

JAPAN

THE “TWENTY-ONE DEMANDS”

(revised version, modifying original demands presented on Jan. 18, 1915)

26th April 1915.

The revised list of articles is a Chinese translation of the Japanese text. It is hereby declared that when a final decision is reached, there shall be a revision of the wording of the text.

GROUP I.

The Japanese Government and the Chinese Government, being desirous of maintaining the general peace in Eastern Asia and further strengthening the friendly relations and good neighbourhood existing between the two nations, agree to the following articles:—

ARTICLE 1.—The Chinese Government engages to give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government, relating to the disposition of all rights, interests and concessions, which Germany, by virtue of treaties or otherwise, possesses in relation to the Province of Shantung.

ARTICLE 2.—(Changed into an exchange of notes.)

The Chinese Government declares that within the Province of Shantung and along its coast no territory or island will be ceded or leased to any Power under any pretext.

ARTICLE 3.—The Chinese Government consents that as regards the railway to be built by China herself from Chefoo or Lungkow to connect with the Kiaochow-Tsinanfu Railway, if Germany is willing to abandon the privilege of financing the Chefoo-Weihsien line, China will approach Japanese capitalists to negotiate for a loan.

ARTICLE 4.—The Chinese Government engages, in the interest of trade and for the residence of foreigners, to open of its own accord as soon as possible certain suitable places in the Province of Shantung as Commercial Ports.

(Supplementary Exchange of Notes)

The places which ought to be opened are to be chosen, and the regulations are to be drafted, by the Chinese Government, but the Japanese Minister must be consulted before making a decision.

GROUP II.

The Japanese Government and the Chinese Government, with a view to developing their economic relations in South Manchuria and Eastern Inner Mongolia, agree to the following articles:—

ARTICLE 1.—The two Contracting Powers mutually agree that the term of lease of Port Arthur and Dalny and the terms of the South Manchurian Railway and the Antung-Mukden Railway, shall be extended to 99 years.

(Supplementary Exchange of Notes)

The term of lease of Port Arthur and Dalny shall expire in the 86th year of the Republic or A.D. 1997. The date for restoring the South Manchurian Railway to China shall fall due in the 91st year of the Republic or A.D. 2002. Article 12 in the original South Manchurian Railway Agreement that it may be redeemed by China after 36 years after the traffic is opened is hereby cancelled. The term of the Antung-Mukden Railway shall expire in the 96th year of the Republic or A.D. 2007.

ARTICLE 2.—Japanese subjects in South Manchuria may lease or purchase the necessary land for erecting suitable buildings for trade and manufacture or for prosecuting agricultural enterprises.

ARTICLE 3.—Japanese subjects shall be free to reside and travel in South Manchuria and to engage in business and manufacture of any kind whatsoever.

ARTICLE 3a.—The Japanese subjects referred to in the preceding two articles, besides being required to register with the local authorities passports which they must procure under the existing regulation, shall also submit to police laws and ordinances and tax regulations, which are approved by the Japanese consul. Civil and criminal cases in which the defendants are Japanese shall be tried and adjudicated by the Japanese consul; those in which the defendants are Chinese shall be tried and adjudicated by Chinese authorities. In either case an officer can be deputed to the court to attend the proceedings. But mixed civil cases between Chinese and Japanese relating to land shall be tried and adjudicated by delegates of both nations conjointly in accordance with Chinese law and local usage. When the judicial system in the said region is completely reformed, all civil and criminal cases concerning Japanese subjects shall be tried entirely by Chinese law courts.

ARTICLE 4.—(Changed to an exchange of notes.)

The Chinese Government agrees that Japanese subjects shall be permitted forthwith to investigate, select, and then prospect for and open mines at the following places in South Manchuria, apart from those mining areas in which mines are being prospected for or worked; until the Mining Ordinance is definitely settled methods at present in force shall be followed.

Province of Fengtien.	Locality.	District.	Mineral.
	Niu Hsin T'ai	Pen-hsi	Coal
	Tien Shih Fu Kou	Pen-hsi	"
	Sha Sung Kang	Hai-lung	"
	T'ieh Ch'ang	T'ung-hua	Coal
	Nuan Ti T'ang	Chin	"
	An Shan Chan region	From Liao-yang to Pen-hsi	Iron
Province of Kirin (southern portion).			
	Sha Sung Kang	Ho-lung	Coal and Iron
	Kang Yao	Chi-lin (Kirin)	Coal
	Chia P'i Kou	Hua-tien	Gold

ARTICLE 5.—(Changed to an exchange of notes.)

The Chinese Government declares that China will hereafter provide funds for building railways in South Manchuria; if foreign capital is required, the Chinese Government to negotiate for a loan with Japanese capitalists first.

ARTICLE 5a.—(Changed to an exchange of notes.)

The Chinese Government agrees that hereafter, when a foreign loan is to be made on the security of the taxes of South Manchuria (not including customs and salt revenue on the security of which loans have already been made by the Chinese Government), it will negotiate for the loan with Japanese capitalists first.

ARTICLE 6.—(Changed to an exchange of notes.)

The Chinese Government declares that hereafter if foreign advisors or instructors on political, financial, military or police matters are to be employed in South Manchuria, Japanese will be employed first.

ARTICLE 7.—The Chinese Government agrees speedy to make a fundamental revision of the Kirin-Changchun Railway Loan Agreement, taking as a standard the provisions in railway loan agreements made heretofore between China and foreign financiers. If, in future, more advantageous terms than those in existing railway loan agreements are granted to foreign financiers in connexion with railway loans, the above agreement shall again be revised in accordance with Japan's wishes.

CHINESE COUNTER-PROPOSAL TO ARTICLE 7.

All existing treaties between China and Japan relating to Manchuria shall, except where otherwise provided for by this Convention, remain in force.

MATTERS RELATING TO EASTERN INNER MONGOLIA.

1.—The Chinese Government agrees that hereafter when a foreign loan is to be made on the security of the taxes of Eastern Inner Mongolia, China must negotiate with the Japanese Government first.

2.—The Chinese Government agrees that China will herself provide funds for building the railways in Eastern Inner Mongolia; if foreign capital is required, China must negotiate with the Japanese Government first.

3.—The Chinese Government agrees in the interest of trade and for the residence of foreigners, to open by China herself, as soon as possible, certain suitable places in Eastern Inner Mongolia as Commercial Ports. The places which ought to be opened are to be chosen, and the regulations are to be drafted, by the Chinese Government, but the Japanese Minister must be consulted before making a decision.

4.—In the event of Japanese and Chinese desiring jointly to undertake agricultural enterprises and industries incidental thereto, the Chinese Government shall give its permission.

GROUP III.

The relations between Japan and the Hanyehping Company being very intimate, if the interested party of the said Company comes to an agreement with Japanese capitalists for co-operation, the Chinese Government shall forthwith give its consent thereto. The

Chinese Government further agrees that, without the consent of the Japanese capitalists, China will not convert the Company into a state enterprise, nor confiscate it, nor cause it to borrow and use foreign capital other than Japanese.

GROUP IV.

China to give a pronouncement by herself in accordance with the following principle:—

No bay, harbour, or island along the coast of China may be ceded or leased to any Power.

NOTES TO BE EXCHANGED.

A.

As regards the right of financing a railway from Wuchang to connect with the Kiukiang-Nanchang line, the Nanchang-Hangchow Railway and the Nanchang-Chaochow Railway, if it is clearly ascertained that other Powers have no objection, China shall grant the said right to Japan.

B.

As regards the right of financing a railway from Wuchang to connect with the Kiukiang-Nanchang Railway, a railway from Nanchang to Hangchow, and another from Nanchang to Chaochow, the Chinese Government shall not *grant* the said right to any *foreign Power* before Japan comes to an understanding with the other Power which is heretofore *interested* therein.

NOTES TO BE EXCHANGED.

A.

The Chinese Government agrees that no nation whatever is to be permitted to construct on the coast of Fukien Province a dockyard, a coaling station for military use, or a naval base; nor to be authorized to set up any other military establishment. The Chinese Government further agrees not to use foreign capital for setting up the above-mentioned construction or establishment.

Mr. Lu, the Minister of Foreign Affairs, stated as follows:—

1.—The Chinese Government shall, whenever in future it considers this step necessary, engage numerous Japanese advisors.

2.—Whenever, in future, Japanese subjects desire to lease or purchase land in the interior of China for establishing schools or hospitals, the Chinese Government shall forthwith give its consent thereto.

3.—When a suitable opportunity arises in future, the Chinese Government will send military officers to Japan to negotiate with Japanese military authorities the matter of purchasing arms or that of establishing a joint arsenal.

Mr. Hioki, the Japanese Minister, stated as follows:—

As relates to the question of the right of missionary propaganda, the same shall be taken up again for negotiation in future.

Source: MacNair, *Modern Chinese History: Selected Readings*, Vol. 2, p. 772

JAPANESE ULTIMATUM, MAY 7, 1915

Delivered by the Japanese Minister to the Chinese Minister of Foreign Affairs at 3 o'clock on 7th May, 1915.

The reason why the Imperial Government opened the present negotiations with the Chinese Government is first to endeavour to dispose of the complications arising out of the war between Japan and Germany, and secondly to attempt to solve those various questions which are detrimental to the intimate relations of China and Japan with a view to solidifying the foundation of cordial friendship subsisting between the two countries to the end that the peace of the Far East may be effectually and permanently preserved. With this object in view, definite proposals were presented to the Chinese Government in January of this year, and up to to-day as many as twenty-five conferences have been held with the Chinese Government in perfect sincerity and frankness.

In the course of the negotiations the Imperial Government has consistently explained the aims and objects of the proposals in a conciliatory spirit, whilst on the other hand the proposals of the Chinese Government, whether important or unimportant, have been attended to without any reserve.

It may be stated with confidence that no effort has been spared to arrive at a satisfactory and amicable settlement of those questions.

The discussion of the entire corpus of the proposals was practically at an end at the twenty-fourth conference: that is on the 17th of last month. The Imperial Government, taking a broad view of the negotiations and in consideration of the points raised by the Chinese Government, modified the original proposals with considerable concessions and presented to the Chinese Government on the 26th of the same month the revised proposals for agreement, and at the same time it was offered that, on the acceptance of the revised proposals the Imperial Government would, at a suitable opportunity, restore, with fair and proper conditions, to the Chinese Government the Kiaochow territory, in the acquisition of which the Imperial Government had made a great sacrifice.

On the first of May, the Chinese Government delivered the reply to the revised proposals of the Japanese Government, which is contrary to the expectations of the Imperial Government. The Chinese Government not only did not give a careful consideration to the revised proposals but even with regard to the offer of the Japanese Government to restore Kiaochow to the Chinese Government, the latter did not manifest the least appreciation for Japan's good will and difficulties.

From the commercial and military points of view Kiaochow is an important place, in the acquisition of which the Japanese Empire sacrificed much blood and money, and after the acquisition, the Empire incurs no obligation to restore it to China. But with the object of increasing the future friendly relations of the two countries, she went to the extent of proposing its restoration; yet to her great regret the Chinese Government did not take into consideration the good intention of Japan and manifest appreciation of her difficulties. Furthermore the Chinese Government not only ignored the friendly feelings of the Imperial Government in offering the restoration of Kiaochow Bay, but also in replying to the revised proposals it even demanded its unconditional restoration; and again China demanded that Japan should bear the responsibility of paying indemnity for all the unavoidable losses and

damages resulting from Japan's military operation at Kiaochow; and still further in connexion with the territory of Kiaochow China advanced other demands and declared that she has the right of participation at the future peace conference to be held between Japan and Germany. Although China is fully aware that the unconditional restoration of Kiaochow and Japan's responsibility of indemnification for the unavoidable losses and damages can never be tolerated by Japan, yet she purposely advanced these demands and declared that this reply was final and decisive.

Since Japan could not tolerate such demands the settlement of the other questions, however compromising it may be, would not be to her interest. The consequence is that the present reply of the Chinese Government is, on the whole, vague and meaningless.

Furthermore, in the reply of the Chinese Government to the other proposals in the revised list of the Imperial Government, such as South Manchuria and Eastern Inner Mongolia, where Japan particularly has geographical, commercial, industrial and strategic relations, as recognized by all the nations, and made more remarkable in consequence of the two wars in which Japan was engaged, the Chinese Government overlooks these facts and does not respect Japan's position in that place. The Chinese Government even freely altered those articles which the Imperial Government in a compromising spirit has formulated in accordance with the statement of the Chinese Representatives, thereby making the statement of the Representatives an empty talk; and on seeing them conceding with the one hand and withholding with the other it is very difficult to attribute faithfulness and sincerity to the Chinese authorities.

As regards the Articles relating to the employment of advisors, the establishment of schools and hospitals, the supply of arms and ammunition and the establishment of arsenals and railway concessions in South China in the revised proposals, they were either proposed with the provision that the consent of the Power concerned must be obtained, or they are merely to be recorded in the minutes in accordance with the statement of the Chinese delegates, and thus they are not in the least in conflict either with Chinese sovereignty or her treaties with the Foreign Powers, yet the Chinese Government in its reply to the proposals, alleging that these proposals are incompatible with its sovereign rights and treaties with Foreign Powers, defeats the expectations of the Imperial Government. However, in spite of such attitude of the Chinese Government, the Imperial Government, though regretting to see that there is no room for further negotiation, yet warmly attached to the preservation of the peace of the Far East, is still hoping for a satisfactory settlement in order to avoid the disturbance of relations.

So in spite of the circumstances which admit no patience, the Japanese Government will reconsider the feelings of the Government of the neighbouring country and, with the exception of the article relating to Fukien which is to be the subject of an exchange of notes as has already been agreed upon by the Representatives of both nations, will undertake to detach Group V from the present negotiations and discuss it separately in the future. Therefore the Chinese Government should appreciate the friendly feelings of the Imperial Government by immediately accepting without any alteration all the articles of Groups I, II, III, and IV and the exchange of notes in connexion with Fukien Province in Group V as contained in the revised proposal presented on the 26th of April.

The Imperial Government hereby again offers its advice and hopes that the Chinese Government, upon the advice, will give a satisfactory reply not later than 6 o'clock P.M. on the 9th day of May. It is hereby declared that if no satisfactory reply is received before or at the designated time, the Imperial Government will take any steps she may deem necessary.

CHINA'S ACCEPTANCE OF JAPAN'S ULTIMATUM, MAY 8, 1915

The Reply of the Chinese Government to the Ultimatum of the Japanese Government, Delivered to the Japanese Minister by the Minister of Foreign Affairs on the 8th of May, 1915.

On the 7th of this month, at three o'clock P.M. the Chinese Government received an Ultimatum from the Japanese Government together with an Explanatory Note of seven articles. The Ultimatum concluded with the hope that the Chinese Government not later than 6 o'clock P.M. on the 9th of May, will give a satisfactory reply, and it is thereby declared that if no satisfactory reply is received before or at the designated time, the Japanese Government will take any steps it may deem necessary.

The Chinese Government with a view to preserving the peace of the Far East, hereby accepts, with the exception of those five articles of Group V postponed for later negotiation, all the articles of Groups I, II, III, and IV and the Exchange of Notes in connexion with Fukien Province in Group V as contained in the revised proposals presented on the 26th of April and in accordance with the Explanatory Note of seven articles accompanying the Ultimatum of the Japanese Government with the hope that thereby all the outstanding questions are settled, so that the cordial relationship between the two countries may be further consolidated. The Japanese Minister is hereby requested to appoint a day to call at the Ministry of Foreign Affairs to make the verbal improvement of the text and sign the Agreement as soon as possible.

Source: MacNair, *Modern Chinese History: Selected Readings*, Vol. 2, p. 787

OFFICIAL (OPEN) STATEMENT BY CHINESE GOVERNMENT

Official Statement by the Chinese Government respecting the Sino-Japanese Negotiations now brought to a conclusion by China's compliance with the terms of Japan's Ultimatum delivered on 7th May.

At three o'clock in the afternoon of 7th May, 1915, His Excellency the Japanese Minister in Peking delivered to the Chinese Government in person an Ultimatum from the Imperial Japanese Government with an accompanying Note of seven articles. The concluding sentences of the Ultimatum read thus:—

“The Imperial Government hereby again offers its advice and hopes that the Chinese Government, upon this advice, will give a satisfactory reply by six o'clock P.M. on the ninth day of May. It is hereby declared that if no satisfactory reply is received before or at the specified time the Imperial Government will take such steps as it may deem necessary.”

The Chinese Government, having received and accepted the Ultimatum feels constrained to make a frank and plain statement of the facts connected with the negotiations which were abruptly terminated by this drastic action on the part of Japan.

STATEMENT FOR CHINA.

The Chinese Government has constantly aimed, as it still aims, at consolidating the friendship existing between China and Japan, and, in this period of travail in other parts of the world, has been particularly solicitous of preserving peace in the Far East. Unexpectedly on 18th January, 1915, His Excellency the Japanese Minister in Peking, in pursuance of

instructions from his Government, adopted the unusual procedure of presenting to His Excellency the President of the Republic of China a list (hereto appended) of twenty-one momentous demands, arranged in five Groups. The first four Groups were each introduced by a preamble but there was no preamble or explanation to the Fifth Group. In respect of the character of the demands in this Group, however, no difference was indicated in the document between them and those embodied in the preceding Groups. Although there was no cause for such a demarche the Chinese Government, in deference to the wishes of the Imperial Japanese Government, at once agreed to open negotiations on those articles which it was possible for China to consider, notwithstanding that it was palpable that the whole of the demands were intended to extend the rights and interests of Japan without securing a *quid pro quo* of any kind for China.

BEFORE NEGOTIATIONS.

China approached the pending conferences in a spirit of utmost friendliness and with a determination to deal with all questions frankly and sincerely. Before negotiations were actually commenced the Japanese Minister raised many questions with regard to the number of delegates proposed to represent China, the number of conferences to be held in each week, and the method of discussion. The Chinese Government, though its views differed from those of the Japanese Minister, yielded in all these respects to his contentions in the hope of avoiding any delay in the negotiations. The objections of the Japanese Minister to the customary recording and signing of the minutes of each conference, which the Chinese Government suggested as a necessary and advisable precaution, as well as one calculated to facilitate future reference, were also accepted. Nor did the Chinese Government retaliate in any way when in the course of the negotiations the Japanese Minister twice suspended the conferences, obviously with the object of compelling compliance with his views on certain points at the time under discussion. Even when delay was threatened owing to the unfortunate injury sustained by the Japanese Minister as a result of a fall from his horse, the Chinese delegates, in order to avert interruption, proposed that the conferences should be continued at the Japanese Legation, which proposal was accepted. Later, when, on 22nd March, the Japanese Government dispatched large bodies of troops to South Manchuria and Shantung for the ostensible purpose of relieving the garrison whose term of service had not then expired, the Japanese Minister stated at the conference, in reply to a direct question as to when the retiring troops would be withdrawn, that this would not be done until the negotiations could be brought to a satisfactory conclusion. Although this minatory step caused much excitement, indignation and alarm on the part of the Chinese people, and made it difficult for the Chinese Government to continue the conferences, it successfully exerted efforts to avert a rupture and thus enabled the negotiations smoothly to proceed. All this demonstrates that the Chinese Government was dominated by a sincere desire to expedite the progress of the conferences; and that the Japanese Government recognized this important fact was made clear on 11th March, when the Japanese Minister conveyed to the Chinese Government an expression of his Government's appreciation of China's frankness and sincerity in the conduct of the negotiations.

From 2nd February, when the negotiations were commenced, to 17th April, twenty-four conferences were held in all. Throughout this whole period the Chinese Government steadfastly strove to arrive at an amicable settlement and made every concession possible.

Of the twenty-one demands originally submitted by Japan, China agreed to fifteen, some in principle and some textually, six being initiated by both parties.

IN THE MATTER OF THE DEMANDS TO WHICH CHINA
AGREED:—

KIAOCHOW AND SHANTUNG.

At the first conference, held on 2nd February, China agreed in principle to the first article of the Shantung Group of demands which provides that China should give her assent to the transfer of Germany's rights in Shantung to Japan. The Chinese Government maintained at first that the subject of this demand related to the *post bellum* settlement, and, therefore, should be left over for discussion by all the parties interested at the Peace Conference. Failing to persuade the Japanese Minister to accept this view, the Chinese Government agreed to this demand in principle, and made certain supplementary proposals.

One of the supplementary proposals was in these terms:— “The Japanese Government declares that when the Chinese Government gives its assent to the transfer of the rights above referred to, Japan will restore the Leased Territory of Kiaochow to China, and further recognizes the right of the Chinese Government to participate in the negotiations referred to above between Japan and Germany.”

The provision for a declaration to restore Kiaochow was clearly not a demand on Japan but only a reiteration of Japan's voluntary statement in her Ultimatum to Germany on 15th August 1914, (a copy of which was officially transmitted to the Chinese Government for perusal on 15th August), and repeated in public statements by the Japanese Premier. Appreciating the earnest desire of Japan to maintain the peace of the Far East and to cement her friendship with China, as evidenced by this friendly offer, the Chinese Government left the entire question of the conditions of restoration to be determined by Japan, and refrained from making any reference thereto in the supplementary proposal. The suggestion relating to participation in the Conference between Japan and Germany was made in view of the fact that Shantung, the object of future negotiation between Japan and Germany, is a Chinese Province, and therefore China is the Power most concerned in the future of that territory.

Another supplementary proposal suggesting the assumption by Japan of responsibility for indemnification of the losses arising out of the military operations by Japan in and about the leased territory of Kiaochow was necessitated by the fact that China was neutral *vis-à-vis* the war between Japan and Germany. Had China not inserted such a provision, her position in relation to this conflict might have been liable to misconstruction — the localities in which the operations took place being a portion of China's territory — and might also have exposed herself to a claim for indemnification of losses for which she was in no way responsible.

In a further supplementary proposal the Chinese Government suggested that, prior to the restoration of the Kiaochow territory to China, the Maritime Customs, the telegraphs and post offices should continue to be administered as heretofore; that the military railway, the telegraph lines, etc., which were installed by Japan to facilitate her military operations, should be removed forthwith; that the Japanese troops now stationed outside of the leased territory should be first withdrawn, and those within the territory should be recalled at the time when Kiaochow is returned to China. Shantung being a Chinese Province, it was natural for China to be anxious concerning the restoration of the *status quo ante bellum*. Although the Chinese Government was confident that the Japanese Government would effect such restoration in pursuance of its official declaration, it was necessary for China, being neutral throughout the war, to place these matters on record.

CONFERENCES AND RESULTS.

At the third conference, held on 22nd February, China agreed to the second demand in the Shantung Group, not to cede or lease to any Power any territory or island on the sea border of Shantung.

At the fifth conference, held on 29th February, China agreed to give Japan the preference, provided Germany abandoned the privilege, to supply the capital for the construction of a railway from Chefoo or Lungkow to connect with the Kiaochow-Tsinanfu Railway, in the event of China's deciding to build that railway with foreign capital.

At the sixth conference, held on 3rd March, China, in the interests of foreign trade, agreed to open certain important cities in Shantung as trade marts under regulations approved by the Japanese Government, although this was a demand on the part of Japan for privileges additional to any that hitherto had been enjoyed by Germany and was not an outcome of the hostilities between Japan and Germany, nor, in the opinion of the Chinese Government, was its acceptance essential to the preservation of peace in the Far East.

IMPORTANT CONCESSIONS.

At the eighth conference, held on 9th March, China agreed: (1) to the extension of the term of the lease of Dairen and (2) Port Arthur; and (3) of the South Manchurian and (4) Antung-Mukden railways, all to 99 years.

Owing to the bitter experience which China has sustained in the past in connexion with the leased portions of her territory, it has become her settled policy not to grant further leases nor to extend the term of those now in existence. Therefore, it was a significant indication of China's desire to meet Japan's wishes when she agreed to this exceptional departure from her settled policy.

HANYEHPING COMPANY.

At the same conference the Chinese Government also agreed to refrain from raising objections to the principle of co-operation in the Hanyehping Company, if the latter should arrive at an agreement in this respect with the Japanese capitalists concerned. With reference to this question it was pointed out to the Japanese Minister that, in the Provisional Constitution of the Republic of China, Chinese citizens are guaranteed the right of protection of their property and freedom to engage in any lawful occupation. The Government was precluded, therefore, from interfering with the private business of the people, and could not find any other solution than the one thus agreed to.

As regards the single article of the Fourth Group, and the preamble thereto, the Chinese Government held that these were inconsistent with Chinese sovereignty. However, China, at this conference, expressed her readiness to meet the wishes of Japan so far as it was possible without abridging her sovereignty, and agreed to make a voluntary pronouncement that she would not alienate any portion of her coastline.

SOUTH MANCHURIAN RAILWAY.

In connexion with the South Manchurian Railway it is worthy of note that the provision regarding the repurchase period in the agreement (36 years from 1902) was not mentioned in Japan's original proposal. Subsequently the Japanese Government, on the ground that the meaning of this provision was not clear, requested China to agree to its cancellation. To this request the Chinese Government acceded, though well aware that the proposed change could only benefit Japan. China thus relinquished the right to repurchase the railway at the expiration of another 23 years.

In connexion with the Antung-Mukden Railway, the article that was originally initialled at the conference provided for the reversion of the railway to China at the end of 99 years without payment, but, at the subsequent meeting, the Japanese Minister requested that the reference to the reversion without payment be deleted from the initialled article. In acceding to the Japanese Minister's request, China again showed her sincere desire to expedite matters and to meet Japan's wishes even at the sacrifice of a point in her favour, to which Japan had already agreed.

At the eleventh conference, held on 16th March, China agreed: to give Japan preference in regard to loans for railway construction in South Manchuria.

At the thirteenth conference, held on 23rd March, China agreed: (1) to the amendment of the Kirin-Changchun Railway loan agreement; (2) to give preference to Japan if the revenue of South Manchuria were offered as security for loans; (3) to give preference to Japanese in the event of the employment of advisors for South Manchuria; (4) to grant to Japanese the right of mining in nine specified areas in South Manchuria.

SOUTH MANCHURIA MINES.

In its original form the demand with reference to mining in South Manchuria tended to create a monopoly for Japanese subjects, and, therefore, was entirely inconsistent with the principle of equal opportunity. The Chinese Government explained that it could not, in view of the treaty rights of other Powers, agree to this monopoly, but it readily gave its acceptance when Japan consented to the modification of the demand so as to mitigate its monopolistic character.

In connexion with the Kirin-Changchun Railway the amendment agreed to involves a fundamental revision of the original agreement on the basis of the existing railway loan contracts concluded by China with other foreign capitalists, as well as an engagement on the part of the Chinese Government to extend to this railway any better terms which may hereafter be accorded to other railway concessionnaires in China. The capital of this railway was originally fifty per cent. Japanese. The effect of this undertaking is to transfer the capital originally held by the Chinese, as well as the full control and administration of the railway, to the Japanese.

FUKIEN QUESTIONS.

At the twenty-first conference, held on 10th April, China agreed, in regard to the demands concerning Fukien Province, to give Japan an assurance in accordance with Japan's wishes at a future time.

As regards demands 2 and 3 in the Manchuria Group, relating to the ownership of land for trade, manufacture, and agricultural enterprises, as well as for the right of settlement in the interior of South Manchuria, the Chinese Government, after discussion at several conferences, agreed to them in principle, but desired to introduce certain amendments concerning the control and protection of the Japanese subjects who might avail themselves of these rights. The course of the negotiations in connexion with these amendments will be referred to subsequently.

IN THE MATTER OF THOSE DEMANDS TO WHICH CHINA COULD
NOT AGREE:—

Of the twenty-one original demands there were six, as previously mentioned, to which China could not agree on the ground that they were not proper subjects for international negotiation, conflicting as they did with the sovereign rights of China, the treaty rights of other Powers, and the principle of equal opportunity.

HANYEHPING.

Thus, for example, the second article of the Hanyehping question in the original Third Group in particular, seriously affected the principle of equal commercial and industrial opportunity.

POLICE.

The proposal that there should be joint administration by China and Japan of the police in China was clearly an interference with the Republic's domestic affairs, and consequently an infringement of her sovereignty. For that reason the Chinese Government could not take the demand into consideration. But when it was explained by the Japanese Minister that this referred only to South Manchuria, and he suggested that his Government would be satisfied if China agreed to engage Japanese as police advisors for that territory, the Chinese Government accepted the suggestion.

BUDDHISM.

The two articles relating to the acquisition of land for schools, hospitals, and temples, as well as to the right of missionary propaganda, would, in the opinion of the Chinese Government, have presented grave obstacles to the consolidation of the friendly feeling, subsisting between the two people. The religions of the two countries are identical and therefore the need for a missionary propaganda to be carried on in China by Japan does not exist. The natural rivalry between Chinese and Japanese followers of the same faith would tend to create incessant disputes and friction. Whereas Western missionaries live apart from the Chinese communities amongst which they labour, Japanese monks would live with the Chinese; and the similarity of their physical characteristics, their religious garb, and their habits of life would render it impossible to distinguish them for purposes of affording the protection which the Japanese Government would require should be extended to them under the system of extraterritoriality now obtaining in China. Moreover, a general apprehension exists amongst the Chinese people that these peculiar conditions, favouring conspiracies for political purposes, might be taken advantage of by some unscrupulous Chinese.

YANGTZE RAILWAYS.

The demand for railway concessions in the Yangtze Valley conflicted with the Shanghai-Hangchow-Ningpo Railway Agreement of 6th March, 1908, the Nanking-Changsha Railway Agreement of 31st March, 1914, and the engagement of 24th August, 1914, giving preference to British firms for the projected line from Nanchang to Chaochowfu. For this reason the Chinese Government found itself unable to consider the demand, though the Japanese Minister, while informed of China's engagements with Great Britain, repeatedly pressed for its acceptance.

ADVISORS.

In respect to the demand for the appointment of influential Japanese to be advisors and instructors in political, financial and military affairs, the policy of the Chinese Government in regard to the appointment of advisors has been similar to that which has presumably guided the Japanese Government in like circumstances, namely, the selection of the best qualified men irrespective of their nationality. As an indication of its desire to avail itself of the services of eminent Japanese, one of the earliest appointments made to an advisership was that of Dr. Ariga, while later on Dr. Hirai and Mr. Takii were appointed to the Ministry of Communications.

It was considered that the demand that Japanese should be appointed in the three most important administrative departments, as well as the demand for the joint control of China's police, and the demand for an engagement to purchase a fixed amount of arms and ammunition from Japan or to establish joint arsenals in China, so clearly involved the sovereignty of the Republic that the Chinese Government was unable even to consider them.

For these reasons the Chinese Government, at the very outset of the negotiations, declared that it was unable to negotiate on the demands; but, in deference to the wishes of the Japanese Minister, the Chinese delegates consented to give the reasons for declining to enter into a discussion of them.

IN THE MATTER OF THE QUESTIONS OF DISPUTE INVOLVED IN SOME OF THE FOREGOING DEMANDS:—

The demand by Japan for the right of her subjects in South Manchuria to lease or own land, and to reside and travel, and to engage in business or manufacture of any kind whatever, was deemed by the Chinese Government to obtain for Japanese subjects in this region a privileged status beyond the terms of the treaties existing between the two nations, and to give them a freedom of action which would be a restriction of China's sovereignty and a serious infringement of her administrative rights. Should Japanese subjects be granted the right of owning land, it would mean that all the landed property in the region might fall into their hands; thereby endangering China's territorial integrity. Moreover, residence in the interior was incompatible with the existence of extraterritoriality, the relinquishment of which is necessary to the actual enjoyment of the privilege of inland residence, as evidenced in the practice of other nations.

EXTRATERRITORIALITY.

Japan's unconditional demand for the privilege of inland residence, accompanied with a desire to extend extraterritoriality into the interior of China and to enable Japanese subjects to monopolize all the interests in South Manchuria, was also palpably irreconcilable with the principle of equal opportunity. For this reason the Chinese Government was in the first instant, unable to accept this demand as a basis of negotiation. Its profound regard for the friendly relations of the two countries, however, persuaded it to exert its utmost efforts, in spite of all the inherent difficulties, to seek a solution of a question which was practically impossible to solve. Knowing that the proposal made by Japan was incompatible with treaties, it nevertheless sought to meet her wishes within the limits of treaties. Accordingly it submitted a counter-proposal to open more places in South Manchuria to international trade and to establish Sino-Japanese joint reclamation companies.

This suggestion was made in the belief that the places to which Japanese subjects would desire to resort for purposes of trade, could not be other than important localities; if all these localities were opened to commerce, then they could reside, trade, and lease land there for joint reclamation. Thus Japanese subjects might enjoy the essence of the privilege of inland residence and would still be able to reconcile their position with China's treaties and the principle of equal opportunity.

After the Japanese Government declined to accept this suggestion, China withdrew it and replaced it with an amendment to the original articles. It was proposed in this amendment to grant to Japanese subjects the extra-treaty privilege of inland residence with the proviso that Japanese subjects in places outside of trade ports should observe Chinese police regulations and pay taxes in the same manner as Chinese; and that civil and criminal cases involving such Japanese subjects should be adjudicated by Chinese authorities, the Japanese Consul attending merely to watch the proceedings. This suggestion was not an innovation: it was based upon the *modus operandi* now in force as regards the Chinese settlers in inland districts in Chientao. But the Japanese Government again declined to accept it.

The Chinese Government thereupon made a third proposal along the line of what constitutes the present practice in Turkey, making a distinction, however, in favour of Japanese subjects, in the exercise of jurisdiction over civil and criminal cases. This was once more objected to by the Japanese Government.

Then the Chinese Government proposed to concede still another step — the fourth endeavour to meet Japan's wishes. It proposed to agree to the full text of Articles 2 and 3 relative to the question of inland residence, except that "the right of owning land" was changed into "the right of leasing land" and to the phrase "cultivating land" was added this clause: "the regulations for which shall be determined separately;" and further, to add a supplementary article which embodied a *modus operandi* which the Chinese Government had constrained themselves to make out of a desire to come to a settlement over this question. The view advanced in this supplementary article was based upon the Japanese Minister's declaration made on 6th March 1915, that a separate article embodying some compromise might be added to the original Articles 2 and 3 for the purpose of avoiding any conflict with China's sovereignty or the system established by treaties.

These suggestions made by the Chinese Government were not accepted by Japan.

EASTERN INNER MONGOLIA.

As regards Eastern Inner Mongolia, not only have no treaties been entered into with Japan concerning this region, but also the people are so unaccustomed to foreign trade that the Chinese Government invariably feels much anxiety about the safety of foreigners who elect to travel there. The Chinese Government, therefore, considered that it would not be in the interest of foreigners to open the whole territory to them for residence and commerce, and on these grounds based its original refusal to place Eastern Inner Mongolia on the same footing as South Manchuria. Still, its desire to meet the wishes of the Japanese Government eventually prompted it to offer to open a number of places in the region to foreign trade.

IN THE MATTER OF JAPAN'S REVISED DEMANDS:—

The foregoing is an outline of the negotiations up to 17th April. It was hoped by the Chinese Government that the Japanese Government, in view of the great concessions made by China at the conferences held up to this time, would see a way of effecting an amicable

settlement by modifying its position on certain points. In regard to these it had, by this time, become manifest that China would encounter almost insuperable difficulties in making further concessions.

The Japanese Government, however, suspended the negotiations until 26th April when it surprised the Chinese Government by presenting a new list of twenty-four demands (which is hereto appended), and requested the Chinese Government to accord its acceptance without delay, adding that this was the final proposal. At the same time the Japanese Minister stated that the Japanese Government would restore the leased territory of Kiaochow to China at an opportune time in the future and under proper conditions, if the Chinese Government would agree to the new list of twenty-four demands without modification.

In this new list although the term "special position" in the preamble of the Manchurian Group was changed to "economic relations," and although the character of the articles in the original Fifth Group was altered from demands to a recital of alleged statements by the Chinese Foreign Minister, four new demands were introduced concerning Eastern Inner Mongolia. In deference to the wishes of the Japanese Government, the Chinese Government gave the revised list the most careful consideration; and being sincerely desirous of an early settlement, offered new concessions in their reply presented to the Japanese Minister on 1st May. (Annexed.)

REPLY TO REVISED DEMANDS.

In this reply the Chinese Government re-inserted the proposal in reference to the retrocession of Kiaochow, which they advanced at the first conference on 2nd February and which was postponed at the request of the Japanese Minister. This, therefore, was in no sense a new proposal.

The Chinese Government also proposed to agree to three of the four articles relating to Eastern Inner Mongolia. There was some difficulty in determining a definition of the boundaries of Eastern Inner Mongolia — this being a new expression in Chinese geographical terminology — but the Chinese Government, acting upon a statement made at a previous conference by the Japanese Minister that the Japanese Government meant the region under Chinese administrative jurisdiction, and taking note in the list presented by the Japanese Minister of the names of places in Eastern Inner Mongolia to be opened to trade, inferred that the so-called Eastern Inner Mongolia is that part of Inner Mongolia which is under the jurisdiction of South Manchuria and the Jehol circuit; and refrained from placing any limitations upon the definition of this term.

The Chinese Government also withdrew its supplementary proposal reserving the right of making regulations for agricultural enterprises to be undertaken by Japanese settlers in South Manchuria.

In respect of the trial of cases involving land disputes between Japanese only, or between Japanese and Chinese, the Chinese Government accorded to the Japanese Consul the right of deputing an officer to watch the proceedings.

The Chinese Government also agreed to accept the suggestion of the Japanese Government to modify the term "police laws and ordinances" into "police regulations," thereby limiting the extent of control which the Chinese would have over Japanese subjects.

As regards the Hanyehping demand, the Chinese Government accepted the draft made by the Japanese Government embodying an engagement by the Chinese Government not to convert the Company into a state-owned concern, nor to confiscate it, nor to force it to borrow foreign capital other than Japanese.

In respect of the Fukien question the Chinese Government also agreed to give an assurance in the amplified form suggested by the Japanese Government that the Chinese Government had not given their consent to any foreign nations to construct a dockyard, or a coaling station, or a naval base, or any other military establishment along the coast of Fukien Province; nor did it contemplate borrowing foreign capital for the foregoing purposes.

Having made these concessions which practically brought the views of China into line with those of Japan, and having explained in a note accompanying the reply the difficulty for China to make further concessions, the Chinese Government hoped that the Japanese Government would accept its reply of 1st May, and thus bring the negotiations to an amicable conclusion.

JAPANESE DISSATISFACTION.

The Japanese Government however, expressed itself as being dissatisfied with China's reply, and withdrew the conditional offer to restore Kiaochow to China made on 26th April. It was further intimated that if the Chinese Government did not give its full compliance with the list of twenty-four demands, Japan would have recourse to drastic measures.

Upon receiving this intimation the Chinese Government, inspired by the conciliatory spirit which had been predominant from the very beginning of the negotiations and desirous of avoiding any possible rupture in the relations of the two countries, made a supreme effort to meet the situation, and represented to the Japanese Government that it would reconsider its position and make another attempt to find a solution that would be more satisfactory to Japan, in respect to those articles which China had declared could not be taken up for consideration, but to which Japan attached great importance. Even in the evening of 6th May, after the Japanese Minister had notified the Chinese Government that the Ultimatum had arrived in Peking, the Chinese Government in the interests of peace still exerted efforts to have the situation by offering to meet Japan's wishes.

OVERTURES REJECTED.

These overtures were again rejected, and thus exhausted the means at the disposal of the Chinese Government to prevent an *impasse*.

It is plain that the Chinese Government proceeded to the fullest extent of possible concession in view of the strong national sentiment manifested by the people throughout the whole period of negotiations. All that the Chinese Government strove to maintain was China's plenary sovereignty, the treaty rights of foreign Powers in China and the principle of equal opportunity.

To the profound regret of the Chinese Government however, the tremendous sacrifices which they had shown themselves ready to make proved unavailing, and an Ultimatum (the text of which is appended) was duly delivered to them by the Japanese Minister at three o'clock on the afternoon of 7th May.

ALLEGATIONS AGAINST CHINA.

As to the allegations made in the Ultimatum against China, the Chinese Government hopes that the foregoing outline of the history of the negotiations constitutes a clear, dispassionate, and complete reply.

In considering the nature of the course it should take with reference to the Ultimatum the Chinese Government was influenced by a desire to preserve the Chinese people, as well as the large number of foreign residents in China, from unnecessary suffering, and also to prevent the interests of friendly Powers from being imperilled. For these reasons the Chinese Government was constrained to comply in full with the terms of the Ultimatum (the reply being hereto appended), but in complying the Chinese Government disclaims any desire to associate itself with any revision, which may thus be effected, of the various conventions and agreements concluded between other Powers in respect of the maintenance of China's territorial independence and integrity, the preservation of the *status quo*, and the principle of equal opportunity for the commerce and industry of all nations in China.

Source: MacNair, *Modern Chinese History: Selected Readings*, Vol. 2, p. 788