

The Open Door in China

By Prof. W. W. SWANSON.

Engrossed as we are in the colossal struggle in Europe, Africa and the Near East, most Canadians have given little time or attention to the consideration of certain momentous events that have taken place within the last year in China. We refer not merely to the dictatorship of Yuan Shai Kai, but to the relations of Japan to China, the real cause of the former event. We cannot view with equanimity the aggression of Japan upon China. Our stake in that country is too great, our trade connections too important, to permit of that being done. But aside from mere matters of trade it is incumbent upon the British Empire, in common with the United States, to guarantee that China shall have every facility to develop her national life in such a way that she may, as soon as possible, take her rightful place in the family of civilized nations.

The outbreak of the European war has for the time being prevented Britain's diplomatists from giving full attention to the encroachment of Japan upon China's sovereignty. Recently the Manchester Guardian attempted to arouse England to the dangers to which British oriental policy would be exposed if Japan were permitted to carry out its full programme as outlined to the world in May, 1915. That programme made provision for the appointment of Japanese advisers to the Chinese Government, the installation of Japanese political officials, the purchase of munitions of war from Japan or their manufacture under joint Japanese and Chinese control, and the placing of China's army under Japanese officers. It is true that Tokyo has denied that Japan means to reassert itself on these points; but whether or not that nation does so, for the present, is immaterial, for Japan's political predominance in China has been established. Neither does it matter much that Japan asseverates that the treaties of the other Powers with China will be respected; future events alone can determine to what extent China is free to shape her own relations with the western world.

Japan's Justification of its Actions.

Japan has been cynical and ruthless in its actions toward China, but it can be scarcely proved that the countries of Western civilization have pointed the way to higher ethical ideals. Japan justifies her violation of Chinese sovereignty by declaring that upon her power alone depends the preservation of peace in the Far East; that China's wealth and invertebrate Government invite aggression by European Powers. To prevent that aggression and to preserve the peace, she has made herself China's benevolent guardian. But this is sheer hypocrisy. After all it can be quite conclusively shown that wherever Britain has gone she has brought order and, where possible, democratic government, and that the United States in the Philippines, in Cuba, and in Santo Domingo has likewise aided distressed peoples to free themselves from oppression. Japan, however, has entered China not to free a down-trodden nation but to exploit them.

It may well be, of course, that the economic results of Japan tutelage will be beneficial to China. In Korea, already many favorable evidences of Japanese rule are to be found. And in China justice will be better administered, taxation will be more equitable, and the commerce of the country will grow apace. But to what extent will that trade and commerce be participated in by Europe and America? The future alone can disclose the economic effects of Japan's virtual over-lordship of the Flowery Kingdom; but when it is recalled that Japan ruthlessly oppressed the Koreans and hampered their foreign trade until she had incorporated their country within the Japanese Empire it must be confessed that not much can be expected from the fair promises that have been made concerning the maintenance of the "open door" in China.

Great Britain and the "Open Door."

Sir Edward Grey has intimated that Japan will, in his judgment, fulfil the conditions of the Treaty of London, signed August 11, 1905, the preamble of which reads as follows:

(b) The preservation of the common interests of all Powers in China by insuring the independence and the integrity of the Chinese Empire, and the principle of equal opportunities for the commerce and industry of all nations in China;

(c) The maintenance of the territorial rights of the High Contracting Parties in the regions of Eastern Asia and of India, and the defence of their

special interests in the said regions.

It might be supposed that the first clause (b) provided for an absolute guarantee of China's independence; but the second clause (c) somewhat beclouds the issue, for there it is asserted that special interests in "Eastern Asia" may be defended.

It will be recalled that the first Anglo-Japanese Alliance, signed in 1902, was supposed to safeguard the independence of Korea, although Japan's peculiar interests in the peninsula were recognized; and, moreover, it was provided that Japan should have the right to defend them if they were threatened by a third party. Article 3 of the Alliance of 1905—negotiated while the Japanese and Russians were concluding peace at Portsmouth—provided that Japan might take such measure of guidance, control and protection in Korea as she might consider necessary to safeguard and advance her special interests in that country. Korea was first "protected" and then annexed. The Alliance of 1905 had established the "open door" policy toward Korea; and when Japan annexed the peninsula she guaranteed to the Powers that existing treaties should remain in force for ten years subsequent to annexation.

In the various treaties which the United Kingdom and the United States have negotiated with China it has been stipulated that should the Government of China grant to any nation, or the merchants or citizens of any nation, any special favors connected with navigation or commerce, with political and other intercourse, such rights and favors should at once inure to the benefit of the citizens or subjects also of the United States and Great Britain.

Concerning these rights Count Okuma, the Japanese Premier, issued a message to the American people, in May, 1915, through the New York Independent. He asserted:

That Japan had not infringed the rights of other nations.

That Japan had adhered strictly to the principle of equal opportunity.

That Japan is not attempting to secure a monopoly in China.

That Japan is not attempting to create a protectorate over China.

That Japan is not seeking to secure in China any advantage that does not accord with the Anglo-Japanese Alliance or with any treaties or understandings with the United States.

That Japan has fully informed interested Powers in Japan's purposes.

In considering these declarations it must be remembered that they apply only to the eighteen Provinces of China proper, and not to Manchuria and Mongolia. Since 1899 Great Britain has recognized the peculiar rights of Russia in Manchuria; and since 1910, when the proposals of Secretary Knox to neutralize the railways of these regions failed, the special rights of Japan and Russia in Manchuria and Mongolia have been recognized by all the Great Powers.

Attitude of the United States and Great Britain.

In the meantime Japan has received valuable trading and industrial concessions in China, and the right to construct a railroad in the Yang-tze Valley which will compete with a British road. True, Japanese police officials will not yet be placed in China, nor Japanese advisers to the Chinese Government. China, for the present, will not be compelled to buy or manufacture munitions of war under Japanese control. But Japan has, nevertheless, seized the opportunity to penetrate China economically; and economic penetration will inevitably bring political penetration in its wake. How much reliance, then, can be placed upon Japan's promise to respect the treaty rights of other Powers? If Japan once controls the political policy of China it is greatly to be feared that the "most favored nation" clause in British and American treaties with China will go by the board. Already Japan has made good her claims to exceptional and peculiar rights in Manchuria, as Russia has in Mongolia. If we could look forward to an extension of free trade policies throughout the world after the war the outlook for future trade with China would, from the point of view of America and the United Kingdom, not be so dark. But the crushing burdens imposed upon Europe by the war, and the indemnities that Germany and Austria will have to pay, will necessarily involve fresh taxation. Tariffs on the continent will be raised all around. If the general tendency, there-

fore, is to be toward tariff extensions, economic unions, and the creation of spheres of influence, it is not to be expected that the Far East will not adopt similar policies. As has been said, Japan has in late years fostered the foreign trade of Korea; but then the peninsula has been annexed to the Japanese Empire. It is scarcely likely that Japan, under the most favorable circumstances, will do more than acquire "special rights" in China proper, as she has already done in Manchuria. But having acquired those special rights and sphere of influence in China the policy of the open door will become a thing of the past. Neither Great Britain nor the United States can regard such a prospect with equanimity.

The interests of the United Kingdom in China are greater than those of any other Western Power; but at present Britain is compelled to leave the safeguarding of those rights to Japan. On the other hand the United States is outside the great European war, and might, with reason, be expected to guard the open door. But, unfortunately, the Republic has chosen to rely upon nothing stronger than rhetoric in solving its international problems. It is not for us to unduly criticize a friendly neutral State; but it may be said that Bryan and Wilson have done nothing to maintain international law and the integrity of international obligations. While the United States talks, Japan acts, Germany and Austria act, even Turkey acts. Unless the Republic adopts a strong foreign policy it will lose as greatly in prestige both in Europe and the Far East as though it had been defeated in a great war.

JANUARY BANK CLEARINGS.

Canadian bank clearings in January were \$742,900,159, with one exception, that is January, 1913, the largest on record for the month.

"Inasmuch as business in Canada during the initial month of 1916 was affected by conditions incident to the post-holiday lull," says Bradstreet's, "it is not astonishing to find that clearings for January fell below the record payments made in December." After pointing out that the total had been exceeded in only one January, Bradstreet's continues: "While this showing of \$742,900 reflects a drop of 20 per cent from December, it nevertheless displays a gain of 31 per cent over January, 1915, and of 6.4 per cent over that month in 1914, but comparison with 1913 discloses a drop of 5.9 per cent. The total just given is larger than that reported for any month in 1914, and in only three months of 1915 was it exceeded. Montreal, Toronto and Winnipeg report increases of 38 per cent, 32 per cent and 42 per cent respectively. Victoria and Vancouver, Edmonton, London and Saskatoon exhibit decreases from January, 1915.

"This table shows Canadian bank clearings month by month since 1913.

(Three figures omitted.)

	1916.	1915.	1914.
Jan.	\$742,900	\$566,706	\$697,728
Feb.		487,296	596,837
Mar.		567,575	632,000
April		575,941	971,705
May		570,769	701,353
June		559,941	699,179
July		578,090	752,046
Aug.		556,008	571,055
Sept.		575,382	620,851
Oct.		785,814	712,723
Nov.		981,284	643,476
Dec.		934,907	610,434

COBALT SHIPMENTS.

Cobalt shipments for the week ended February 4th were:

	Pounds
Dom. Reduction Co.	88,000
McKinley	170,126
Coniagas	168,423
Larose	87,117
Casey Cobalt	59,000
Total	572,666

NEW HEAD MANUFACTURERS' LIFE.

J. B. McKechnie has been appointed general manager and actuary of the Manufacturers' Life Insurance Company.

Mr. McKechnie joined the actuarial department of the company in Sept., 1903, after graduating from Queen's University in Kingston with honors and the degree of M.A. In March, 1907, he became assistant actuary of the company, in March, 1909, actuary; in 1915, assistant manager, and now general manager.

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