöperation and agreement, disappeared from the scroll of things that are with the European War. Even though the consortium was not wholly smashed by the war against one of its members by four of the others, it was

weakened, just as the brain is weakened when the blood flows to aid the digestion after a full dinner; urgent elementals demanded overwhelming concentration elsewhere.

Even had there been no war, however, the effect of the new spirit of Chinese solidarity would still have shifted things through its own momentum alone. That is the great lesson in the present stage of China's crisis. The reconstruction in a political sense has been in some respects extremely disappointing; especially so is the concentration of great power in the hands of the president, whose personal influence has been so profound that his removal would now be a very grave fortuity. But the financial reconstruction, largely in the hands of the veteran and progressive '98 reformer, Liang Chi-ch'iao, has been impressive. A whole category of new taxes has been ably and most successfully imposed, a success in which the patriotism of the people has played a part unique in humdrum financial history. China has imposed and collected such modern imposts as a marriage tax, an income tax, an inheritance tax, and a tax on title-deeds; she has drawn excise from luxuries, such as wine and tobacco; and she has put two national banks, the Bank of China and the Bank of Communications, on a broad and responsible foundation that those who have dreaded the nightmare of her bankruptcy would never have believed conceivable. The result has been not only a year of solvency, but the general confidence that the grip thus attained will be held with an increasing margin in the heavy years of amortization that are to come. The Government has spread this confidence by a series of wise and liberal redemption of its obligations of the immediate and stormy past. Five million dollars' worth of the worthless paper notes of the first revolution were bought back the other day in the big commercial province of Kwangtung; in Szechuen, at the other end of southern China, \$2,250,000 worth of the military bonds of the Nanking government were redeemed and publicly burned. And on

February 20, in Peking, amid a band concert and many speeches, and not without fireworks in the evening, a drawing took place of over half a million dollars' worth of these notes in a single day, the holders of which were given the characteristic square deal of China in a manner that offered the convincing evidence of hard cash to the most impenetrable of skeptics.

The political meaning of this new consolidation of the best forces in China is clear: it is that if China had only to face the old menace of international attrition, she really has now a basis to start on a program which could be called without absurd optimism a campaign of rights-recovery. Already her financial masters are yielding to the pressure, as well as to their own common sense. It needed only a firm Anglo-American protest to cut down the revolutionary indemnities from twenty-odd millions to barely three, which is something like a just estimate of the foreign property destroyed in the Revolution.

It is in the perspective of this reconstruction and this hopefulness that we have to face the new and altogether unsuspected peril of the Japanese ultimatum. What does it mean to China? The Japanese claim that the demands it involves do not in any way jeopard the integrity or the independence of China. The view of China is best expressed in the blunt words of Liang Chi-ch'iao: "The guilt of Belgium is that she failed to follow the example of Luxemburg; the guilt of China is that she has failed to follow the example of Korea. . . . If she shall force us to the last resort, it will be better if we are shattered into fragments as a piece of jade than that we shall hold ourselves together as a piece of brick." It is a political impasse characteristically Eastern when a high Chinese minister replies in words such as these to a country whose peaceful motives are placed so conspicuously on record as in these words of Count Okuma, "As Premier of Japan, I have stated, and I now again state to the people of America and of the world, that Japan has no ulterior motive, no desire to secure more territory, no thought of de-

priving China or other peoples of anything they possess."<sup>1</sup>

It must be admitted, as I emphasized at first, that whatever may be the cause and whatever the objective of the Japanese forward movement, it has a dozen perfectly plausible justifications in point of its simple emulation of the recognized European procedure toward China during the last fifteen years. Is the Japanese conference at Peking in respect to Manchuria really vitally different from the recent British-Chinese conference at Darjiling to secure the isolation of Tibet, or from the Russo-Chinese conference at Kiakhta to confirm the Russification of Mongolia? On the surface it is not vitally different either from these or from the German seizure of Kiao-chau or the no less flagrant French appropriation of Annam and Tongking. More than this, it appears to be the perfectly legitimate attempt of a strong Asiatic power to protect a weak one against the further depredations which experience shows must still be expected from the greedy powers of Europe. The argument of the necessary expansion of Japan for purposes of colonization and trade is also perfectly plausible and legitimate. Why do we find, then, this stubborn, nay, desperate, opposition of China to a kindred power which comes with such friendly words and such finite pledges of innocuousness? Why are the ordinary run of the Chinese people so profoundly moved that in a single week of last February as many as twenty-five hundred telegrams were received by the Government in Peking from hundreds of provincial towns and small villages in every part of the republic, urging China to put the last ounce of her energy into withstanding the demands of Japan?

The reason is to be found in the demands themselves and in the peculiar time at which they are presented. At this very time when China is on the eve of a really sound and genuine reconstruction, an ultimatum is flung at her feet which bears the unmistakable impress of the tactics toward Korea. It is presented also when

<sup>1</sup> "The Independent," August 24, 1914.



not only is she unable to help herself, but when none of her friends is able to help her. And of what does the ultimatum consist? Demands not alone relating to Manchuria and eastern Mongolia that will make those provinces virtually Japanese territory, but a list of general demands that will give Japan a substantial and irrevocable proprietorship over China herself. Through part ownership of the Hanyehping Coal and Iron Company, Japan is to control China's greatest industrial undertaking and incidentally to provide against her own dearth of iron from one of the greatest, if not the greatest, deposits of iron-ore in the world. Through this control, and through a specified arrangement, she is to dominate nothing less than China's supply of war ammunition, which she will provide herself when needful. She demands the validation of an entirely new sphere of interest in Fu-kien, opposite the island of Formosa, which constituted part of her booty in 1895. And from her mines and foundries-to-be in central China to this new sphere of interest-to-be on the coast, she demands a new system of railways cutting straight through the heart of the British trade-belt and special concession preserve south of the Yang-tse River.

How any statesman, even an Oriental statesman, can sanely consider these demands, and then say that they take nothing away from China which was hers before must entirely pass the comprehension of Americans. It is refreshing to note that the majority of Japanese apologists, notably Dr. Iyenaga, the responsible and respected chief of the Japanese press bureau in New York, defend Japan's procedure on the ground that her recent achievements merit her a "place in the sun," a phrase of considerable interpretative analogy to a certain over-ambitious power in Europe.

Unquestionably, however, Japan is to secure this place in the sun not at the expense of the Chinese alone, but at the expense of every power which has interests, whether in material trade or in intangible coöperation and mutual regard and

prestige, in the far East. We were not long in feeling the heavy hand of Japan in Korea. Indeed, that somber torture conspiracy by which she sought to discredit the whole Christian church there was recalled only the other day when the news came that Baron Yun Chi-ho and five other Korean Christians had been granted an amnesty by the Japanese Government, to take effect on February 14 of the present year. These men were the six victims to which the preliminary arrest of 123 defendants, mainly on evidence forced from them when under torture, had been finally whittled down under a storm of criticism from the whole civilized world. So it is instructive to note that the propagation of the Buddhist faith, which was Japan's most powerful political weapon in planting her spies and in permeating and reducing the Korean people, is one of the principal demands of the present negotiations with China. And to refer once more to the always suggestive Korean analogy, the semi-official Japanese paper, "Jiji," printed in Seoul, stated in March that an order was soon to be issued by the Japanese administration that all the private schools in Korea were to be reorganized in ten years on the government system and under government supervision. Five hundred of these schools, or forty per cent. of the private schools in the country, are mission schools, most of them American. The new ruling means the end of Christian activity through education, and, according to the "National Review" of Shanghai, the virtual snuffing out of the mission school in Korea.

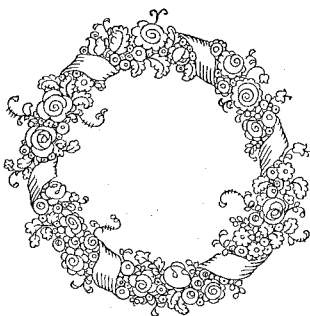
What has happened in Korea need not necessarily happen in China, if for no other reason than that beside the Koreans the Chinese are a nation of truly celestial quality, experienced in the art of governing themselves and of absorbing their conquerors long before the Japanese emerged from the tribal state. The Japanese today are a marvelous people, of whose solid virtues the Western world no longer remains skeptical; but with the sincerest respect in the world it must be said that we have chiefly learned from their activ-

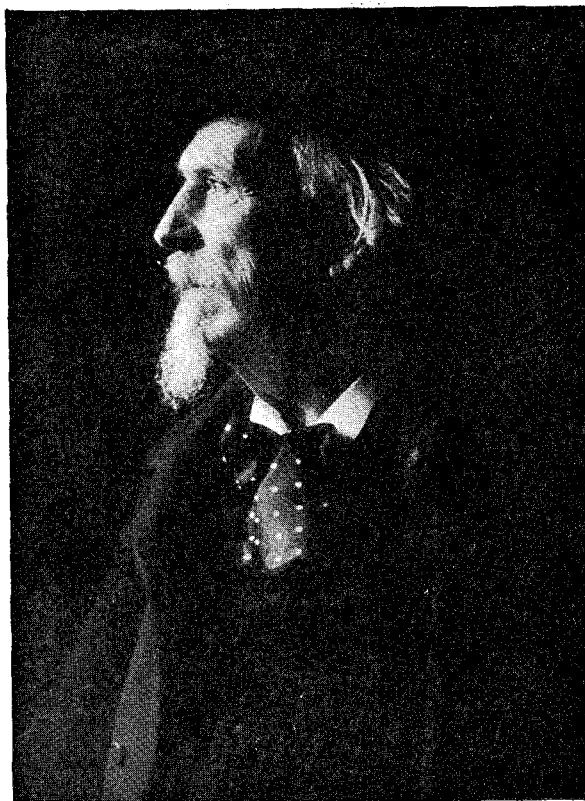
ity in Manchuria the extraordinary capacity they have for creating monopolies in substance if not in form. "There is absolutely no doubt that in southern Manchuria," said our late Minister Rockhill in his famous last speech of November 12, 1914, "British and American trade have been steadily declining ever since that part of China passed under Japanese control; nor is there any doubt that it has been driven out in a great part by Japanese competition, supported by preferential customs and railway rates, shipping bounties, and successful resistance to paying China's internal taxes." Thus also the American Association of China in its current report: "Japanese methods constitute a most serious violation of the open-door principle. . . . Competition takes the form of a system of rebates, not only in freight and steamer rates, but in remission of duties and charges which are assessed against all other nations." And as if to cap these two samples of a virtually unanimous opinion with official evidence, the United States Government has just instructed G. C. Hanson, Esq., our whilom consul at New-Chwang, to use the open door for the purpose of putting up his shutters and walking out. This famous Manchurian port, once the center of a flourishing American trade, is not important enough to-day to keep one whole consul busy.

The same procedure is being rapidly re-enacted at Tsing-tao, and wherever the Japanese spread their influence through Shan-tung. Everywhere the prerogatives of the Germans are being increased and accentuated. Where the Germans used Chinese currency and the Chinese lan-

guage, their rivals have rigidly insisted on Japanese. The German-Chinese railroad, with fewer than a hundred German employees and the rest Chinese, has been entirely manned by Japanese from the South Manchurian system. The Japanese first insisted on a customs collector at Tsing-tao arbitrarily appointed from Tokio, and consented to follow the German precedent and work under Peking only after a wholesale concession in the proportion of Japanese officials in the territory they have appropriated in Shan-tung.

Such are the examples by which we may judge the imminence and urgency of China's peril. The Japanese have the remarkable capacity of never removing their foot once they have set it down on a desirable location for national progress. Their present determination is undoubtedly the most serious menace imaginable to the continuance of that solidarity which China has struggled desperately to make good. Despite Japan's promises and protestations, China justly regards her interference with distrust and consternation. The one great nation in the world whose potentialities for peace in the hour when she should have influence and respect throughout the world are unquestionable and profound, she should not be cut off from those vital opportunities now when the world is seeing at last how greatly desirable is a civilization committed by every-agency possible against the horrors of another great war. To the interest for fair play is joined the interest of peace; and both are bound up for ourselves and for the world in the preservation of the integrity of China against whosoever shall assail it.





## Frédéric Mistral

By ELIZABETH SHEPLEY SERGEANT

FROM his early romantic success to his golden maturity, Frédéric Mistral, the Provençal poet, has had a sort of legendary destiny almost unheard of in the modern world. When he came into the dining-room of the little hotel in Arles where he used to lunch after a visit to his museum, even the stiff-backed British tourists found themselves leaping to their feet with the rest of the company and cordially returning his fine salute. Travelers who have had the fortune to catch a glimpse of him on some fête-day at Arles, or Nîmes, or Orange, will never forget the impression he made; standing on the stone bench of a Roman arena, lifting his black sombrero as the close-packed crowds rose in great swelling waves to break into the shout "Mistral!" he seemed the very symbol and type of the legendary youth and joy and beauty of Provence. His

natural eminence was tempered by such natural simplicity that popular response to it was as spontaneous as it was sincere. His gracious presence defied time, and he wore old age like a wreath of myrtle.

I am grateful to fate and to my good old friend M. l'Abbé — for giving me the chance to meet Mistral first in his own garden, in the quiet village where he had lived his long span of life. M. l'Abbé had invited me, in good old-fashioned manner, to come and "spend the day" with him and his gentle maiden sisters. So one lovely morning in May, 1913, I took the train from Avignon to Graveson, and drove in the lumbering local diligence, the only link between the railway and the interior of the plain, beside numerous plump farmers' wives in Provençal costume, over the flat, white roads to Maillane; and after lunch we proceeded to the poet's house.