

The Economic Club of New York

81<sup>st</sup> Meeting

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Situation in China

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May 5, 1927

Hotel Astor  
New York City

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Introduction

President Hines

Members of the economic Club and Guests: The first thing we do this evening is to have an election. At the last meeting each spring according to the constitution and bylaws of the Club there is elected a President, 2 Vice Presidents, and they are elected for the term of 3 years 5 members of the Executive Committee. In accordance with the bylaws and the practice of the club the President appointed a Nominating Committee of 5 whose names you will see at the bottom of the leaflet containing the report of that Committee. In the unavoidable absence of the Chairman of that Committee I will ask Mr. Fancher, of that Committee, if he will submit the report of the Nominating Committee.

MR. FANCHER: Mr. President and Members of the Club: The Nominating Committee desires to present for your consideration the re-nomination for the office of President and Vice Presidents of the present officers of the Club, namely, for 1 year, for President, Walker D. Hines; for Vice Presidents, Ogden L. Mills and Paul M. Warburg; for members of the Executive Committee, for a period of 3 years, from October 1, 1927 to September 30, 1930, the following named gentlemen: Lucius R. Eastman, Cornelius N. Bliss, Julius Henry Cohen, Edwin M. Herr, and Samuel W. Reyburn.

Respectfully submitted; William Church Osborn, Chairman, Lawrence F. Abbott, Morris Baar, Bertram H. Fancher, and Ramsay Peugnet; Nominating Committee.

A MEMBER: I move that the Secretary cast a ballot for the report of the Committee as present for the nominations for the officers for the ensuing year.

Seconded.

PRESIDENT HINES: In putting that motion I would be subject to some embarrassment but for the fact that I made some inquiries in advance as to whether it was regarded as permissible in this Club for the President to put a motion for his own re-election. I was assured by the best authority in the Club that everybody does it. (Laughter) So with that assurance I can go ahead with a free conscience, and ask those in favor of the motion to say “aye,” contrary “no.” The motion seems to be carried and the Secretary is directed to cast a ballot. I am advised that the ballot has been cast and the gentlemen named by the Nominating Committee have been elected in accordance with the report of the Nominating Committee. (Laughter and Applause)

If I were not a very grateful man I would return evil for good by making a speech of acceptance, but I will refrain from doing that. I will express my very great appreciation of the honor that is conferred upon me and of the opportunity that I have of presiding over the Club for another year, at which time, according to the practices of the Club, I will be ineligible for re-election.

We have a subject this evening, the situation in China, in which we all are intensely interested and I want to congratulate you at the outset on having an exceptional lot of gifted speakers to tell

you about that situation. The discussion will be open by your hearing from Professor Paul Monroe, who was Educational Expert for the Chinese Government in 1921 and 1922. He is a trustee of the China Foundation for Promotion of Education and Culture. That is a foundation which was created with a part of the boxer Indemnity Fund. Professor Monroe is also director of the International Institute in Teachers' College at Columbia. He has a very broad international outlook by his profession, and by his unusual opportunities exceptionally well-informed, and particularly on China, to which he has devoted so much of his attention and thought. It is a great pleasure to introduce Professor Monroe. (Applause)

First Speaker

Professor Paul Monroe

Columbia Professor

Mr. Chairman and Gentlemen of the Club, and your Guests: If any of you have visited the real China and have put up at the inns in any of the little villages, you have had an experience which was possible somewhat disconcerting, but may throw some light on our procedure this evening. The doors and the windows of your room were made out of an oiled paper, stretching over the ordinary framework, opaque enough, but in time you have noticed little transparent dots occurring more and more frequently in this oiled paper. Naturally at first you have attributed that, in this queer "Alice in looking gland land" to rain from a clear sky, but upon further investigation you have found that those dots have been made by moistened finger-tips of curious

visitors who like to see what these strange foreigners are. Irritated no doubt at first, until you realize that after all you are there for the same purpose of trying to find out something about these strange foreigners.

The most we can hope to do, and I think in this I may include the gentlemen who are to speak after me. So much better informed than I, the most that we can hope to do in the short time this evening is to make just a few fingertip translucencies in this opaque wall which separates two great people which really should understand each other very much better than they do, and I shall try to make three of these. As this is an Economic Club I presume it is quite proper that the first one should be an economic hole. Just a few words upon one aspect of the economic problem, which will explain one of the difficulties which arises now between China and the foreign powers.

May I repeat just a few of the statistics with which, no doubt, you are quite familiar. China is a land of 430,000,000 people; most of the recent estimates give. The average income from all of China is, in American dollars, about \$25 a year, \$50 Max., less than 10 cents a day. The average family income is \$75 for the whole country. On an average prosperous year they make it. On most other years fully 80% of the families do not make even that low margin. The area of farms, the average farm in South China, in the rice land, is about 1 ½ acres. The average for the country is about 3 acres. The annual maximum production of those lands is not able to give necessary food for the support of the families for more than 45% or 50% of the families of the country.

80% of the people are agricultural people. 80% are devoted to the bare process of producing food. In our country perhaps 35 to 40% is all that is devoted to the initial industry of raising food. Then the question arises, how is this margin made up? In the first place, by the fact that a very large proportion of these people are really undernourished, their poverty is such that they are never very much beyond the margin of subsistence, but the greatest additional element of support comes from the fact that there is a handicraft industry of various types. Very varied, in fact, distributed all over China. Practically all of the families are engaged in 1 type of handicraft industry or another, chiefly the weaving industry, weaving of silks, weaving of cottons and very recently even of wools, especially into rugs; and all sorts of metal industries.

In other words, there is the old handicraft system of industry similar to what England and other European countries went through 150 years ago, previous to the establishment of the modern industrial system.

That is just enough to lift these people over the border of bare subsistence. Now, the thing which they are facing in these modern years is a tremendous influx of machine made goods of the western countries and, of course, it is obvious that these handicraft industries cannot compete, even with the low-priced labor which they have there, with the products of the machines of the west, and what is happening is the rapid pushing out of these handicraft industries from actual existence, and it means that more and more of these people are being driven out of the industries

which support life, and one reason for it, not the sole reason, but one, is this, and we come to its bearing upon one of the problems of the present time. The tariff which China is able to set up between it and all other countries has been limited by treaties forced upon it by the western powers. Since the first treaty which was made in 1840, the limit of that tariff until the Washington Conference was 5%. The Washington Conference was generous enough to add 2 ½% to it. Chinese goods shipped into the United States pay all the way from 30 to 300%. They average around 60 to 80%. We allow China to levy a custom duty upon our goods shipped into China of 5%, and it is rushing the country in a way that must affect the western countries, simply because we are driving out of existence this great range of handicraft industries upon which the people subsist. That is one of the chief reasons for this disturbance in China; not being able to employ this great mass of partially employed people in the agricultural regions, there must be some other employment. The most popular employment is military service. There they get, at least, a living. There they get no more labor than they would have to do anyway. There they get security, and the 1,500,000 soldiers in China may be compared, I think, frankly, with the unemployment dole in England. It is simply one way of keeping alive a lot of people who otherwise would be at starvation's door, and would be making a lot of trouble anyway. Better keep the trouble at home.

The foreign countries in demanding that China should not have control of its own tariff and raise a wall which would enable this transition from the old handicraft system to the modern system to take place more gradually and more normally, are raising up difficulties for themselves. See what

would happen if China had a right to and did raise the tariff to a level somewhat similar to other countries. It would not only make this transition from the handicraft to the factory system much more gradual than it is at the present time, but it would raise the standard of wage and standard of living. That would draw in more people from the country and give fuller employment to the people of the farms; raise the wage of the factory workers until something like a normal wage, perhaps 25 cents or 30 cents a day, and enable them to pay more for their goods; enable the laborer on the farm to get more for his products, which would raise the economic level everywhere.

Furthermore, if it is not done, sometime in the near future, when this does get a start, there will be an economic competition with the west with cheap goods produced from the factories in China which have been cut down to this low level and standard of living, that will be one of the problems of the future, and at that time the problem of China will be a very different one from the present time.

The answer is, well, we have conceded this, and so far as the United States is concerned we have said that after 1929 they may have tariff autonomy, and the question comes then, and it is a question which the Chinese are asking, “If it is right and just in 1929 that China should have a right to say what her own duties should be, why isn’t it right in 1927? Why wasn’t it right in 1921 at the Washington Conference? Why wasn’t it right in 1919 at the Versailles Conference?”

That is one of the questions which the Chinese are asking, and they have not heard any satisfactory answer from the west, nor have I heard any answer which really answers that question. Why hasn't it been done?

Let us turn from the economic side to one other aspect of the problem. I do not believe that at the present time the major or the fundamental problem in china is economic, nor military, nor political. I think the fundamental problem is what we may call a psychological one. It is a mental problem. It is the problem of the attitude of mind of the Chinese, and of the western people towards the Chinese, and this whole present difficulty, in my judgment, is not going to be solved until we can solve that problem of attitude of mind.

May I sketch very briefly the development of the relations between China and the west over these centuries of the past, that we may see just where we have gotten to at the present time?

For many centuries there was merely the contact of the occasional trader or occasional traveler, rather than trader. The outstanding case of this, of course, was Marco Polo, who brought the first detailed account of the great eastern empire to the European people. But there was enough of this so that when you get into the 17<sup>th</sup> and 18<sup>th</sup> centuries China stands as an ideal culture, to which the writers of Europe could refer. As a matter of fact, Voltaire, in his "Philosophical Dictionary" and people of that kind in the 18<sup>th</sup> Century continuously held up China as the ideal civilization and

culture to which they could compare the degraded civilization of Europe. Of there was any question of an inferiority complex at that time, it was one with reverse English from the present.

After that period of simply the occasional traveler and the fragmentary communication, we come into a period of commercial contact, the development of the trading period, the 17<sup>th</sup> and 18 centuries. You can identify it practically with American history and get some understanding of what China went through from that. The first Englishman to set foot on the soil of China was in 1620, the same year that they set foot on Plymouth Rock, and it was the same type of people in China, and for the same purpose, not of the Plymouth colony, but of the other colonies. They were trading corporations. The same East India Company that had a little difficulty in Boston Harbor, which we call a tea party, had a similar difficulty a few years later in Canton Harbor, and they called it an opium party. It was the same corporation, the same situation, and very much the same methods, only the results were somewhat different. If you read the account of these countries and the approach of the European countries to China, you will find that it was much the same as you will find in the early part of America's history, for instance, the conquest of Mexico or the conquest of Peru. These European people treated the citizens of the Orient, living as they did in this ancient and highly complex civilization, just as they did the savages in America. They kept their foothold by seizing ports or cities. The Dutch seized 1/2 hold by seizing ports or cities. The Dutch seized 1/2 of Formosa and governed 200 cities and villages. They seized another city and were driven out. The Spaniards did the same thing, and in return for being driven out they slew all of the Chinese in Manila, where the Spaniards did control. You can read these accounts

of the approach of the European countries, not only the conflicts amount themselves, but their attitude in their conflicts with the oriental, and I think there is no fair-minded westerner who can read that without a blush of shame. Piracy in those days was an ordinary business profession in which many of the best families participated, as we know from our own history of New York with Captain Kidd. That same sort of thing was carried out on an enormous scale out in the Orient. There was a very shady line between economic venture and seizing things by force, until we come on, passing over that period rapidly, into the early 19<sup>th</sup> Century. And it came to the attention of the governments, both of the Chinese Government and the European governments. All of the previous contacts had been carried through by trading corporations, but you can see what might have happened in China if you realize what happened in India through this same East India Company, the same thing that the West India Company, both Dutch and English, attempted to do in the American continent. When you get into the early part of the 19<sup>th</sup> Century the East India Company was suppressed and then these matters were taken up by the Government, and the first approach was in what is called the opium war from 1837 to 1842 between England and China.

It is resented, of course, and perhaps rightfully, by the English when it is referred to as the opium war, and yet it represents one of the bases of difficulty and misunderstanding and inability to get together. For the Chinese the purpose was the suppression of the opium trade. For the English it was as they announced then, and all of the writers since, simply a demand that England be recognized by China as a country equal to itself; whose representatives would be received with

honor and not to be driven out, and that they be given the ordinary courtesies of one country to another, and that was the purpose of the second war in 1857 to 1860. In other words, it is a curious reversal that you would think might appeal somewhat to the same sense of the ludicrous of a person engaged in it, because what England was demanding in those days is exactly the same thing which the Chinese are demanding now, that is, the quality of treatment of one nation by the other, only China is demanding it now of England in her own country. That was exactly the cause for 2 wars between England and China in the early part of that century. Then there began with these wars the formation of those treaties which are referred to now as the “Unequal Treaties.” As the result of those treaties England was ceded Hong-Kong; was given extra territoriality; in one of the supplemental treaties immediately following was give the right to trade at the treaty ports and so on. In other words, England’s demand for greater treaty privileges and recognition as a nation equal in rank and in power to that of China was accomplished by these wares. Only it is a curious thing that does not work in the reverse. If any one of these nations gives back any of these privileges taken from China by force, or by duress of some kind or another, it does not work, so that all of the other nations did the same thing. In other words, China is the only nation of all these parties dealing with the situation which does not have the benefit of the favored nation clause.

Fifteen years ago, the first year of the Republic, I was visiting in a little village in the hinterland of Canton, as far back as one could get by the ordinary means of transportation. In the village we heard a great hubbub, and I knew at once it came from what they call a loud school, or what we

used to call in this country a loud school, all of the children studying their individual lessons at the top of their voices. But this sounded different from all those that I had heard before. There was a new quality to it, and I soon discovered that the children instead of reciting individually were reciting in unison, and so I asked to visit that school. We found it in an ancestral temple. This was in May, and inside we found little boys, almost naked, with the perspiration running down their shining bodies, were shouting at the top of their voices something which seemed to interest everybody, and they put their heart into it, and I asked the interpreter to tell me what they were saying. It was the new republican primer. I cannot give you the words, but this was something of the nature of what they were saying” “In 1840 Great Britain took Hong-Kong. In 1856 she took Kualan. At certain other dates she took lower Burma. At certain other dates she took upper Burma. In other words, she had completely encircled China.”

And the story went on. “France at a certain date had taken Indo-China; at a certain other date she took Cochin-China. At a certain other date she took the lower part of Annam; that at a certain other date all of Annam; and you get another slice of China taken off. The story went on with Russia. At a certain date Russia took the province in which Vladivostok is no located, and then a certain number of strips along the northern boundary, and then they took the western part of Turkestan, and then they took Outer Mongolia,” and then they began with Japan. First she took the Aleutian Island, and then she took Formosa, and then she took Korea, and then she took South Manchuria, and they went through the whole list.

That was just 15 years ago. Those little boys are about 20 to 25 years of age, and I know from practical experience that a great many of these leaders of the Southern Army did not get their inspiration from Soviet Moscow. They got it from this teaching which was going on through all of the schools at that time, because that lesson ended up in this fashion: "Then what is the solution?" To arms. The only thing to save our country is that we may be prepared to defend it," and the phrase which the Chinese used, even yet, to correspond with when we say the country is in danger, they use the words which mean "our country is being destroyed."

A few years ago, 2 years ago, coming out of Hong-Kong itself at the time of this trouble which occurred with the merchants there, I asked my cabin boy on the steamer what was his explanation of this trouble and he said in his broken English, which I will not attempt to repeat, he said, "Englishman make big squeeze. Englishman take Canton; Englishman make big squeeze Kualan. Shanghai. Singapore." The Englishmen, they were making big squeeze. "For long time coolie man did not know, but Chinese student, he know. Chinese student, he tell coolie man and now coolie man says Englishman no more make big squeeze, no more make little squeeze, Englishman must go."

And I come to the emphasis on the second point I would like to make, because if you substitute for England the western powers you have the situation, and that is the change of attitude of the Chinese people, demanding that they be treated as other people, that they be given in their own land, in their own country, the rights which are accorded to other people in their own country.

they have a very definite feeling, which is backed up by any number of illustrations, that they do not have the rights in their own country that foreigners do, and they are demanding at least that much, and whether you are inclined to accept it or not, I am simply trying to give you an analysis of the thing as I see it, and not to argue one way or the other, and the analysis as I see it is that the Chinese have had a change in mind, and that the thing which the western people have to deal with is that attitude of mind, and you can never change an attitude of mind by the use of force, for the more force you use the stronger you make that attitude of mind, it is hostile to begin with, and I have a profound conviction from having more or less contact with this country for the last 15 years, that the application of force by the United States or by Great Britain or by any or all of those powers combined, is not going to get them anywhere, in the ultimate and final solution of the problem.

And the third point I would like to make is just a few words regarding the political situation, and the first of these we may take for granted, or I trust that we will, that President Coolidge's recent statement is something which should have the heartiest approval of all of us, namely, that at present at least there should be no more notes to China. Why should we try to hamper or tie the hands of the man who is the most likely to solve the difficulties of China knowing that if he complies with our demands or the demands of any foreign power, he is thereby going to lose all the power he has at home which might enable him to solve this problem. Why should we so obstruct the efforts of the man who is our best friend in trying to solve the situation so that he becomes impotent, and I believe that we should support the President most heartily in his

decision that we will not act in conjunction with other European powers if that con-joint action demands force. (Applause)

I am quite ready to see one of the great purposes and advantages of joint action. If we can persuade, by our attitude and our influence, the Europeans to take a more peaceful and more helpful course of action toward China, then by all means let us have joint action. If it means that we don't act at all, or if we do, we have got to fall in with their procedure, then by all means let us go along, and we have reached that stage, seemingly, at the present time.

Now, you have express approval of opposition to the use of force and yet, after all, there are many ways and there are many knotty problems about this use of force. We had a list in the newspaper the other day of 45 instances in which the American gunboats had been fired upon, and presumably that many instances in which we had replied, because doubtless there are many instances in which we have replied with broadsides. Why should we, when a poor, ignorant Chinese coolie, who never had any power in his hands before, who never had any opportunity to really express what he felt, now with a rifle in his hand, behind a mud wall, he takes pot shots at this vessel of the foreigner passing by, why should we respond with a broadside or even with a rifle shot? It is not going to settle the problem with the mass of Chinese, even if it does with a few of the individual ones. We may grant further that the chief function of government, the chief purposes of government, is to protect its citizens and the property of its citizens, but I think that we might readily ask, "Whose property?" And, furthermore, the question which we are bound to

consider and bound to answer sometime soon is, “Does that principle involve the corollary that the American Government must go into every land in the world with its navy to protect any piece of property of any American citizen?” That is a great international question which we are going to have to face very shortly.

We would resent it, I think, if Mr. Mussolini sent a squadron up the Hudson to Albany demanding that Governor Smith should retract his statement regarding the relations of the Church and State. We would resent it if the British sent their Palestine squadron up the Mississippi to St. Louis and demanded that Senator Reed quit making fun of the Jews. We would be thankful, perhaps, that Idaho did not have any navigable rivers. But that sort of thing is exactly what is going on now in answer to this demand of American citizens to protect their property. Hankow is nearly 700 miles up the river. Changsha and these other ports where we have had gunboats are nearly 1,000 miles up the river, and in passing by these gunboats or these ordinary steamers, the little sampans of the Chinese are overturned. I have been on many of them where you can see rod after rod of their agricultural land being washed away into the stream by the waves cause by these steamers. There is no wonder that these people resent the presence of these boats, or even of ordinary steamers, 1,000 inland.

I know these businessmen of China. They are fine, outstanding representative businessmen; I take it, of the same type that are here. But we are entitled, I think, to ask a few questions. Why should we spend millions for the protection of a few thousand or hundred thousand dollars worth

of property? As a mere business proposition, it would be far better for our Government to say, “We will guarantee the future security or some compensation, adequate compensation, for your property, but we do not propose to get into war over it.” Haven’t we had enough illustrations in the last few years to know what a war is? At Gettysburg there were 3 days fighting. The Union artillery fired off about 30,000 rounds and it cost \$75,000. At the St. Mihiel drive the first barrage lasted 4 hours. We fired off over 1,000,000 rounds of ammunition and it cost over \$20,000,000. Every minute of the St. Mihiel drive cost more than the entire 3 days of the battle of Gettysburg. And what is the next one going to be? That is simply one phase of the question. Why isn’t it far better for us to say to these representatives, these nationals of America, both businessmen and others in these countries “At a certain time you should get out and at that time we will withdraw the gunboats and this protection.” We have already withdrawn them from everywhere except down from Hankow to Siangtan. Why not do it the rest of the way and guarantee these men that they will not stand any loss, but you will not get America into war, or you will not lead us to make an aggression upon a friendly power that don’t understand us.

And after we have taken those 2 steps I say, “Take one more.” First notify all the American nationals to get out, and then at a certain day order the gunboats out, whether the nationals go or not, and then I would say to the Chinese Governments, all of them, “We realize that the presence of American nationals in China is causing you difficulty. You have enough difficulty of your own. We have a right there, but we think it is a fair and friendly thing to withdraw. We are going

to withdraw on a certain date. The property which is left, we will expect you to protect. If you cannot protect it we will expect you in time to make good.”

The Chinese are very fine and practical people. They are very good businessmen. They are great gamblers and they are good scouts. I think they would look at a proposition like that and say, “That is a fair proposition. We will do business with you.” (Applause)

PRESIDENT HINES: We are now going to hear the situation in China discussed from a different point of advantage, by a gentleman who is a native and a citizen of China. He spent 6 years in the United States getting his education, 3 years at a university in Ohio, and 3 years in post-graduate work at Columbia. He was then in charge for 10 years as President of the Southeastern University of Nanking. He has come back to this country about a year ago as Director of the China Institute in America. I think we will be particularly enlightened by what he has to tell us based on his intimate knowledge of China and also his appreciation of the psychology of this country. I have great pleasure in introducing Dr. Kuo. (Loud Applause)

Second Speaker

Dr. P. W. Kuo

Director, China Institute in America

Mr. Chairman, Ladies and Gentlemen: I consider it a great privilege to have been invited to address this notable gathering of the members of The Economic Club of New York and their friends.

During my recent visit to the sunny South I heard a little story which I propose to tell, because it takes only half a second. Once upon a time, when all stories begin, it is said that there was a colored preacher who began his Sunday morning sermon with the following words: “Brethren and Sistren: I am going this morning to define the indefinable, to explain the unexplainable, and to unscrew the inscrutable.” (Laughter)

Now, ladies and gentlemen, I confess I am not qualified to do anything of the kind. All I propose to do is to give you my views of the situation in China. In speaking about China I find it helpful to point out and to emphasize a few general considerations which help us to get the background of the situation; which help us to have a right perspective of the situation. I wish, therefore, to remind you, in the first place, that in the development of any political or social organization, the time element plays a very important part. As an organized state China, of course, has had a history covering some 5,000 years. But as a republic she is still, after all, one of the youngest, for the change of government in China from that of monarchy to a republic did not take place until the year 1911, some 15 or 16 years ago. So, in many respects, China is still going through a stage of transition, a state of readjustment, and the troubles she is experiencing at the present moment

but represent the birth pains of the new republic. They represent the price which the Chinese people have to pay in exchange for democracy and for freedom.

Secondly, I wish to point out the fact that the task before China today is not the mere importation of a governmental scheme, or the introduction of the political panacea which has been found useful and efficient in one of the western countries, but, rather, it is that of evolving from within a new political order which will be, on the one hand, able to meet the new demands in China, and on the other hand, be able to take into consideration all the traditions, all the psychology and history of the Chinese people, and that, you will admit, is no easy task. And, moreover, we have to bear in mind the fact that the readjustment which China is now making is not at all confined to political institutions, but extends to other phases of her national life.

Dr. Monroe pointed out to you the change that is taking place in our economic life, the change from the handicraft to modern industry. But that is only one of the phases of the changes that is going on in China. The fact is that all the great revolutions that have taken place in the western world during the last 300 or 400 years, political, industrial, intellectual, as well as religious, are taking place in China today, and that accounts for the reason why the situation appears to be confusing and complicated, especially looking at it from a distance.

I have been using a little statement to illustrate this present situation in China. I think I am going to read this to you for the benefit of those who have not heard it, because it is a very brief

statement, but tells a good deal. To understand the life here, that is, out in China, take pinch of the struggle of the early church; throw in a little of the European renaissance, and add some of the wild thinking and bloody events of the French Revolution; and then pour in a good quantity of the Spirit of '76, and add a little Bolshevik red pepper. (Laughter and Applause)

The process is still going on. There is another statement attached to it referring to the international phase. Throughout China foreign business is blue because of the reds. The Chinese patriots see red because they have not been treated white, and further, the future of Asia's 800,000,000 promises to be blue unless the western powers stop being yellow. It is quite a colored statement, you see. (Laughter)

Whether you will agree with me about this statement or not, that is another question. But I think it is sufficiently clear that the situation in China is a complicated one, and that the task before China is a very difficult one and that, therefore, it takes time for its satisfactory performance. I find there are people in this country who, with perfectly good intentions, would like to see China make more rapid changes; make more rapid readjustments, forgetting the fact that changes made too rapidly are not healthy and do not last long. To my mind, half a century, or at least, a quarter of a century, is not too long a period for China to do all the things which have taken the western 3 or 4 centuries to accomplish. (Laughter and Applause) Half a century or a quarter of a century may appear to be too long in the life of an individual, but what is half a century in the life of China as a nation? As a matter of fact, ladies and gentlemen, the process of modernization is

going on in China. The process of westernization is going on in China much faster than most people realize. As a matter of fact, ladies and gentlemen, in spite of the political squalls and disturbances in China, the people have made considerable progress in recent years in government, in education, in industry, and in commerce, as well as in other phases of her national life. In the light of these signs of progress, our people believe that the civil strife and other political evils of the day, however serious they may be for the time being, will be overcome, and that in time China will emerge out of this all, this trouble, a united nation and a stronger nation.

Having reminded ourselves of this background, let us proceed to examine the situation a little more carefully. The political situation seen from the surface, is confusing and complicated, and so confusing and complicated has it been, that sometimes the situation has been called a Chinese puzzle, and there is a good deal of truth in that statement. But, as a matter of fact, this situation is subject to analysis, and when analyzed it will be found that it is resolving itself into 2 distinct phases, more or less related to each other, and one of them is that there is an internal revolution attempting to overthrow the government in Peking, and to create a better government in its place. The other phase is that there is a national movement attempting to fight against the continuance of certain forms of foreign domination, foreign control and foreign interference in China. Let us examine these in their order. First, the internal revolution, what is the cause of it? My answer is dissatisfaction, dissatisfaction over the present state of affairs in China, dissatisfaction over the economic conditions of which Dr. Monroe spoke; dissatisfaction over the political conditions;

the failure to create a truly democratic government in China; and dissatisfaction over China's international status.

Now, it is the belief of the people in China that there are at least 2 important factors responsible for this undesirable state of affairs in China, and one of them is the existence of these war lords, these militarists. They are reactionary; they are conservative; and they are obstacles in the way of progress and reform.

The other is the existence of some forms of foreign control and foreign domination and foreign interference which infringes upon Chinese sovereignty as a nation and prevents China from enjoying true freedom and liberty. It follows that in order to make possible the creation of a united democratic and modern government in China it is necessary to remove these obstacles in the way, and so we have these slogans in the revolutionary movement, "Down with the war lords," and "Down with foreign imperialists." But the real source of revolution, as you all know, came from the political party in China known as the nationalists party founded by Dr. Sun some 30 years ago. He was once upon a time regarded by many as sort of a dreamer and idealist, but now he is regarded in China as the George Washington of China, almost as a demigod. Now, what is it that has been responsible for the fact that this party which was founded by Dr. Sun has been able to do so much? Why is it that it is now playing such an important part in the political situation? The personality of Dr. Sun is one reason. His devotion to the cause and the enthusiasm of his followers are some of the factors, but the most important factor lies here, because that

party is the best organized political party in China, and practically the only party which has a definite political program based upon a definite political ideal, known in China as “Minzu.” That is the three principles of the people. What are they? Briefly, the first principle is called, “Minzu,” that is, racial equality. In substance it means this: it expresses the belief that the Chinese people as a race are about just as good as any other race, and therefore should enjoy equal treatment in the family of nations. That appeals to the people in china, because our people have as much respect for themselves as other nations. The second principle is called “Minquan.” That means the peoples’ political rights. In substance it means government of the people, by the people and for the people, and that appeals to the people in China also. The third principle is known as “Minsheng.” That means the rice bowl in China. It is your full dinner-pail idea, and that also appeals to the people, especially to those who do not have the rice bowl and whose livelihood is not assured.

Such being the ideals of this party, we can begin to understand the reason why this program has gained such popularity in china, and why the people in China believe that the recent successes and ascendancy of this political party constitutes one of the most helpful signs of the political situation in China. But what is the difference, what is the relationship between this political nationalist party and the nationalist movement of which we read so much nowadays? Well, the difference lies here. The nationalist party has been the backbone of this nationalist movement. It has been the moving spirit of this nationalist movement. But the nationalist movement is much broader than the nationalist party. The nationalist party is but one phase of this nationalist

movement. This nationalist movement is the movement which finds expression in an intense devotion to the national interest, national unity and national independence. It is my belief that while this nationalist party may have its ups and its downs that the nationalist movement will go on gathering strength and in power, because no reactionary influence from within can undermine it, nor can it be suppressed by an armed force from without, not matter how strong it may be. Dr. Monroe was right, I think, in saying that the more pressure you place upon it the stronger it becomes and the faster it spreads.

The question arises, what are the modern influences which have brought about this change in Chinese nation life? That question is very difficult to answer fully, for there have been many influences at work. The expansion of modern ways of communication is one of the factors. The growth of the modern press is another. The spread of modern education, particularly the mass education movement is another factor. The existences of a strong public opinion, the opinion of the so-called student movement in China, are also factors which have been influential in bringing about this change in Chinese national life. But perhaps the most important factor lies in the contact with the foreign nations, especially from the humiliation and sufferings which China has experienced at their hands; the presentation of the 21 demands by Japan, for example, and the Chinese failure to receive justice at Versailles Conference; the Shanghai tragedy of May 30' 1925, and other recent tragedies, unfortunate as they are, have rendered the Chinese a service in that they have been effective in arousing the latent patriotism of the Chinese people and in awakening their national consciousness.

One more question regarding this political situation, and that is, what about the report that the nationalist party has been dominated by Soviet Russia and has been receiving some support from the same source? I think it is to be admitted that some years ago Dr. Sun and his co-workers did enter into some kind of agreement of cooperation with Soviet Russia. But that was done at a time when this nationalist party was in great need of such encouragement, and at a time when they failed to receive such cooperation from any other source. It is true that Soviet Russia has been giving a certain amount of moral support and other forms of assistance to the nationalist party, and it has been partly, at least, responsible for the success of this party in recent years. But at the same time, the members of the Right Wing of this party, who are moderate, are not in favor of too much Russian influence and are certainly opposed to radical and communistic tendencies of the Left Wing, and it is this difference, as you know, which caused this recent split between the Right Wing and the Left Wing. As yet there is some uncertainty as to the ultimate success of the present struggle, but most people in China seem to believe that victory will be with the moderates for the simple reason that their attitude and policy has the support of public opinion in China, which stands for moderation and is against radicalism and violence.

Let us now turn to the other phase of the situation, the international phase, the movement to fight against foreign domination and foreign control and foreign interference. What is the cause of that? That has already been answered in connection with the internal revolution. It is another expression of this growing nationalism, of this awakening of the national consciousness shown in

the desire of the Chinese people to recover the lost rights and privileges and territories and concessions which Dr. Monroe related, and create new relationships between China and the western powers on a basis of equality and reciprocity, and to make China, in other words, truly independent and self-governing in every way. These national aspirations of our people are being expressed in their desire to see a change in the present treaties; in the abrogation of the unequal treaties; to create new treaties to take their place. What are some of the changes expected of China by the Chinese people? You all know China has been demanding for the abolition of extra territoriality from the consular jurisdiction, whose foreigners do not come under Chinese law and Chinese courts, and China has been asking for the restoration of tariff autonomy, the right to determine her own tariff enjoyed by every other independent nation. China has been asking for a modification of the administration of the foreign concessions and settlements in China so as to allow Chinese participation and the removal of some of those more serious defects. The reasonable nature of those demands are evident, cannot be denied; in fact, they are admitted by the Powers concerned, shown by their public statements, shown by the fact that they were willing to participate in the tariff conference and in the extra territoriality commission; shown by the fact that the Shanghai Municipal Council itself is in favor of admitting some Chinese as members of that Council, although thus far nothing definite has been done to make the change.

The question arises, if those new aspirations of the Chinese people are reasonable and legitimate, why is it there has been so much delay? Why is it that the nations concerned have not seen fit to carry out the changes desired? The answer is that there are certain objections raised against a

change of the present status, for the time being at least. What are these objections? May I point out a few and see how far they are justifiable.

There are those who say that if extra territoriality is abolished, what assurances have we that foreign interest in China will be properly safeguarded? To answer this I would raise the question, how are the interests of the foreigners who have already give up extra territoriality being safeguarded now, including the Germans, Austrians, Russians, Persians and Belgians? Nothing has happened to them and it is reasonable for China to say that no harm will come to the rest.

There are others who will say that if tariff autonomy is restored to China and customs administered by the Chinese, what guarantee will there be left for the foreign loans which China has incurred, particularly when China has been finding some difficulty in meeting some of her obligations? To those we need but point out the fact that China is not by any means the only nation which is finding difficulty in paying her foreign debts. Why should China be the only nation deprived of tariff autonomy?

The trouble with China is some say, that there is no government in China to deal with. That, of course, is not true. We have a government in Peking; we have been having one at Hankow, and now one has been established in Nanking, and if there is any trouble the trouble is too many, but not too few.

The trouble is they are not strong enough. How is it they are strong enough to receive ultimatums and identical notes, and how is it they are expected to carry out the demands of those identical notes and ultimatums?

But those governments are not stable enough. That is to be admitted. But China has been asking this question. “How can you expect us to have a stable government when we are not mistress in our own house?” to expect China to have a stable government without the removal of these restrictions and limitations that have been place upon China, is something like your clutching my throat with your hands and then expecting me to sing like Caruso, but that is impossible. In other words, the nations of the world have been saying to China, “You grow strong and then we will set you free.” China answers back, “Set me free so that I may grow strong.” Who is right?

There are those who say that the trouble is that conditions in China are not normal and not peaceful and no change should be made until conditions are normal, forgetting the fact that the failure to change is one of the most important factors of the present disturbance and unrest. Why not help China to restore order and peace by the removal of one of those important factors of the present unrest? But then a change of the present status under such coercion would involve the loss of prestige on the part of the foreigner. That may be true, but how about the prestige of the Chinese people? Should they be forever sacrificed?

I however, wish to point out some objection that is often raised, and that is even more serious, and that is an economic one. It is feared that a change of the present status would have an unfavorable effect upon some forms of foreign business, particularly the cotton industry in Japan and in England. How about the interests of the Chinese cotton industry which needs protection from a tariff?

I understand my time is about to be up and I am obliged to bring my remarks to a close, for I have learned to obey orders, especially from Mr. Ely. I have had some experience with him.

(Applause)

I am happy to say, ladies and gentlemen, that I find public sentiment in America is most sympathetic towards these new aspirations of our people. (Applause) I am equally happy to say that the attitude of the American Government has been sympathetic towards China in her present struggle, shown by the resolution adopted by the House of Representatives and by the address of your President Coolidge here in New York. May I, as a citizen of China, attempt in a minute or two to answer a question that is often raised by my American friend, namely, what does China expect of America? I think I would be voicing the sentiment of my people when I say that our people expect America to do the following things: first, to continue the policy of non-interference and of friendly neutrality towards Chinese domestic problems and troubles, leaving China to work out her own salvation. That is one.

Second, to continue to resist all suggestions that aim to induce America to take military action against China and to discourage other nations for pursuing a policy of force in their dealings with China.

Three, to negotiate with China for a new treaty based upon equality and reciprocity and, fourth, whatever she does to deal with China independent of other nations if joint action involves the doing of injustice towards China.

Fifth, to take a vigorous leadership in insisting upon strict observance of that sacred pledge made at the Washington Conference; to respect China's sovereignty, independence and territorial and administrative integrity.

Sixth, to give China and to the people in China her moral support in this hour of trial, through sympathy, through good will and through the exercise of patience and forbearance.

Seventh, to offer to China in all possible ways her cooperation in the task of national reorganization, national reconstruction, which will follow as soon as the tide of revolution has subsided.

Ladies and Gentlemen, if I am not mistaken, these also represent the earnest wish of all Americans interested in China who are anxious to see China succeed in her struggle for better

government, for democracy and for freedom, and in closing, may I remind you of the happy fact that the relationship between China and America has always been friendly and cordial, and what is it that has made this possible? The answer is that in her dealing with China America has always tried to be fair and just to China. She has never waged any real war against China; she has never seized any Chinese Territory. The maintenance of the open door policy has been a great help to China, and the return of the Boxer Indemnity was a noble act, and China acted nobly in deciding to use the money in educating Chinese in American colleges and universities. The calling of the Washington Conference also helped China because it gave china an opportunity to present her case; because it led to the settlement of the Shantung question with Japan, and because it succeeded in removing some of the restrictions and limitations that have been placed upon China.

Ladies and Gentlemen, it is because of this traditional friendship that the people in China continue to have confidence in the American people, as well as in the American Government. The people in China, because of this traditional friendship, still look toward America to take the leadership in seeing justice done to her during the present crisis, and their new national aspirations given a free opportunity for realization. I thank you. (Applause)

PRESIDENT HINES: In listening to Dr. Kuo's splendid address and his reference to the fact that his fellow citizens were agitated about the evidences of foreign control, it occurred to me that even in our own well-situated and well-protected country we might be in a position to appreciate

how an appeal to the fear of foreign interference arouses political interest and conduces to political concern. It seems to me a good many times in my life I have heard our own orators appeal to our people to rise up and protect themselves against foreigners that were about to overcome us. We read in the papers the day that in Chicago the citizens seem so agitated about what King George was to do to them that they elected Mayor Thompson to office again.

(Laughter)

I have been led to believe by what has been said this evening that the evidences of foreign control in China are much more apparent than anything that King George has yet showed his hand in. (Laughter)

Our next speaker also brings to this subject a great deal of experience and knowledge in regard to this situation in China. For 21 years he has been on the staff of the College Yale in China. For the last four years he has been president of that College and I am very glad indeed to be able to introduce now Dr. Edward H. Hume, who will give us further light on this subject. (Applause)

Third Speaker

Dr. Edward H. Hume

President, College Yale in China

Mr. President and Ladies and Gentlemen: Dr Monroe has spoken to you about three windows into the Chinese situation, economic, psychological, and one which he called the political window and Dr. Kuo had been giving you, as only a Chinese can adequately, an analysis of the present situation, the process as he calls it, and has also spoken to you of some of the factors concerned in the relation between American and China. It seems to me that I can be of most service if I attempt for a little while to get under the present phenomena we see before us in China and speak to you about the underlying philosophy of the Chinese, that which explains many of these activities and things that puzzle us so much.

Let me illustrate why I do that. A year ago I was in Peking, talking to a group of Chinese trained here in America, and you know, of course, gentlemen, what tremendous feeling the Chinese have who have been here that in a great degree America is their intellectual home, and that is why they are looking across wondering what America will do. I sat with this group of Chinese thoughtful men and I ventured the remark that I was greatly puzzled by the policy of the Christian General Fung. I told why I was puzzled, and my good friend, who had been president of a college for some years previously, said, "It is not surprising that an American should be puzzled, but it is not puzzling to us Chinese," and as listened to him analyzing the situation I began to understand that he got under the surface. We listen so readily to the things of the day. Do you remember that occasion when President Cyrus Hamlin tells of his experience in reading about the papers in America? He was, as you recall, the first president of Robert College in Constantinople, and it is said of him that frequently when he was in this country he would pick

up the morning paper and make a little prayer, “O, Lord, give me a devout spirit of disbelief about that which I am about to read.” (Laughter) And that is so necessary in this difficult time, because before we come to the point of analyzing Chinese philosophy; let us bear in mind, as Professor Monroe has brought out, that there are 2 opposing viewpoints. I do not like to say 2 opposing civilizations. But, at least, 2 civilization that have come into contact, that have had an impact between each other, and instead of that impact at the present time linking them together, there seems to be a tendency to forge further and further apart.

As I approach this analysis of the Chinese attitude I find it necessary to remind you of certain outstanding facts that are right before us on the surface. First, militarism has been devastating China for the past 10 years so that many parts of that land are dreadful to live in. But the Chinese are determined to put militarism out of the way. And both sides of that situation are necessary in order that we may have a complete picture. In the second place, national consciousness has never been in the past a reality in China. When I went to China in 1905 the little school children never gathered together in the morning and saluted the flag. There were no songs; there was no sense of their being a national anthem. The people’s loyalties were individual, to the clan, to the family, to the village, and the idea that a man should be loyal to something as big as nation had not come to be a nationwide thing, and today you have the reverse of that, that all through the land there is a nationwide growing consciousness, and the children do begin in the morning by greeting their national flag, singing their national anthems, and there is the sense of a growing national unity.

Take a third fact. Dr. Kuo has also spoken about the multiplicity of government. From some points of view it is easy to say, and it is partly true, that there is no national government. But over against that you have to say that the Chinese have determined to make for themselves a national government and are taking the necessary steps to realize this process.

In the fourth place there is today no republic in the sense that there is in this country and in France and in Switzerland, with nationwide franchise, and yet the Chinese have taken to themselves the responsibility of educating all classes of the people so that they shall understand what a republic is and so that they shall go forward in the process of making a republic. One of the leading Chinese speakers has recently said that what happened in 1911 was not a transfer, a sudden change from a monarchy to a republic, but merely a change of labels, and that the label of the republic which was tied on to the Chinese Government at that time, was the declaration of a program. We do well to stand by our Chinese friends, to see them looking ahead, realizing that when they say republic, it is the carrying out of a program.

Again, in the fifth place, there has been no achievement in this great struggle, this social reconstruction, this religious economic and industrial revaluation of things and planning of things, and yet the Chinese have set themselves that task, and they know it is going to take decades and perhaps centuries to realize, and so every time you have before you a fact of something that looks dark and discouraging, you have to admit that it is so in the first place, and

over against that statement you have to put another one saying that the people themselves are conscious of this lack and have set out in a nationwide way to rectify the deficiency.

With these facts before us may I not call attention now for a minute to some of the things underneath in the mind of the Chinese, that help you and me to understand better why some things are so, and what the nature of the process is that is going on before us. Take these sentences in the teachings of Confucius. We go back there because they are so based. The very first one word in the Analects of Confucius, said in 500 B.C., was this, “To learn, and continually review that which one has learned, this is real joy.”

There you have a statement not created by theories, but expressing the thought of the Chinese mind for all times that to the intellectuals there has been given and will be given leadership of the people.

Take the second sentence, “To have friends come from afar, this is true joy.” Sometimes one who has lived for many years in China gets very much discouraged as he hears Americans talking about the Chinese wall of exclusion. We fail to remind ourselves that there were a series of cities in the north of China that began from a little over 200 B.C. to build up a wall across the northern boundary, very much as if North Dakota had done it, and then another wall and so on, until one came along who unified and made of these separate states a united monarchy for China, and linked up these walls so that they made a continuous wall for some 1500 miles. But that was

not a wall of cultural exclusion. It was purely a wall that kept out those elements of dangerous and barbaric invasion from the north. The cultural gateways of China have always been open, to the sea, to the east, and India to the south, and Europe to the west, and the trade and diplomatic missions that have gone back and forth over those wide open roads themselves reminding you why China might say, “To have friend come from afar, this is real joy.” There are the beginnings of the Chinese philosophy.

If you will for a minute go back to the simpler Chinese soul, it is so easy for us in America to say that east and west do not understand each other, cannot, because they are basically different, and yet you know the Chinese begin their education of the little tot out in the field who may not be able to read or write -- and this I may say is the basis of Chinese education even for those who do not go to school -- it begins in this way: “Man at his beginning is essentially good; by temperament all men are not the same; by practice and habit they differ from each other.”

In other words, those nations and our nations are essentially the same, is the basic thing that the Chinese child starts out with in his philosophy, and I am sure that those Chinese over there who watch us, they analyze us better than we analyze them. They understand our strong points, our points of service; also the points where they themselves find us for the moment a difficult problem to solve.

To carry on for just a moment there are some other basic elements. Reference has been made to them in passing, but I should like to stress the Chinese methods; that force is something that they resent. That is a strange thing to us when you remember that China has had so many wars, so many dynastic overthrows, and at the same time you will find the Chinese saying in their philosophy and literature this, that force is a confession of failure, and you will find this constantly repeated phrase in the last few years, that military force cannot endure for long, that when military force is used it must be used not in the sense of revenge, but in a confession of humiliation that the nobler and higher planes have not been successfully approached by the individual. That is the underlying philosophy of the Chinese, and if you will be among them and realize how friendly they want to be, you will realize how puzzled they are, how grieved they are by this great show of force that appears to have been necessary during these recent days.

And finally, then, as we try to approach this underlying philosophy of the Chinese, they have an interesting sense of moral values. A Chinese friend said to me last year in China, “Speaking of America, you Americans put the law first and right second. The Chinese try to do the other way around.”

Of course, in speaking like that, the statement is apt to be exaggerated on this side or on that, but fundamentally it comes down to this: here is my carpenter who contracts to building a little cottage on the mountainside, and the price is put at \$2,000 silver, \$1,000 gold, and a few months after the contract has been signed he comes to me and says, “The contract says so and so, and if

you insist on what we signed our names to, there are our names on the dotted lines, and I shall have to go ahead. But this is not a righteous contract. We ought to go and remake it to read so and so.” Those who have had commercial dealings with China know that the Chinese business is essentially sound, and that the Chinese merchant, when he gives his word, it is something like a bond, and that is why it is at this time that they come to us with the appeal to our moral consciousness and say, “There are elements in the treaties that ought to be revised. Things as they stand are not on a basis of moral values.”

Now, let me approach for a minute also some of the other elements in the Chinese psychological reaction. Professor Monroe has brought certain ones before you, but I venture to lay before you some further emphasis on this element of memory in China. The Chinese have a wonderful little bit of a saying in 6 characters, -- never mind the Chinese words, but translated they read as follows: “Don’t hate, just remember.” And so it is with this wonderful tenacious memory of the Chinese, a memory which enables any scholar to begin wherever you start him in a book; start him in the Analects of Confucius and he will go on for pages without stopping, and today that memory of China, that tenacious memory, is being turned to other things. For instance, here we are at the 5<sup>th</sup> of May. All over China the past week there has been written upon on the hillsides on bulletin boards in the streets, and on blackboards in schools, “Don’t forget 5/4.” That was the 4<sup>th</sup> of May, yesterday, and now there is appearing in the streets, “Don’t forget 5/7,” the 7<sup>th</sup> of May, and presently at the end of the summer you will find, “Don’t forget 9/1,” the 1<sup>st</sup> of September.

Why the dates? One of them is the date when the Chinese heard that they had lost their cause at Versailles in 1919, when disillusionment came to them. I hardly need to remind an American audience of the war, but I have been living in China for these many years. I watched China urged into the ward by our President and his Minister in Peking. The Chinese were not going to go in on the side of the Allies; not that they had anything against the Allies, nor did they have anything against Germany. They were at peaceful relations with Germany, and I am sure that it was because of certain representations that were made to them, and because they expected certain rewards that they did come in, and there came to them at Versailles disillusionment, and they do not forget that date.

One of the other dates, May 4<sup>th</sup>, is the date when the Japanese present their demands in 1915, and they have never forgotten that date. The date in September is the date of the 1901 Boxer protocol, which burdened the Chinese with heavy indemnities. All during the year the calendar is being marked up with days of what might be called national humiliation, and as I live in China, I believe I have an understanding of an element in a passage in the Sermon on the Mount that we of the Western World scarcely ever take to ourselves. What country of the Western World, or what European country, or of America, ever says with understanding, “Blessed are they that mourn.” But when you live in the Orient and feel the economic deprivation of which Professor had spoken, and when you see posted over their billboards, “Don’t forget a date of national

shame,” you know that there is being stored up in the Chinese memory something which is going to be of real account in days to come.

Take another element. The reference has been made already to the fact that China is determined to be mistress in our own home. It is a pretty serious thing when a population as great as China, numbering, let us say, a quarter of the human race, feels with such practical unanimity that there is unfairness, inequality, and lack of reciprocity in the relations of other countries with her. I have already quoted to you what the Chinese say about America putting the law first. Today you will find in China a growing interest in what certain other countries are doing. For what reason did the Chinese Minister visit Turkey last year but to find out how Turkey had achieved these forms of modern independence; how she had thrown off the relationship that seemed to her burdensome of the Western Powers, and when the Chinese Minister came back from Turkey it was not his message, but was only a representation of what China is say today, “We are watching Turkey.”

On the front page of a Chinese newspaper in Shanghai the other day I saw a little quotation, not of Will Rogers, but worded like this, “Is America imperialistic? Why didn’t they try to ratify the Treaty of Lausanne? What about Nicaragua?” I lay this little thought before you as an evidence of what China is saying today, and she is listening to what Turkey and India and Afghanistan and other countries in Asia are saying, and wondering how the relationships of these various lands of Asia are going to be set right with the Powers of the rest of the world. In other words, we have a

situation today, this chasm between the Western and Eastern civilizations, and what we are trying to find is a way in which to bridge the chasm. The problem for America and China is not a problem merely of understanding. We have got to do that before we go any further, but in the long run we have got to bridge the growing chasm of the psychological attitude between China and the Western World.

Think, for a minute, before we answer, of some of the ways in which America might proceed, to the question of some of the other Powers. Go, if you will, to China, and look at the experience that has occurred to that nation in the last few weeks in connection with the Nanking incident. There was a dreadful outrage. At least 3 consulates were outraged. I use the word outraged in the diplomatic sense, and there was firing on both sides. There were American and British and other nationalities killed. A few persons were killed. The barrage that the Navy put up killed a few Chinese. A few days after that, before any other national had spoken, the Chinese Commander-in-Chief and the Secretary of State for Foreign Affairs of the nationalist government both made public statements expressing regret and promising reparation, and promising punishment when the guilty were found, and promising, most important of all, complete investigation. With those documents before us, what a wonderful thing it would have been for the Powers of the West, instead of bombarding China a few days later with demands for apologies and reparation and punishment, if they could have taken hold of those statements that were already made by the Chinese publicists, the Chinese declaration that she would do this, and if we could only have said, "We realize that the best thought of China regrets the incident, and so do we, that it was

necessary to put up a barrage. We recognize that China stands ready to do this, and we are ready to join with you in appointing a commission of investigation.” I don’t know anything that made me more regretful than that thought of these identic notes in which were combined demands, demands, and demands, and I rejoice to think that during the last few days President Coolidge has made it so clear that there is not going to be any follow up of the note with military force and further protest. It seems to me worthwhile to bear in mind that as China looks around among the Powers of the West, it is not a question as to whether Russia’s influence has been subversive or not. Russia has brought her certain backing. Russia has followed that with simplified methods of teaching farmers and laborers of that land, but Russia has done something far more important than that, and to that I call your attention. Russia had played the part, in many ways, of a friend, and we will read the comic strips, “When a feller needs a friend,” and during these last few years I should like to have seen America and the other Western Powers, instead of pointing a finger and saying, “Red Russia,” I should like to have seen these Powers try to outdo Russia in expressions of friendship which has always marked the intercourse between China and America. (Applause)

Take the case of Germany and Austria. Reference has been made to them, but if you go and ask Germany and Austria what experience they are having since they lost their rights of extra territoriality and jurisdiction, this is what they will say to you. They will say that many times in the courts of China the law has not operated well. They will say that those of us who have had prison sentences have in some cases been maltreated. There have been many inconveniences.

Many things have not been done as they ought to have been. But on the whole, the gain in our friendly relations with China, in trade and in other relations, particularly cultural, has been so marvelous, that these other things, which have been inconvenient and even unfortunate, are forgotten. They are nothing more than little mosquito bites which we never allude to, nor allow to interfere with our relations.

Allow me to quote from the Chinese Minister's speech made a few days ago before a large body like this: "There are more western nationals today outside of extra territorial jurisdiction than there are still enjoying the privileges of extra territorial jurisdiction."

In other words, we of America and those of Britain are now in the minority. We belong to that group still clinging to its rights. I believe that we would do well to remember that it is not altogether a judicial or legal issue, and that this question has been dealt with over and over again, and the temper of the people today is such that it will not brook much longer delay.

Let me refer to Great Britain for a minute and then I will close with a few words about America. There are those in this country who feel that at this time it will be important for our country to take independent action. There are those in this country who find it wise and who even find it desirable constantly to criticize the British foreign policy toward the Chinese, talking about the anti-British attitude and so on. There are many reasons for this. One of them is Russia. Another one is that Britain stands as the prototype of that apparently imperialistic autocrat of the

commercial world. There are many reasons and one is that China, in dealing with the various Powers does not propose to take them all at once. She is going to take one at a time. But there are 2 or 3 things about the policy of Britain in the past few months to which I call your attention. Britain, through Downing Street, had learned a great lesson. I know of no more memorable date in the annals of British history than that date in Hankow on the 3<sup>rd</sup> of January, when her Tommies refrained from firing on the mob at the door of the Hankow concession. There was a great deal of provocation, and it is not in the nature of the British soldier, confronted by a difficulty like that, to hold back, but they did, and their restraint was worthwhile. It not only saved the lives of women and children, but it also did something more than that. It showed that Downing Street was beginning to see that force was not the way to deal with this problem.

But another manifestation of the British attitude to which I shall allude is this: Britain has done wisely in not having only a Minister in Peking, but a wisely proclaimed Charge d' Affaires at Hankow, and I think they did wisely in putting an Irishman with a sense of humor and a sense of certain elements in charge there, and although the Chinese were saying to the British, "We will not deal with you while you are adding to your military and naval forces, we will not treat with you and we will not sign any agreement with you," and nevertheless the parleying went on and the agreement was signed. I call that to the attention of America because I believe we do well not only to have a Minister in Peking, but a representative whose duty it shall be to so deal with the other Powers, if there are more than 1, or 2, whose duty it shall be to so deal with these other factions until a way shall be found for entering into the new treaties that we desire, and one more

thing. I was talking this week with a Chinese publicist who has been in our midst, who told of an important gathering in Shanghai in the middle of March, at which came together the chief of the British Intelligence Service, one of the British Generals, one of the leading British Naval authorities, one of the British businessmen in Shanghai, and in addition to various groups of Chinese, they had one of the most ultra radical red communists that China has produced, and they sat together for an evening thrashing out the situation, each side making its arguments clear, and the following day, when this Chinese publicist, who is now in our midst, was leaving for this country, one of the British officers came there and said to him, "We hope that this kind of gathering is going to be perpetuated, because this is going to solve the problems, and not military and naval force," and just as he was going on shipboard, he saw that ultra red communist come up and he said to him, "May I hope that I can go on meeting with the British officers because I learned more from sitting around the table with them last night than all that has been said in the press and uttered publicly for many months." There is your solution. Get together around a round table.

Just a word or two about our American attitude. It seems to me that we do well at this time in approaching the problem to remember that China feels that we, together with Great Britain and other powers, are not quite ready to see her reach her maturity. We have thought of her by the various appellations that we have used during these past decades, "the sleeping giant," "the undeveloped youth." Dr Kuo himself spoke of the half baked mass. Those are perfectly terminologies to use if you define them. But China today is beginning to reach maturity, and I

think China feels that she would like America to recognize that she has come of age, or is about to come of age.

In the second place, I think that China is saying to America, "Don't be so busy trying to save my soul." I do not refer to missionary endeavor only. I refer to the economic saving of souls. I refer to cultural relationship of many sources, and educational. I have been in the educational field in China for a good many years, and as I look back over those years the thing I would like to see changed would be this way that America has of doing things, and the thing I would like to see in future would be this: I should like to see the thing grow up in the Chinese way. Let me illustrate that by an experience that came to us the other night when we heard of a distinguished mineralogist tell about the mineral resources of China. He pointed out that the mineral resources of China per capita are to the coal resources of America per capita as the figure 38 is to the figure 15,400. think that through, and you will realize that if those facts are so, China cannot build up a steel and concrete civilization, and you can follow that thought out as you think it over, that China has got to build her material civilization out of her own resources, her agricultural stretches, her raising of hogs and cattle, her raising of silk and rugs and the cotton business, all are going to contribute to the material resources with which China shall build up her material civilization.

The same thing has come to be true in her education sphere. You know that Professor Monroe has not been merely educational adviser for a couple of years, but is today the Chinese education

mentor. I rejoice that I have had the privilege of paying this tribute to his services in China. But Professor Monroe would be the first to say to you that what China needs today is to have the whole field of educational method and process changed, and be permitted to work out something that fits her own environment. I am talking biologically. I believe that we have got to let China work out something that will save from within, and religiously the same way, and economically and industrially and politically.

China is not being concerned at the moment with what kind of political form her future republic shall take. Her own leaders are telling us that there are three states in this process. The present stage is this apparently active military stage, when they are doing away with militarism. The nationalist party has had to use a military form to put out of the way these selfish men who are fighting for their own aggrandizement.

The second state is the stage of education which has already begun. I wish you could see it at work down there in the countryside and right out through the universities, as well as way out in the villages and the countryside. The Chinese people are being taught what it means to have a nation that they themselves govern, and that is richer and freer in its own life, and then they say they are coming to the political life and the political organization.

I am quite sure that the Chinese nature will impel her to use the committee form of government more than we do. There may be questions for China to solve. There may be 2 houses of

government. There may be a judiciary. If you read the writings of Dr. Sun Yat-sen, to which must reference has been made, you will find that he provides not only for the judicial and legislative branches of government, but certain other branches of government function which grow out of the Chinese heritage. China is say to us, "Let us have our own soul in all these various aspects. We have got to build out of the materials which are before us and which come to us from our cultural heritage." You know there is an old proverb in China which we do well to remember constantly. It is a trite sort of thing in a way, but there is the proverb: "He who knows the old, he who partakes of the old and also has hold of the new, that man is worthy to be a leader of men," and this is what the Chinese are trying to be today, and that is what they are trying to do, to partake of the old, to take that which he considers to be worthwhile of the new, and make her own destiny.

And so she stands facing us here. I feel as though we have gathered here tonight, with your faces turned this way, that right through this partition there must be an equally great gathering of Chinese citizens, an economic club of a big city over there, not separated by any chasm, but heart responding to heart, as mind to mind, and I hear the Chinese say to America, "Time is of the utmost significance." Those were the words with which our Chinese friend began his address tonight, and time is of the utmost significance because if we do not act even more aggressively and vigorously in our friendship than we have, certain alternatives confront us.

What are some of the things that we might do to which reference has been made tonight? Just 3 words to indicate what China will bring before us as an alternative if we do not begin aggressively to lay hold of China and knit to her to ourselves. Bridging the psychological chasm, we shall find the tension which is already serious, greatly increased. We shall find trade, which our merchants want, going to other persons. Why do the Germans in Fung Chau wear upon their arms bands saying, "I am a German"? And they are as safe from harm and molestation as they would be in this room.

And the third thing which is in danger is that the treaties may be cancelled.

The chance lies before us, gentlemen, to reach out in understanding of the underlying philosophy of China, to study the process which is going on before us, and then go out in aggressive friendship to bridge the chasm and to make a constructing and lasting friendship. (Applause)

PRESIDENT HINES: Gentlemen, we have had the good fortune to have an exposition of the Chinese situation and, I might say, principally of the Chinese psychology and of the importance of giving the Chinese nation an opportunity to work out its own natural evolution, and we have had that from the standpoint of a citizen of China, and from the standpoint of 2 citizens of our own country. We are now going to have an opportunity to hear an exposition of the British point of view with reference to China, and this will be given by a gentleman who has had long experience in the Orient, in India rather than China, but still with an opportunity of studying

Oriental conditions. For 5 years he was editor of the Calcutta Statesman. For a time he was New York representative of the Manchester Guardian. He has been a special writer in New York for several leading London papers. For 14 winters he has come to the United States to lecture, and I am sure that he is the most welcome of all British lecturers.

We are fortunate in having the opportunity to hear a man so well versed in conditions in the Orient, in conditions in the United State and in conditions in his home country. I am delighted to be able to introduce to you Mr. S. K. Ratcliffe. (Applause)

Fourth Speaker

S. K. Ratcliffe

English Journalist

Mr. Chairman, Ladies and Gentlemen: You feel, I am sure, with me that there is certain appropriateness in having the last speech this evening delivered by a citizen of base, bloody and brutal Britain. (Laughter) My poor country has been subjected to a vast amount of bombardment over this Chinese problem, and I am one of those who are quite willing to confess that historically Britain deserves a good share of the criticism that she has borne in relation to her policy in the Orient. It is perhaps not inappropriate also that the final speaker should be a journalist, a humble representative of that craft which is of so much importance in the misunderstanding of current situations. (Laughter)

We all enjoyed the American prayer by the first President of Robert College in Constantinople of which we were reminded this evening, the prayer for a humble spirit of disbelief as we open our morning paper. I may say that this is slightly different from the prayer of a pious man in England, who lived within the influence of a very famous newspaper with which I had some connection, who is alleged to have begun his petition, “Oh, Lord, as Thou doubtless hast seen in the Manchester Guardian this morning.” (Laughter)

Now, ladies and gentlemen, I have the profoundest sympathy with all of you in the presence of the confusion of the Press on the subject of the Chinese crisis. I can understand how puzzled you must be when not only do you get diametrically opposed dispatches from the seat of war and the seat of diplomatic confusion from that area, but when also you get in one of the leading papers of the United States on the same day 2 dispatches from the Far East written from diametrically opposite points of view by American correspondents. I can understand and fully share in your confusion when that is your daily experience. It seems to me rather like the experience of one, recorded in a story which I saw in the last English paper that I opened today. Outside of the London Stock Exchange a conversation was overheard. Said one, “Oh, you know about that deal of Goldstein’s last summer, at Amsterdam where he won 4,000 pounds in rubber?” “Well,” said the other, “you have got the incident all right but your details are not exactly correct. It was not last summer but this spring; not in Amsterdam but in Paris; and not in rubber but in oil. It was

not 4,000 pounds but 40,000 pounds, and it was not Goldstein but me. I did not win it; I lost it.”

(Laughter)

That, Ladies and Gentlemen, merely represents an illustration of your difficulty and mine in the presence of this extraordinary confusion of record in reference to, and with regard to what is unquestionable the very greatest crisis through which we have passed since the World War, and in dealing with it this evening I am going to speak very briefly, and as pointedly as I can, upon the subject in regard to which I have the right, certainly, to speak, namely, the British policy towards China today.

There has been mentioned this evening not only the supreme importance of the mental factor, the supreme importance of a change of mind on the part of the West towards China, but there has been mentioned also the continuous important working of the historical memory. We know how important that is between nations, a factor of the greatest significance. My friend, the new Mayor of Chicago, if I may so refer to him, was mentioned a little while ago by the President. While I was in Chicago for a few days before the polling a month ago, I got an illustration of the excessive importance of historical memories between 2 peoples far removed geographically. The wall between Britain and China, those historical memories, has been there now for close upon 100 years, and very prominent in that memory picture are the 2 wars between Britain and China, always described, as Professor Monroe told us, especially in controversial literature, as the opium wars. He did good service in reminding us that they were not only opium wars, but that

they were, of course, economic and commercial wars, and also wars for the insistence upon equal rights from European to Chinaman. But let me say in this connection one thing as clearly as I can. We today must share in the responsibility, of course, in the responsibility of the policy coming down to us from the past, but that responsibility is a decidedly relative thing, and it is necessary to remember that the central matter of the controversy in those wars of 1840 and 1860, the opium traffic, is something that has not only been condemned by the national conscience, but has long since been condemned by the better part of England. From the very beginning of that trouble that agitation began, and was continued in England, for the removal of that stain from the British escutcheon. A little more than 20 years ago, when I was in India, I was present on that historical occasion of the meeting of the governor-General's council in Calcutta, when the agreement for the gradual destruction of the opium traffic was explained to the representatives. The finance secretary of the Government of India laid the scheme before the members and before the country, and explained the gradual character of that suppression, that the opium traffic was to be done away with in the course of 10 years. He explained that India was entirely ready for the sacrifice of the revenue that would be necessary in the fulfillment of that policy, and he explained in the plainest terms that the British Government and the Indian Government were entirely satisfied as to the good faith of the Chinese Government in making the agreement. The Chinese Government, of course, was the old Imperial, and not the modern Republic.

Well, you may ask, if that agreement for the gradual suppression of the opium trade was entered into in such fortunate circumstances how is it that the memory has remained, and how is it that

the opium traffic is still an extremely awkward international problem? The answer to that question can be give briefly, in 2 words. It is due to the war. I am personally convinced if it had not been for the great overturn of the World War, with its repercussions in the East, the steady policy for the suppression of the opium trade would have gone forward and the situation today would have been a totally different thing from what it is.

We have had it before the League of Nations since. We had it, as you will remember, in the dramatic incident 2 or 3 years ago when the chairman of the American Delegation led his colleagues out of the League of Nations because he could not get the exact conditions which he had been sent from Washington to demand. It is very much easier, Ladies and Gentlemen, for a radical policy on a matter like that, I think you will agree, to be proposed and to be pushed by a great power which is not itself deeply concerned in the economics of the question. No straightforward and self-respecting Englishman today would want to say one single word in defense of an indefensible traffic, but he only desires to point out that a problem of that kind, enormously extended and deepened through the troubles of the past 10 years, cannot be dealt with in a committee room in any simple and drastic fashion. I am satisfied to say with regard to the British point of view on that matter, that the governing opinion, the overwhelming public opinion of Great Britain, is behind the League of Nations in its warfare upon the opium traffic, and you will find in the next few years a very great progress in the fulfillment that we are all looking for.

But, of course, it is not only historical memories in reference to opium, but historical memories touching upon a great many problems for a great many years that we British have to deal with in chief, and it is not wonderful, remembering those things, and remembering what we know of the Chinese mind and history, so brilliantly explained to us in the 3 speeches that have preceded mine this evening, -- it is not wonderful when we remember that, how strong is this anti-foreign feeling concentrated in these latter years, and especially in these latter months, against Great Britain.

But I remind you that as Dr. Monroe went over some of those extremely interesting points as to the teaching of the Chinese children, and the dates that they remembered, and the policies associated with those dates, I remind you that a very small percentage of those incidents that were run over by Dr. Monroe can be described as the only or as the special responsibility of Great Britain. Notice, for example, that with regard to conquests on the mainland of China, that there is very little you can speak of in connection with Great Britain. There is nothing in the British record to compare with the old record of conquests of Russian czardom; in the method of the establishment of the French Empire in the south of China; there is nothing in the British record that you can put beside that Shantung incident, which caused so much sympathy with China at the time at the Treaty of Versailles. It is not in that region where our responsibility is very special, but in a quite different region, undoubtedly just as important, perhaps, in its central matter; even more important; but, ladies and gentlemen, I do ask you when the imperial record of Great Britain is being dealt with in the Far East, to have in mind that not all of the iniquity has

been ours; and that on the whole the imperial extension of Great Britain has not been in the Far East an expansion of territorial domination, but something quite different.

And now we come to those special matters connected with the present crisis, to which I think all the preceding speakers have referred. For example, the Chinese grievances and demands which were defined so clearly before the world at the Washington Conference in 1921 and 1922, just 5 years ago. You will recall what they were; that China demanded abolition of the treaties which she rightly describes as unequal and unjust; that she demanded tariff autonomy, the right to establish her own import duties, and demanded the revision of abolition of the whole business of extra-territoriality.

Well, now, the powers assembled in conference at Washington agreed as to the substantial justice of the Chinese demands upon each of these 3 problems, and there has been this 5 years delay since and, as the 2 preceding speakers have reminded us, time is of the essence of the contract. Why were not the provisional decisions of the Washington Conference immediately put into effect? I am sure, ladies and gentlemen; you will not say that the main responsibility for that delay lies at the door of Great Britain. If you will remember once again those 21 demands of Japan upon China presented in 1915, and of which we have been reminded this evening; if you remember the extreme difficulty of getting France to play with Britain in the Far East, because there are quite obvious reasons why France should be suspicious; I think you will agree with me

that you cannot put the main responsibility for the delay in carrying out the Washington decisions upon the government of my unfortunate country.

Take the question of the revision of the treaties and the question of tariff autonomy. Dr. Monroe especially referred to that tariff question and said that when the Chinese ask for the righting of that great wrong, that there is no answer from the Powers so far as he knows, and Dr. Monroe says if this is to be right in 1929 that the duties would be put straight, why not now? Well, in an answer to this perfectly fair question I come to what seems to us in Britain to be by far the most important diplomatic document of the present crisis in China which has come from any quarter. I refer to the memorandum of policy which was prepared by Sir Austin Chamberlin, foreign Minister of the Baldwin Cabinet, and which was circulated among the Powers on December 18<sup>th</sup> last. The time element again; why was it that Great Britain should withhold that document until the close of the year 1926, after the unhappy incident of Yuan-Shing, which has already been referred to this evening, and in which the present crises was very far developed. The perfectly satisfactory answer from the diplomatic point was this, that during the whole of last year the British Foreign Minister was using all his efforts to gain the full cooperation of the other Powers in that statement of policy, in order that the statement of policy might be made collectively for them all, and the statement of policy, as all of you will agree who have read, was not only an unselfish policy, but it did contain the main principles of generosity for which we have been contending this evening. Sir Austin Chamberlin, in his memorandum, lamented the delay of 4 years after Washington before the tariff conference was called in Peking. He expressed the view

of the British Government that Great Britain was ready immediately to proceed to the revision of treaties on the subject of tariff autonomy and duties. He said in simplest terms that Great Britain would have them now, without waiting for the present crisis to be passed over, or without waiting for any so-called powerful or national government in China to emerge, and that British official statement of policy 4 months ago, you must remember, came from a conservative foreign minister in an imperialist government, and those lines containing this declaration of a new policy, I am quite sure, startled every informed journalist who had the business of going over it, for in that document he recognized incontrovertible proof that the mental attitude of the British Government towards oriental peoples had also changed.

You may say that that had been forced upon the British Government by the development of Chinese nationalism; by the increased strength of the Cantonese Government; by the unfortunate incidents which have told so heavily against Great Britain during the last year. I would grant all that. The point is, however, that for one reason or another the present conservative government of Great Britain has changed its mind, changed its attitude and changed its policy and in practical workings, as Dr. Hulme has reminded us, was keeping its charge-d' Affaires at work, and it had been discussing the question of negotiations right up to the moment of the final break.

Here comes that extremely important question of joint action on identical notes, or an independent line of action on the part of the United States. You will be perhaps astonished to hear me confess that I am not against independent action on the part of the United States. I should prefer myself

to see the United States accomplish its two-fold purpose, one of independent policy and friendship towards the Chinese people, and secondly, of a severe renunciation of all military and naval action. That is what would please me most, and please my friends in England most, I am quite certain. But look at this question of joint action. If it is a matter of active cooperation between warships and marines, there is never any question and there is never any hesitation. The soldiers and the sailors begin acting at once. There is no difficulty in the State Department. There is no difficulty in the Foreign Office in London whenever your challenge comes. You can always get joint action when it is a matter of force. I will confess to you that when this recent instance began, just after I arrived in the United States, I held the view that the considered policy of Washington was the policy of withdrawal from China, and I certainly did not find myself lamenting that. I was as surprised, as I am sure you were surprised, when I found these evidences of active military and naval cooperation with Great Britain. Let me here give you what seems to me an extremely significant incident in what occurred. When the bombardment of Nanking appeared in the American papers I was traveling in the Middle West and finding it difficult to get hold of the metropolitan papers from day to day. The metropolitan papers presented the bombardment of Nanking, and right, of course, as a joint enterprise of Great Britain and the United States. Every paper that I saw, and as I am a journalist, of course, I am supposed to read all the papers, although I will confess I do not read them quite all, -- but every paper that I saw in the Middle West in those days told the story of the bombardment of Nanking as though it were an American enterprise alone. Isn't that a curious thing, and a significant thing? Doesn't it occur to you that with that phenomenon of Mr. Thompson in Chicago, that we have been reminded of

this evening, that there may have been a policy in the action of the papers of your Middle West states, that they may have reasoned in this way: Considering the widespread sentiment upon this matter and the fear that America may be drawn into the British imperialist policy, isn't it better to present it in this way? If we show it as a joint enterprise with Britain there will be people saying all around us, "America is being made to draw the chestnuts out of the fire for England," that time-honored phrase that no editor is ever able to resist. But if we present it as an American decision and American action, will not the American readers of the paper draw the conclusion that if America is doing this in China it must be right, and it is not influenced by the policy of Great Britain?

In relation to those identic notes, I am not for joint action. I agree with every word that has been said this evening about joint action if it means force. But here, ladies and gentlemen, is the special and permanent difficult. Sir Austin Chamberlin could not get the support of the Powers to the presentation of his statement of policy last September. He could not get the support of America and the State Department for reasons that are quite clear to us all. But isn't it a thing to be deeply deplored, that when it is a matter of force, of enforcing our demands upon China, asking for reparation and punishment, or even bombarding towns, isn't it a thing to be deeply lamented that our men of action, that General Smedley Butler out there is never in any doubt as to what he should do in the way of fighting, but if it is a matter of explaining to the Chinese that there is a just policy on the part of the western governments, that it has to be done by one government, and that that government cannot expect to get support from any side whatever?

That seems to me, ladies and gentlemen, to be the most important thing in this matter from the political and the diplomatic side and something that we ought to very seriously think about.

I am going to finish in a very few words by touching upon 2 or 3 special matters. You have been told this evening about the declarations in President Coolidge's last speech, that the United States will no longer be prepared to act conjointly, if it means force, and it has been stated this evening, both from the American and from the Chinese point of view, that undoubtedly American sentiment is all with that. Well, ladies and gentlemen, I devoutly hope so. I am convinced that if American opinion and American sentiment can only find full expression along those lines not only will it be better for the United States, but it will be better for Great Britain and immeasurably better for our friends, the Chinese. Well, now, you know those historical memories continue to play an important part, and one of those has been mentioned this evening with special reference to the differences between Great Britain and America in their treatment of the Chinese people; that famous act of justice and of generosity which the American Government carried out at the instance of Mr. John Hay when he was Secretary of State, of the return of the Boxer indemnity. Well, of course, it was a splendid thing; it was a wonderful asset for the United States to have a Secretary of State like John Hay with so clear and far-sighted vision, but we in England had not John Hay at the head of our Foreign Office at that time. We had a fine old Tory statesman who would have been shocked if anybody had suggested to him that we should make concessions of that kind of an oriental people. The late Lord Salisbury would have felt that some

fantastic creature from the moon had come to him and was teaching him the elements of foreign politics. But, ladies and gentlemen, after all, we British of today are not responsible for the failures of our conservative statesmen a generation ago. We do ask that you will judge us by our statesmen's policy today and by the changed attitude of our government, and when I confess that I do not speak about the British Government or Sir Austin Chamberlin from the point of view of political agreement, since I belong to the other side, I think there may perhaps be a little added weight in my statement that we do regard his general attitude towards China and the Chinese in recent months as having been on the whole an excellent and praiseworthy thing.

But what of the immediate future? It is quite clear, I think it has been demonstrated beyond all question this evening, where the right attitude lies and where the results of a right attitude and policy can be discerned. There are some nationals and some governments that are coming out of this confusion in China with credit and with prestige, and if we do not follow in their precise line of advance, at any rate, it is quite clear that we have to take that lesson to ourselves and I, for one, will just add one thing to the practical policy. No government in England could have refused to send an adequate naval force for the protection of the foreigners in Shanghai and elsewhere. A good deal of loose nonsense is talked, I feel, in regard to the international settlement in China, as though it were simply a symbol of western imperial power. I should not say a word with regard to these international settlements or to delay the revising of the whole business of extra-territoriality as quickly as we possible can, but let us remember that a very large number of Chinese have been living in the international settlement of Shanghai because of the additional

protection which they have enjoyed, and that they have sought that refuge in times past, and I was informed the other day on good authority, that there was hardly a single general of the nationalist side who had not at some time or another been grateful for the refuge afforded by the international settlement in Shanghai. But nobody today, I think, with any enlightened view on the Far East and the demand upon the West, is going to say a word which would tend to delay the speedy revision of all those unjust provisions. It is more than 20 years since the leading Englishman in China, Sir Robert Hart, who is still alive, and who directed the Chinese customs for something like 40 years, -- it is over 20 years since he declared that when China moved, she would move as a whole and in support of one demand, China for the Chinese, and out with foreigners.

We in England talk about trusting the man on the spot. Unfortunately the governments of those days did not trust the best informed and the farthest-sighted of the men on the spot, and let me remind you, as I finish, of one thing. The present government of Great Britain has clearly been doing its best in the matter of policy and action, in an inconceivably difficult situation. When military and naval force is brought in, of course, we all recognize the whole thing is enormously complicated. But the present government in Great Britain is not going to be there forever. The people of Britain have to bear all these attacks because of the mistake of the government in power. Mr. Baldwin and Sir Austin Chamberlain, I am sure, would have taken a liberal and a generous line throughout, if it had been possible, for they too have had to fight their own "die-hards," to resist their own hard men. But their time, after all, is limited, and I can assure you that

there can be no question whatsoever as to what will be the overwhelming judgment of the people of Britain when we have the next tribunal of the general election. We recognize, as you recognize, that there is this entire change in the relation between the East and the West. We accept the great words of General Smuts on the moral of the Treaty of Versailles, "Humanity is on the march," and the Eastern peoples are in that march, and it looks as though within the lifetime of some of us, that they may be in the van of that march, and I am with all the preceding speakers when they say that our own duty and our own line of action should be velar in the mater, first of all, of the declaration of justice, and of the offer of the utmost friendship to the Chinese people. (Applause)