

Copied into
Correspondence Book
No. 6.

Shanghai, Nov. 2nd 1874.

Your Excellency,

I have enclosed to you for your information a few statistics relative to the naval yards of Foochow & Shanghai, showing the number & strength of the Chinese navy.

In my opinion if you have got to collect an indemnity from China, and cannot get it otherwise there is no way in which it can be collected so speedily and easily as to surprise and seize their vessels, place upon them the Japanese flag, thus doubling your navy, and then collect from the trading vessels & junks the amount of indemnity required, and by blockading their ports obtain a promise from Goont a guarantee of its future good behavior.

The reports from Peking are conflicting. Up to the 25th of Oct. it was reported that an indemnity would be paid by China to Japan; but since that time it is positively asserted that no indemnity

will be paid, and the Japanese Minister was
on the point of hauling down the flag, and
leaving Peking for Nagasaki direct.

The enclosed slips are believed to represent
the situation at Peking at the last accounts.

I start tonight for Peking to see if I cannot
find out the true situation of Li-hung-cheng
at Tsinssin & Taku, and hope soon to send
you my next advices from Chefoo & Tsinssin.

Faithfully yours,

J. M. Batchelder.

To His Excellency,

Okuma Shigenobu,

Okura Kiyo.

J M Bacheider
Shanghai

2nd Nov^r 1874

Recommending if the
indemnity be not paid
to sign the vessels
As to reports from Peking
Enclosing slips from papers
&c

AT THE TIME THE *Shantung* left Tientsin, a rumour was current that both Okubo and the resident Minister of Japan, Yanagiwarra, were leaving China on account of the discussion of the Formosan question having reached an unsatisfactory point. It was said that the Chinese had refused to promise any indemnity, or to come to any terms which did not start from the basis of the immediate evacuation of Formosa by the Japanese. If they did not quit the island quietly and at once, the Chinese proposed to drive them out by force. No grounds but general report being given for this account of the asserted failure of the negotiations, our readers will of course take it merely as an indication of foreign (and perhaps native) opinion in Tientsin, unless the particulars should be confirmed by an early steamer.

* * *
THE rumour of a pacific settlement of the Formosan difficulty, to which we gave currency on Saturday, seems as far as we can find out to have had no further foundation than the departure of the Japanese Minister, with Yanigawarra and his suite. This event, however, is by no means a proof that the two Powers have come to an amicable understanding; and the surmise of the *Daily News*, that the accompaniment of the Minister by Yanigawarra portends hostilities rather than peace, is, we believe, correct. From private and unofficial information we have received, we are justified in saying that the negotiations have been broken off and that the declaration of war may come at any moment. This is the true explanation of the departure of Okubo.

130

1

2

3

4

5

6

7

8

9

140

1

2

3

4

5

6