

CHAPTER III

CHINA AND THE WESTERN POWERS

In order to understand the international position of China, some facts concerning its nineteenth-century history are indispensable. China was for many ages the supreme empire of the Far East, embracing a vast and fertile area, inhabited by an industrious and civilized people.

Aristocracy, in our sense of the word, came to an end before the beginning of the Christian era, and government was in the hands of officials chosen for their proficiency in writing in a dead language, as in England. Intercourse with the West was spasmodic and chiefly religious. In the early centuries of the Christian era, Buddhism was imported from India, and some Chinese scholars penetrated to that country to master the theology of the new religion in its native home, but in later times the intervening barbarians made the journey practically impossible. Nestorian Christianity reached China in the seventh century, and had a good deal of influence, but died out again. (What is known on this subject is chiefly from the Nestorian monument discovered in Hsianfu in 1625.) In the seventeenth and early eighteenth centuries Roman Catholic missionaries acquired considerable favour at Court, because of their astronomical knowledge and their help in rectifying the irregularities and confusions of the Chinese calendar.[24] Their globes and astrolabes are still to be seen on the walls of Peking. But in the long run they could not resist quarrels

between different orders, and were almost completely excluded from both China and Japan.

In the year 1793, a British ambassador, Lord Macartney, arrived in China, to request further trade facilities and the establishment of a permanent British diplomatic representative. The Emperor at this time was Chien Lung, the best of the Manchu dynasty, a cultivated man, a patron of the arts, and an exquisite calligraphist. (One finds specimens of his writing in all sorts of places in China.) His reply to King George III is given by Backhouse and Bland.[25] I wish I could quote it all, but some extracts must suffice. It begins:

You, O King, live beyond the confines of many seas, nevertheless, impelled by your humble desire to partake of the benefits of our civilization, you have despatched a mission respectfully bearing your memorial.... To show your devotion, you have also sent offerings of your country's produce. I have read your memorial: the earnest terms in which it is cast reveal a respectful humility on your part, which is highly praiseworthy.

He goes on to explain, with the patient manner appropriate in dealing with an importunate child, why George III's desires cannot possibly be gratified. An ambassador, he assures him, would be useless, for:

If you assert that your reverence for our Celestial Dynasty fills you with a desire to acquire our civilization, our ceremonies and

code of laws differ so completely from your own that, even if your Envoy were able to acquire the rudiments of our civilization, you could not possibly transplant our manners and customs to your alien soil. Therefore, however adept the Envoy might become, nothing would be gained thereby.

Swaying the wide world, I have but one aim in view, namely, to maintain a perfect governance and to fulfil the duties of the State; strange and costly objects do not interest me. I ... have no use for your country's manufactures. ...It behoves you, O King, to respect my sentiments and to display even greater devotion and loyalty in future, so that, by perpetual submission to our Throne, you may secure peace and prosperity for your country hereafter.

He can understand the English desiring the produce of China, but feels that they have nothing worth having to offer in exchange:

"Our Celestial Empire possesses all things in prolific abundance and lacks no product within its own borders. There was therefore no need to import the manufactures of outside barbarians in exchange for our own produce. But as the tea, silk and porcelain which the Celestial Empire produces are absolute necessities to European nations and to yourselves," the limited trade hitherto permitted at Canton is to continue.

He would have shown less favour to Lord Macartney, but "I do not forget the lonely remoteness of your island, cut off from the world by intervening wastes of sea, nor do I overlook your excusable ignorance of the usages of our Celestial Empire." He concludes with the injunction: "Tremblingly obey and show no negligence!"

What I want to suggest is that no one understands China until this document has ceased to seem absurd. The Romans claimed to rule the world, and what lay outside their Empire was to them of no account. The Empire of Chien Lung was more extensive, with probably a larger population; it had risen to greatness at the same time as Rome, and had not fallen, but invariably defeated all its enemies, either by war or by absorption. Its neighbours were comparatively barbarous, except the Japanese, who acquired their civilization by slavish imitation of China. The view of Chien Lung was no more absurd than that of Alexander the Great, sighing for new worlds to conquer when he had never even heard of China, where Confucius had been dead already for a hundred and fifty years. Nor was he mistaken as regards trade: China produces everything needed for the happiness of its inhabitants, and we have forced trade upon them solely for our benefit, giving them in exchange only things which they would do better without.

Unfortunately for China, its culture was deficient in one respect, namely science. In art and literature, in manners and customs, it was at least the equal of Europe; at the time of the Renaissance, Europe would not have been in any way the superior of the Celestial Empire. There is

a museum in Peking where, side by side with good Chinese art, may be seen the presents which Louis XIV made to the Emperor when he wished to impress him with the splendour of Le Roi Soleil. Compared to the Chinese things surrounding them, they were tawdry and barbaric. The fact that Britain has produced Shakespeare and Milton, Locke and Hume, and all the other men who have adorned literature and the arts, does not make us superior to the Chinese. What makes us superior is Newton and Robert Boyle and their scientific successors. They make us superior by giving us greater proficiency in the art of killing. It is easier for an Englishman to kill a Chinaman than for a Chinaman to kill an Englishman. Therefore our civilization is superior to that of China, and Chien Lung is absurd. When we had finished with Napoleon, we soon set to work to demonstrate this proposition.

Our first war with China was in 1840, and was fought because the Chinese Government endeavoured to stop the importation of opium. It ended with the cession of Hong-Kong and the opening of five ports to British trade, as well as (soon afterwards) to the trade of France, America and Scandinavia. In 1856-60, the English and French jointly made war on China, and destroyed the Summer Palace near Peking,[26] a building whose artistic value, on account of the treasures it contained, must have been about equal to that of Saint Mark's in Venice and much greater than that of Rheims Cathedral. This act did much to persuade the Chinese of the superiority of our civilization so they opened seven more ports and the river Yangtze, paid an indemnity and granted us more territory at Hong-Kong. In 1870, the Chinese were rash enough to murder a British

diplomat, so the remaining British diplomats demanded and obtained an indemnity, five more ports, and a fixed tariff for opium. Next, the French took Annam and the British took Burma, both formerly under Chinese suzerainty. Then came the war with Japan in 1894-5, leading to Japan's complete victory and conquest of Korea. Japan's acquisitions would have been much greater but for the intervention of France, Germany and Russia, England holding aloof. This was the beginning of our support of Japan, inspired by fear of Russia. It also led to an alliance between China and Russia, as a reward for which Russia acquired all the important rights in Manchuria, which passed to Japan, partly after the Russo-Japanese war, and partly after the Bolshevik revolution.

The next incident begins with the murder of two German missionaries in Shantung in 1897. Nothing in their life became them like the leaving of it; for if they had lived they would probably have made very few converts, whereas by dying they afforded the world an object-lesson in Christian ethics. The Germans seized Kiaochow Bay and created a naval base there; they also acquired railway and mining rights in Shantung, which, by the Treaty of Versailles, passed to Japan in accordance with the Fourteen Points. Shantung therefore became virtually a Japanese possession, though America at Washington has insisted upon its restitution. The services of the two missionaries to civilization did not, however, end in China, for their death was constantly used in the German Reichstag during the first debates on the German Big Navy Bills, since it was held that warships would make Germany respected in China. Thus they helped to exacerbate the relations of England and Germany and

to hasten the advent of the Great War. They also helped to bring on the Boxer rising, which is said to have begun as a movement against the Germans in Shantung, though the other Powers emulated the Germans in every respect, the Russians by creating a naval base at Port Arthur, the British by acquiring Wei-hai-wei and a sphere of influence in the Yangtze, and so on. The Americans alone held aloof, proclaiming the policy of Chinese integrity and the Open Door.

The Boxer rising is one of the few Chinese events that all Europeans know about. After we had demonstrated our superior virtue by the sack of Peking, we exacted a huge indemnity, and turned the Legation Quarter of Peking into a fortified city. To this day, it is enclosed by a wall, filled with European, American, and Japanese troops, and surrounded by a bare space on which the Chinese are not allowed to build. It is administered by the diplomatic body, and the Chinese authorities have no powers over anyone within its gates. When some unusually corrupt and traitorous Government is overthrown, its members take refuge in the Japanese (or other) Legation and so escape the punishment of their crimes, while within the sacred precincts of the Legation Quarter the Americans erect a vast wireless station said to be capable of communicating directly with the United States. And so the refutation of Chien Lung is completed.

Out of the Boxer indemnity, however, one good thing has come. The Americans found that, after paying all just claims for damages, they still had a large surplus. This they returned to China to be spent on

higher education, partly in colleges in China under American control, partly by sending advanced Chinese students to American universities. The gain to China has been enormous, and the benefit to America from the friendship of the Chinese (especially the most educated of them) is incalculable. This is obvious to everyone, yet England shows hardly any signs of following suit.

To understand the difficulties with which the Chinese Government is faced, it is necessary to realize the loss of fiscal independence which, China has suffered as the result of the various wars and treaties which have been forced upon her. In the early days, the Chinese had no experience of European diplomacy, and did not know what to avoid; in later days, they have not been allowed to treat old treaties as scraps of paper, since that is the prerogative of the Great Powers--a prerogative which every single one of them exercises.

The best example of this state of affairs is the Customs tariff.[27] At the end of our first war with China, in 1842, we concluded a treaty which provided for a duty at treaty ports of 5 per cent. on all imports and not more than 5 per cent on exports. This treaty is the basis of the whole Customs system. At the end of our next war, in 1858, we drew up a schedule of conventional prices on which the 5 per cent. was to be calculated. This was to be revised every ten years, but has in fact only been revised twice, once in 1902 and once in 1918.[28] Revision of the schedule is merely a change in the conventional prices, not a change in the tariff, which remains fixed at 5 per cent. Change in the tariff is

practically impossible, since China has concluded commercial treaties involving a most-favoured-nation clause, and the same tariff, with twelve States besides Great Britain, and therefore any change in the tariff requires the unanimous consent of thirteen Powers.

When foreign Powers speak of the Open Door as a panacea for China, it must be remembered that the Open Door does nothing to give the Chinese the usual autonomy as regards Customs that is enjoyed by other sovereign States.[29] The treaty of 1842 on which the system rests, has no time-limit of provision for denunciation by either party, such as other commercial treaties contain. A low tariff suits the Powers that wish to find a market for their goods in China, and they have therefore no motive for consenting to any alteration. In the past, when we practised free trade, we could defend ourselves by saying that the policy we forced upon China was the same as that which we adopted ourselves. But no other nation could make this excuse, nor can we now that we have abandoned free trade by the Safeguarding of Industries Act.

The import tariff being so low, the Chinese Government is compelled, for the sake of revenue, to charge the maximum of 5 per cent, on all exports. This, of course, hinders the development of Chinese commerce, and is probably a mistake. But the need of sources of revenue is desperate, and it is not surprising that the Chinese authorities should consider the tax indispensable.

There is also another system in China, chiefly inherited from the time

of the Taiping rebellion, namely the erection of internal customs barriers at various important points. This plan is still adopted with the internal trade. But merchants dealing with the interior and sending goods to or from a Treaty Port can escape internal customs by the payment of half the duty charged under the external tariff. As this is generally less than the internal tariff charges, this provision favours foreign produce at the expense of that of China. Of course the system of internal customs is bad, but it is traditional, and is defended on the ground that revenue is indispensable. China offered to abolish internal customs in return for certain uniform increases in the import and export tariff, and Great Britain, Japan, and the United States consented. But there were ten other Powers whose consent was necessary, and not all could be induced to agree. So the old system remains in force, not chiefly through the fault of the Chinese central government. It should be added that internal customs are collected by the provincial authorities, who usually intercept them and use them for private armies and civil war. At the present time, the Central Government is not strong enough to stop these abuses.

The administration of the Customs is only partially in the hands of the Chinese. By treaty, the Inspector-General, who is at the head of the service, must be British so long as our trade with China exceeds that of any other treaty State; and the appointment of all subordinate officials is in his hands. In 1918 (the latest year for which I have the figures) there were 7,500 persons employed in the Customs, and of these 2,000 were non-Chinese. The first Inspector-General was Sir Robert Hart, who,

by the unanimous testimony of all parties, fulfilled his duties exceedingly well. For the time being, there is much to be said for the present system. The Chinese have the appointment of the Inspector-General, and can therefore choose a man who is sympathetic to their country. Chinese officials are, as a rule, corrupt and indolent, so that control by foreigners is necessary in creating a modern bureaucracy. So long as the foreign officials are responsible to the Chinese Government, not to foreign States, they fulfil a useful educative function, and help to prepare the way for the creation of an efficient Chinese State. The problem for China is to secure practical and intellectual training from the white nations without becoming their slaves. In dealing with this problem, the system adopted in the Customs has much to recommend it during the early stages.[30]

At the same time, there are grave infringements of Chinese independence in the present position of the Customs, apart altogether from the fact that the tariff is fixed by treaty for ever. Much of the revenue derivable from customs is mortgaged for various loans and indemnities, so that the Customs cannot be dealt with from the point of view of Chinese interests alone. Moreover, in the present state of anarchy, the Customs administration can exercise considerable control over Chinese politics by recognizing or not recognizing a given de facto Government. (There is no Government de jure, at any rate in the North.) At present, the Customs Revenue is withheld in the South, and an artificial bankruptcy is being engineered. In view of the reactionary instincts of diplomats, this constitutes a terrible obstacle to internal

reform. It means that no Government which is in earnest in attempting to introduce radical improvements can hope to enjoy the Customs revenue, which interposes a formidable fiscal barrier in the way of reconstruction.

There is a similar situation as regards the salt tax. This also was accepted as security for various foreign loans, and in order to make the security acceptable the foreign Powers concerned insisted upon the employment of foreigners in the principal posts. As in the case of the Customs, the foreign inspectors are appointed by the Chinese Government, and the situation is in all respects similar to that existing as regards the Customs.

The Customs and the salt tax form the security for various loans to China. This, together with foreign administration, gives opportunities of interference by the Powers which they show no inclination to neglect. The way in which the situation is utilized may be illustrated by three telegrams in The Times which appeared during January of this year.

On January 14, 1922, The Times published the following in a telegram from its Peking correspondent:

It is curious to reflect that this country (China) could be rendered completely solvent and the Government provided with a substantial income almost by a stroke of the foreigner's pen, while without that stroke there must be bankruptcy, pure and

simple. Despite constant civil war and political chaos, the Customs revenue consistently grows, and last year exceeded all records by £1,000,000. The increased duties sanctioned by the Washington Conference will provide sufficient revenue to liquidate the whole foreign and domestic floating debt in a very few years, leaving the splendid salt surplus unencumbered for the Government. The difficulty is not to provide money, but to find a Government to which to entrust it. Nor is there any visible prospect of the removal of this difficulty.

I venture to think The Times would regard the difficulty as removed if the Manchu Empire were restored.

As to the "splendid salt surplus," there are two telegrams from the Peking correspondent to The Times (of January 12th and 23rd, respectively) showing what we gain by making the Peking Government artificially bankrupt. The first telegram (sent on January 10th) is as follows:--

Present conditions in China are aptly illustrated by what is happening in one of the great salt revenue stations on the Yangtze, near Chinkiang. That portion of the Chinese fleet faithful to the Central Government--the better half went over to the Canton Government long ago--has dispatched a squadron of gunboats to the salt station and notified Peking that if \$3,000,000 (about £400,000) arrears of pay were not immediately

forthcoming the amount would be forcibly recovered from the revenue. Meanwhile the immense salt traffic on the Yangtze has been suspended. The Legations concerned have now sent an Identical Note to the Government warning it of the necessity for immediately securing the removal of the obstruction to the traffic and to the operations of the foreign collectorate.

The second telegram is equally interesting. It is as follows:--

The question of interference with the Salt Gabelle is assuming a serious aspect. The Chinese squadron of gunboats referred to in my message of the 10th is still blocking the salt traffic near Chingkiang, while a new intruder in the shape of an agent of Wu-Pei-Fu [the Liberal military leader] has installed himself in the collectorate at Hankow, and is endeavouring to appropriate the receipts for his powerful master. The British, French, and Japanese Ministers accordingly have again addressed the Government, giving notice that if these irregular proceedings do not cease they will be compelled to take independent action. The Reorganization Loan of £25,000,000 is secured on the salt revenues, and interference with the foreign control of the department constitutes an infringement of the loan agreement. In various parts of China, some independent of Peking, others not, the local Tuchuns (military governors) impound the collections and materially diminish the total coming under the control of the foreign inspectorate, but the balance remaining has been so

large, and protest so useless, that hitherto all concerned have considered it expedient to acquiesce. But interference at points on the Yangtze, where naval force can be brought to bear, is another matter. The situation is interesting in view of the amiable resolutions adopted at Washington, by which the Powers would seem to have debarred themselves, in the future, from any active form of intervention in this country. In view of the extensive opposition to the Liang Shih-yi Cabinet and the present interference with the salt negotiations, the \$90,000,000 (£11,000,000) loan to be secured on the salt surplus has been dropped. The problem of how to weather the new year settlement on January 28th remains unsolved.

It is a pretty game: creating artificial bankruptcy, and then inflicting punishment for the resulting anarchy. How regrettable that the Washington Conference should attempt to interfere!

It is useless to deny that the Chinese have brought these troubles upon themselves, by their inability to produce capable and honest officials. This inability has its roots in Chinese ethics, which lay stress upon a man's duty to his family rather than to the public. An official is expected to keep all his relations supplied with funds, and therefore can only be honest at the expense of filial piety. The decay of the family system is a vital condition of progress in China. All Young China realizes this, and one may hope that twenty years hence the level of honesty among officials may be not lower in China than in Europe--no

very extravagant hope. But for this purpose friendly contact with Western nations is essential. If we insist upon rousing Chinese nationalism as we have roused that of India and Japan, the Chinese will begin to think that wherever they differ from Europe, they differ for the better. There is more truth in this than Europeans like to think, but it is not wholly true, and if it comes to be believed our power for good in China will be at an end.

I have described briefly in this chapter what the Christian Powers did to China while they were able to act independently of Japan. But in modern China it is Japanese aggression that is the most urgent problem. Before considering this, however, we must deal briefly with the rise of modern Japan--a quite peculiar blend of East and West, which I hope is not prophetic of the blend to be ultimately achieved in China. But before passing to Japan, I will give a brief description of the social and political condition of modern China, without which Japan's action in China would be unintelligible.

FOOTNOTES:

[Footnote 24: In 1691 the Emperor Kang Hsi issued an edict explaining his attitude towards various religions. Of Roman Catholicism he says: "As to the western doctrine which glorifies Tien Chu, the Lord of the Sky, that, too, is heterodox; but because its priests are thoroughly conversant with mathematics, the Government makes use of them--a point which you soldiers and people should understand." (Giles, *op. cit.* p.

252.)]

[Footnote 25: Annals and Memoirs of the Court of Peking, pp. 322 ff.]

[Footnote 26: The Summer Palace now shown to tourists is modern, chiefly built by the Empress Dowager.]

[Footnote 27: There is an admirable account of this question in Chap. vii. of Sih-Gung Cheng's Modern China, Clarendon Press, 1919.]

[Footnote 28: A new revision has been decided upon by the Washington Conference.]

[Footnote 29: If you lived in a town where the burglars had obtained possession of the Town Council, they would very likely insist upon the policy of the Open Door, but you might not consider it wholly satisfactory. Such is China's situation among the Great Powers.]

[Footnote 30: The Times of November 26, 1921, had a leading article on Mr. Wellington Koo's suggestion, at Washington, that China ought to be allowed to recover fiscal autonomy as regards the tariff. Mr. Koo did not deal with the Customs administration, nevertheless The Times assumed that his purpose was to get the administration into the hands of the Chinese on account of the opportunities of lucrative corruption which it would afford. I wrote to The Times pointing out that they had confused the administration with the tariff, and that Mr. Koo was

dealing only with the tariff. In view of the fact that they did not print either my letter or any other to the same effect, are we to conclude that their misrepresentation was deliberate and intentional?]