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A FOREIGN POLICY OF GOOD INTENTION

By

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(July 7, '19)

The history of the last hundred years has been enriched by the contributions of great Americans who have led the van in unselfish devotion to the cause of the least understood and most misrepresented people upon the face of the globe. The willingness of the United States, in general, to give China a square deal, has not failed to make a very favorable impression on our people. If there is one commendable quality in the Chinese conspicuous by its presence it is that of not forgetting a good turn, and the good offices of this country are and will be appreciated by us for many years to come.

We suspect the Japanese, respect the British, and love the Americans. But perhaps because of our love, we have already met many disappointments from the Americans. The diplomatic relation of the United States with the Chinese Republic has shown unmistakably good intention, but it has also shown what appears to be a lack of wisdom and foresight. The delay in recognition of the Chinese Republican government, the hesitation in rendering financial assistance for the re-organization of China, the Tansing - Ishii Agreement, and President Wilson's attitude on the Shantung problem can not

but give disappointment to us -- disappointment mystified, and poignant. As the American policy in the Orient must become a part of the essential history of this nation, the truth should be made known while there is yet time for remedial action.

Early in 1913, Dr. C.C.Wang, a Chinese delegate to the International Congress of Chambers of Commerce of that year, said: "During the past seven months China has rushed through her great drama[of revolution] with appalling speed and audacity. She has run the hardest Marathon known in history. After reaching her goal breathless, she nervously but confidently looks to the world for the recognition due to every such runner. She stretches out her hands to America first, because she prefers to have her best friend be the first in giving her this deserved encouragement." The Chinese Republic in the beginning deserved a speedy recognition because of the character of the revolution which made it possible. It obtained the maximum of liberty with the minimum of blood-shed. It was an evolution rather than a revolution. Its most potent factors were those of peace, and not of war. They were the result of trade with foreign nations, the introduction of modern inventions, and the influence of Chinese students who had been educated in foreign institutions, and who had worked for a Republican Government for China. In comparison with the epoch-making wars for freedom in Occidental lands -- the French Revolution, England's fight for parliamentary supremacy, or the seven years' struggle for American Independence -- the Chinese Revolution was almost bloodless.

Furthermore, the Manchu rulers were not illegally driven from the throne, but they abdicated of themselves, and with their last act legalized the Republic. When the fallen government of China has itself recognized the new government, what reason was there for other governments to delay?

There are questions in expediency and advantage as well as of principle in this matter of recognition. Speedy recognition by the United States would have reinforced the hand of the Chinese government; it would have given it added prestige and thus hastened the complete restoration of order; it would have insured the safety of trade enterprises. It would, most of all, have prevented the intervention on the part of envious states which were only waiting an opportunity to appropriate Chinese territory. Thus Dr. W.A.P. Martin, formerly President of the Peking University saw the importance of prompt recognition of the government established through the Tai-Ping rebellion. In 1913 many publicists and scholars, both American and Chinese urged the immediate recognition of the new republic by America. The China Society of America was founded primarily for the purpose of securing recognition.

In response to public opinion in this country, Secretary Bryan declared on April 3, 1913, the United State's Government's intention to recognize China on April 8th. But the Secretary, radical as he was in home politics, was too timid for an independent action in foreign policy. Intending to clear away any soreness that had been created by the American withdrawal from the

six power loan, he proposed a concerted action in the recognition of the new republic. And then objections from some of the Powers brought about a delay in American recognition until May second. Brazil, the largest republic in South America, had granted her recognition three weeks before.

Does any student of American foreign policy doubt that if John Hay had been in the Department of State during the year 1912, the Republic of China would not have been recognized long before the eighth of April? Had such a policy been followed immediately after the abdication of the Manchu dynasty China might well have escaped a large part of the dangers menacing her in the spring of 1913. The majority of American people are, and from the first have been, in sincere sympathy with China in her struggle for liberty. But with the consultation or dictation from Lombard or Wall Street, delay in recognition was sure. Eight days after the formal recognition by America, we find the following critical editorial comment in the "Outlook:" "China would need our aid under any circumstances, but she needs it especially because the other Powers seem disinclined to recognize her new government. ... So long as we can act in concert with other Powers in developing the idea - which we like to think unselfish - of China's future, well and good. But when England or Russia or Japan selfishly holds back, there is no reason why we should walk with either. However much one may wish that certain conditions in China were better and more promising of governmental permanency, it

must be admitted that China has amply shown her ability to establish a constitutional government. This under a monarchical rule, would have been remarkable. It is far more remarkable under republican rule."

The establishment of a "remarkable" government such as the editor of the "Outlook" mentioned, means the inauguration of a new reform movement that must reach the very roots of Chinese social and economic life. But as you can not make bricks without straw, you cannot reorganize the entire social, political and industrial life of a country without money. The American development towards the Mississippi was financed by European capital. Japan's transformation into a modern industrial country was assisted by British bankers. For her own reorganization and development, the Chinese Republic must also ask help from foreign financiers. And America could in the beginning have responded to Chinese needs very readily, because already there had been inaugurated in this country a movement popularly known as "dollar diplomacy."

Though not confined to China, this "dollar diplomacy" was most important there. It is a logical manifestation of the American national growth. The American export trade is constantly increasing and foreign markets are becoming each year more and more necessary to our manufacturers. The new policy was intended to secure opportunities for American capital to share in the development of Chinese resources. Hence, during the progress of the Chinese revolution, Secretary Knox issued

a circular note of 1913 proposing non-intervention in China. His "dollar diplomacy" had made his purpose in 1910 the neutralization of the Southern Manchurian railways. The far-seeing policy has resulted from the increasing economic interest in China. "The struggle for economic leadership in the development of the new China is likely to be a mainspring of history in this century. The enterprise and organizing power of American business men, and the technical skill of American engineers and workmen, should dominate that struggle."

In the spring of 1909, upon the expressed desire of the Department of State that a financial group be organized to take up the participation to which American capital was entitled in the Hukuang Railway Loan Agreement, the American group was formed, consisting of J.P.Morgan & Co., Kuhn, Loeb & Co., The First National Bank and the National City Bank. This group thus became interested in Chinese Loan matters. It was in pursuance of Taft and Knox's policy that the American Group entered into an agreement with the British, French, and German groups for the purpose of rendering financial assistance to China, just after the establishment of the Republic.

For political reasons, the Japanese and Russian groups, who had no money to lend, were admitted in February 1912, to the negotiations for the Reorganizations Loan. Among others, Hon. Willard Straight has always maintained the optimistic view, that the six power loan is "the financial expression of John Hay's 'Open Door' policy," and a guarantee for the preservation, rather than an instrument for the destruction of China's integri

But in his article, "The New Holy Alliance for China," the Harvard historian Albert B. Hart said: "The commercial organization of the present Holy Alliance is at bottom a movement for making money out of the Chinese by Europeans and Americans. As a money-making enterprise the six-power financial scheme lies outside of our legitimate national interests."

Quite aside from arguments on principles, the fact and truth was that China was then standing in desperate need of a foreign loan, a loan in the monopoly of six power groups. Because of the utterly unreasonable terms, China rejected the loan on June 23, 1913, with the hope that the Powers would reconsider them. This hesitation "probably caused recognition of the Chinese republic to be withheld in order that pressure might be brought to bear upon it." Certainly the United States, if she had been both unselfish and wise, could use her good offices to influence the other Powers; or if this was not possible, could not she withdraw from the six-power group immediately? What President Wilson and his Secretary did was more than a disappointment to China. Instead of recognizing the Republic of China independently and, if possible, making an independent American loan, the President somehow neglected the critical situation in the Far East; even when he made it clear that the American bankers should withdraw from the loan party, he did not proceed to make formal recognition of China until the other Powers had been satisfied. The Chinese remember that the Five-Power Group Loan had been signed; or rather the signature had been forced, six days before E. T. Williams

delivered the American recognition to Yuan Shih-kai.

The American withdrawal from the six-power loan aroused divergent criticisms. Many a European newspaper regarded the American escape like that of Oliver Twist from the den of Fagin. Mr. H. Rosenthal said, "Although it is clear that Americans have not their proper natural share of business in China, the United States can not afford to join with, or compete with, other powers in establishing "spheres of influence" by methods neither humanitarian nor civilized." What Mr. Rosenthal expressed here, I take it, may have been the general public opinion in America. But if the United States can not afford to join with others to establish financial domination in China, she can scarcely afford to allow special "spheres of Influence" to be established by any one great Power. Japan tried in 1916 to make Americans believe that she could use American capital to develop China; but the American capitalists have not too great confidence in Japanese mental processes and Baron Shibusawa's visit to America failed to accomplish its purpose.

With the Great War over, the reconstruction of the International Banking Group seems a certainty. Americans are coming to their own now. They know that China is in need of concerted financial assistance, and they are now indeed in the best position to help the Chinese financially. American, British, French, and Japanese bankers have been working on the situation; an understanding is said to have been reached in connection with

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the Peace Conference, participated in by Thomas W. Lamont, of J.P. Morgan & Co. The Chicago interests which arranged the American loan of several years ago have not abandoned their activity. John J. Abbott, vice-president of the Continental and Commercial Trust and Savings Bank, is now in Peking investigating the situation for American bankers as a group to take part in this loan of \$100,000,000.

Here the "Nation" seems to criticize the inconsistency of the American Government. "In 1913 it [the government] withdrew its support from the projected Chinese loan group because, in the President's own words, the loan provisions 'touch very nearly the administrative independence of China.' The loan is apparently now being used to secure unwilling Chinese signatures to a peace treaty embodying the iniquitous Shantung provisions, as well as the League of Nations, whose combined military force can be placed behind all the arrangements of Inter-Allied finance in China and everywhere else. 'The administrative independence of China' under such arrangements is likely to be something less than a shadow."

Whether this is a justified criticism, I am not prepared to say. But China must be developed; to hasten the development, foreign capital is in great need. The Chinese government prefers a loan from a combination of powers to a single power like Japan. If the loan can be secured from a real and genuine League of Nations, so much the better. If there is any in-

consistency with the action in 1913, the coming loan may be quit-
in consistency with the "dollar diplomacy" of the days before
1913.

The Chinese could not but agree with Mr. Thomas F. Millard on April 5, that "no international consortium that does not include the United States, or any plan that does not receive the approval and cooperation of America with respect to China, will now be acceptable to Chinese." "I know," said Millard, that a majority of Chinese are now looking hopefully to America to use its friendly offices in China's behalf at the Peace Conference; and if our [the American] government fails in this obligation, it will forfeit the confidence and respect of the Chinese, and diminish its influence in Far Eastern affairs for many years to come." It is astounding that his prophecy should begin to quickly assume its validity, for in the famous Shantung problem the sincerity of President Wilson is seriously questioned by the world, not by China alone. Even though the President is sincere and still maintains a foreign policy of good intention, he can not be said to have a thorough knowledge of the Far Eastern situation. He may think that Japan will respect the independence or territorial integrity of China. The famous Ishii-Lansing agreement must fall into this same category.

On November 16th, 1914, the city of Tsingtao surrendered, and the German military and naval power in the Far East was eliminated. Japan now had an opportunity to survey the world situation as affected by the war, and to orient itself in relation to it. By the end of that year, it was apparent

that the war would not end quickly: momentous changes in national alignments were in progress; and an unequalled opportunity seemed to present itself in Japan for satisfying various territorial and economic ambitions. As later events demonstrated, these ambitions and aims were: to succeed Germany in its position and possessions in Shantung; to consolidate the Manchurian territory won in the war with Russia and to add to it a part of Mongolia; to gain a controlling share in the iron output of China; to secure the military safety of Japan by rendering impossible the lease of any of China's ports or coastal islands; and to enter, if possible, into such close economic, military and political relations with China as to make it, with all its vast resources, tributary to Japan! These five aims were expressed in the Twenty-one Demands served on China on January 18, 1915.

With very few exceptions of short-sighted journalists, a majority of writers urged that it was time for the American diplomacy to make a fair and square declaration of the American position. But as the United States did nothing more than issuing a circular note, China was forced to make to Japan the granting of some special privileges and concessions. Japan's position in Shantung and Manchuria constitutes a complete upsetting of the balance of power, and suggests strongly all the possibilities of a reversion, after the European War shall have been concluded, to speculation, apprehension, competition, and consequent developments, such as marked the years preceding the Russo-Japanese War. This situation aroused various suspicions of Japan's ultimate intentions toward China, and there

seemed a need for some official statement to clear the air.

At the time of the Twenty-one Demands, as already stated, America was the only nation to protest against any infringement of China's rights. It was again the United States who had sent definite advice to China, during the turmoil which accompanied the attempt to overthrow the Republic and to restore the Manchus. One month later on August 14th, 1917, the Chinese Republic, following the step taken by the United States, formally declared war on the German and Austrian empires. The formation of the closest ties between America and China seemed vital to the future greatness of Japan, and any interference in such a program was looked upon with apprehension. Adachi Kinnosuke, an experienced Japanese journalist, said: "In the Japanese-American relations, the powder-chest had ever been China, - not California." Accordingly an assurance from America of a continuation of its present relations with China was much desired by Japan. Furthermore, the loss of Russia from the ranks of the Allies, pointed to a decided need of unity of counsel and of effort between America and Japan. There seems reason for the belief that a certain amount of pressure was brought to bear on America to recognize the aspirations of Japan in China. This the United States apparently yielded to Japan at the expense of China and of her own interests, for after a series of conferences in Washington between Viscount Ishii and Secretary Lansing, the Agreement was issued on November second. There are two im-

portant clauses in this Agreement: that the United States recognize Japan's "special interests" in China; and that both the United States and Japan repledged themselves to observe the principle of the "open door" and the territorial integrity of China.

The terms here are self-contradictory. "Special interests" imply special privileges, either commercial or political. These privileges are in direct contradiction with "open door." The same sort of contradiction had existed in the treaty between Great Britain and Japan, made in 1905, concerning Korea. Three months after this treaty, a Japanese protectorate was established over Korea; five years later Korea was formally annexed. The Lansing-Ishii Agreement aroused a great fear, especially on the part of China, that history would repeat itself. The term "special interests" is obviously vague. It may mean anything to Japan. In this vagueness of meaning there is possibility of future misunderstanding.

It was stated in the Agreement that "territorial propinquity creates special relations between countries," and that consequently Japan was entitled to the "special privileges" named. We know that territorial propinquity exists between the United States and Canada; the former desired special relations of reciprocity; but, when Canada did not wish to enter into these relations, there was no question of using force to accomplish it. Territorial propinquity does not seem to be a sufficient reason for acquiring special privileges against the will of the people

concerned. Further, if territorial propinquity were generally recognized by the other powers as creating special relations, "the Philippines have a propinquity to China differing only a little in degree and not at all in kind from that which Japan and her insular possessions have. If the propinquity of the latter is a basis for special interests, what becomes of that of the former?"

Perhaps the greatest objection here was that China was not included in the negotiations. America, with all its good intentions towards China, decidedly ignored Chinese sovereignty. As soon as the Chinese government was informed of the Agreement at issue, an official statement in order to avoid misunderstanding, addressed to both the Japanese and American governments, was issued. It made the idea clear that China recognized special interests only in so far as they existed by virtue of treaties and agreements to which she was a party.

Concerning Japan's pledge not to allow any attack upon Chinese territorial integrity or independence, the "China Press," as quoted in "Millard's Review" of October 6, 1917, said: "Baron Ishii announces that Japan is 'prepared to defend the independence of China against any aggression.' This is all to the good. There is only one nation that threatens China, and if Japan will defend China against the aggression of that nation, China will survive. If Japan,

to put it plainly, will defend China against Japanese aggression all will be well.

The Lansing-Ishii Agreement has not a bit of effect upon the aggression of Japan in China. As Carl Cron says in his article, "We complete the Chinese Wall," in the Sunset.

"Then it may be seen that while fighting in Europe for the rights of small nations and to make the world safe for Democracy, we have for the sake of present security in the Pacific, forsaken the policy which has protected the rights of China, and have removed the last safeguard against the disintegration of the most populous republic on earth."

The spirit of Lansing-Ishii Agreement can scarcely be said to have done justice to America's good intention towards China. The Agreement was and is a great disappointment and discouragement to the Chinese. In this disappointment many Americans share. But people are easily led into an untrue optimism. Having tried to forget the disappointment, China went to the Peace Conference with a strong faith in the lofty principles adopted by the Allied powers as a basis of just and permanent world peace. Alas! In the Shan-tung problem she is again painfully disappointed. As Mr. Millard had predicted three months ago China's faith in the dawn of a new era is rudely shaken.

Tested either by the recognized principles of international law, for the sanctity of which the War was supposed to have been fought, or by the fourteen points which have been officially

adopted as the guiding principles of the Peace Conference, Kiaoo-Chow and the German interests in Shan-tung should be unconditionally handed back to China. And yet under the threat of Japan of break away from the "League," the Council of the Big Three, including the great President himself with all sorts of good intentions, has proposed to settle the Shan-tung question by transferring to Japan all the rights formerly held by Germany; while Japan voluntarily engages to hand back the Shan-tung Peninsula in full sovereignty to China, retaining the right to establish a settlement in Tsingtao and hold the economic privileges formerly enjoyed by Germany. These privileges refer to the Tung Tao Chinan railway, 288 miles long, the mines connected with it and the two railways to be built connecting Shantung with the two trunk lines from Peking to the Yangtze valley.

The net result would be, therefore, the substitution of one foreign power in Shantung by another. What difference does that make? It is true that Japan voluntarily engages upon her honor to return the Shantung Peninsula to China. During recent years Japan has made many promises and engaged to do many things upon her honor, and the world ought to know what that means. I can not help admiring the Japanese in the adroitness of the simple phrase "voluntarily engages to return," leaving the world to guess as to the "when and how" - whether without condition or with another Twenty-one Demands.

It is true that China did not send soldiers to participate in the fighting upon European soil, but she had at least 175,000 labor battalions on the battlefield, braving the danger of war and doing their bit to lighten the military burden of the Allied troops. But where were the Japanese soldiers? Is the Peace Conference upon which the world has built so much hope, simply an assemblage for the division of spoils? Even assuming that it is, can the division be considered fair when the more powerful ally has reaped benefits at the expense of ^{the} not of a common enemy, but of the weaker ally? The world had been taught to believe that the war was a great moral struggle, that the Central Powers were faithless brutes, devoid of any sense of justice; but when in a company of friends one member should be permitted to cut another's throat, I can hardly conceive anything much worse.

In the words of one of China's delegates to the Peace Conference, those of V.K. Wellington Koo's, "The Chinese people are not only astounded, but deeply mortified, by the action of the Council of Three regarding Shantung." The International Socialist Commission appointed at Berne in February, on the 16th of this May, denounced the Shantung "settlement" as an open recognition of the right of conquest. President Wilson's fourteen points are wonderful, but they are fourteen points so wonderfully fast forgotten. The great President who, as he himself has repeatedly declared, represents the true great American people, did not try to make a firm stand in the Shantung question. This and other things have led the liberals

and socialists, his friends and enemies alike, to question his sincerity.

President Wilson may still have the same attitude towards Japan as he has trusted in the Lansing-Ishii Agreement that Japan will really preserve the policy of "open door." His misconception in the Shantung question seems to be due to his ignorance of Japan's insatiable ambition in the Far East. He acts as though he has never heard Mr. C. T. Wang of the Chinese Mission at the Hotel Lutelia. He joins the British and the French in making a tentative program for Shantung, as though he deliberately ignores the opinion of many an experienced American journalist. In 1916 Mr. George B. Rea had written a forceful article, entitled "Closing the Open Door." In July of that same year, Mr. George Harvey wrote his editorial, "The Closing Door in China." Mr. B. W. Fleisher, in his editorial for "the Japan Advertiser," April 17, 1919, says: "The Upper House in more than one respect is the strongest element in Japan's constitutional machinery. Those Peers whose views are given in the Jiji [a Japanese paper] brush aside with contempt the agitation about race discrimination and concentrate their attention, on Far Eastern matters. 'The race question' they say, 'is unimportant compared with the China question'... The Peers evidently regard Japan's special position as an exclusive one ... The Peers, in fact, in their list of desiderata seem to have forgotten one -- the Open Door." To a correspondent of the New York Herald, Dr. C. T. Wang said in Paris, on March 4, "The world at large cannot afford to see China and

her immense natural wealth and strength pass under the exploitation and control of a military nation whose history during the past quarter of a century furnished positive proof that they close the open door, employing every opportunity and privilege exclusively for the benefit of their own people On every open door that comes under their orbit, they pin a notice to all other nations, 'Exit,'"

Now is there any doubt that if Shantung be transferred to Japan, the Oriental Prussianism will be encouraged and the world peace distributed? The skeptical may still ask what the western world has to do with East^S. It does seem hard to conceive that civilization has brought all nations to one family. But was it not a hard thing to see five years ago that the United States of America would ever have anything to do with a war in Europe? It took three years of war to show that war was a war between two principles -- Autocracy and Democracy. After having seen the operation of one Prussianism and the growth of another, I hope we have no need to repeat the same process. For the lack of moral courage to prevent injustice done in Europe, America was forced into the war to right the wrong at the cost of millions of lives. Will America learn a lesson from this war for which America has paid so dearly? Shall we not follow the proverb that "an ounce of prevention is better than a pound of cure?" Or else, are we ready to fight another war? We can still see the gushing tears in many a mother's eye and the gold star on many a sweetheart's arm. Thousands of families are still wandering without a home and millions of people are still suffering starvation.

It is up to the world powers to make the future. If the world is to be made safe for democracy, the future happiness will come largely from a democratic China. Most Americans will probably be surprised to hear that if all the people in the world were lined up on parade, every fourth person would be Chinese. The Chinese territory could cover more than the entire European continent. In the matter of coal alone, China possesses five-sixths of all the productions in Asia. The vast Chinese resources are to be brought forward and developed to the benefit of all mankind. They can be made good to the devastated portions of the world, the war-stricken areas. Here comes a powerful reason for making China an independent democratic country; here comes a powerful argument for preventing an Oriental Prussianism, or an aggressive militaristic Japanese menace.

There is an ample possibility yet for reconsidering a settlement for Shantung; Americans must not hesitate to deny the Japanese of their right of conquest. Hesitation always invites trouble. We hope that the laggard and weak policy like that in delaying the recognition of the Chinese Republic, shall never again occur. Weakness and vacillation impair the national honor. If the American government does not wish to have the Lansing-Ishii Agreement breeding any dangerous misunderstanding, it should seek to abrogate it, or at least to make a definite supplement to it. Instead of a negative

policy of withdrawal from loans, the United States now seems to adopt a strong, positive, energetic, and enterprising foreign policy in China. Instead of ²taking on "Open door," she is now to work at it. Instead of a foreign policy of merely good intention, she begins to seek its practical wisdom.

Without undue pride, Americans may claim that history gives them the right to the title of China's best friend. During the past few years of Wilson's administration, there has been probably the "reverse of the medallion." Must not we have the medallion set right again?
