

16 The British Reaction: Wei-Hai-Wei

On 9 January 1898 the British Cabinet met to discuss the new, and as people did not fail to mention, novel, unanticipated situation in northeast Asia. It was decided that Great Britain would not seek territorial expansion, unless it was forced to do so by circumstances. The prospect of occupying part of China did not appeal to the British government. It carried with it, Balfour would say in the House of Commons repeating the familiar argument, the 'unmixed evil' of 'responsibility for populations not always very easy to deal with'.¹ What London did was to suggest, still in January, a clear delineation of the British and Russian spheres of influence in China and in the Ottoman Empire (Salisbury's partition of preponderance) with the first right to important economic endeavours, such as the construction of railways and mining. Nicholas II would write to Wilhelm II that the British proposal, unique as it was, had been 'tempting' and 'quite amazing', adding that 'never before had England made such offers to Russia'.² Nevertheless, Russia declined.

Satisfied with what Hong Kong and the treaty ports offered it, the British government 'desired neither territorial acquisitions in China, nor even the extension of British influence in the Chinese Government beyond such extensions and such influence as may be necessary for the protection and maintenance of our commercial position', as Spencer Compton Cavendish, 8th Duke of Devonshire and Lord President of the Council, recapitulating government policy, explained in the House of Lords in April 1898.³ An exception in the British policy of restraint was made for an extension of the British territory on the Kowloon Peninsula, which was to be added to Hong Kong. Protection of both British commercial interests in China and free trade were to be the focus of British policy. On 17 January the Chancellor of the Exchequer, Michael Hicks-Beach, even said in a speech in Bristol that Great Britain would defend the Open Door in China, if necessary at the cost of war.⁴ Balfour chose less bellicose words. On 10 January 1898 he

1 Balfour in House of Commons 5-4-1898 (hansard.millbanksystem.com/commons/1898/apr/05/far-east).

2 Nicholas II to Wilhelm II 3-6-1898 (E.T.S. Dugdale, *German Diplomatic Documents*, Ch. III, *The Growing Antagonism, 1898-1910*; www.mtholyoke.edu/acad/intrel/dugdale/Kiao-Chou.htm).

3 Cavendish in House of Lords 5-4-1898 (hansard.millbanksystems.com/lords/1898/apr/05/far-east).

4 Later Hicks-Beach would deny that when he gave his speech he had the negotiations about the China loan and the discussion about the Bay of Dalian in mind (hansard.millbanksystems.com/commons/1898/feb/08/address-in-answer-to-her-majestys-most-gracious-speech).

Figure 21 Bohai Sea or Pechili Gulf



Source: Jukichi Inouye 1895

stated – as he had done in the past – that Great Britain did not object to a commercial winter port for Russia. His words were much misconstrued and presented as an invitation to St Petersburg to act. In April, after the lease had taken effect, Balfour would again state that he preferred foreign ports above Chinese ports remaining closed, as the first could only give a boost to trade and industry, including British. He extended his argument to railways, even with differential tariffs.⁵ Or, as Beresford (1899: 384) would also argue, the taking of Port Arthur and the Bay of Jiaozhou and the railways to be built there could only increase trade. In the past there had been little trade in that part of China, and it had been exclusively Chinese.

In advance of concluding their leases, Berlin and St Petersburg assured London that Jiaozhou and Guandong would be open to commerce and merchant vessels of all nations. Salisbury had even found some solace in the words of the German ambassador, who had flattered him by saying that the German government ‘had come to the conclusion that our manner of dealing with such things, at all events in the colonies, is better than theirs, and that in this instance, at any rate, they intended to imitate our

5 Balfour in House of Commons 5-4-1898 (hansard.millbanksystem.com/commons/1898/apr/05/far-east).

methods'.⁶ Such pledges by Russia and Germany did little to ease concern. Other powers could still institute protective customs duties and gain a preferential treatment in parts of China. China was seen as a potential growth market and the British might be barred from large parts of it. Or, as Curzon (1896: 416) had written, and his words were later to be quoted by others: 'Every port, every town, and every village that passes into French or Russian hands, is an outlet lost to Manchester, Bradford, or Bombay'.

What London wanted to prevent, though Salisbury's partition of preponderance ran counter to this, was that other powers would enforce upon China special privileges to the detriment of British trade and investments, and that in regions wrestled from China by these countries British commercial interests would be discriminated against. There certainly existed a deep suspicion that this was exactly the aim of some, if not all, of Britain's rivals. Or, as Cavendish said: 'To some of them it appears that the value of political influence at Peking consists rather in the possibility of the exclusion of foreign competition than in the extension of equal opportunities to all'.⁷

The British concerns about Port Arthur were, primarily, political, not economic. British mercantile interests elsewhere in China were far greater. On 22 March 1898, when it had been formally informed by St Petersburg of the intention to lease Port Arthur and the Bay of Dalian, the British government protested against a Russian occupation of Port Arthur. Port Arthur could not be developed into a commercial port. It was, as Balfour pointed out in the House of Commons, of no importance commercially. Its significance was 'a purely naval and military one'. Russia only wanted to take hold of Port Arthur for political reasons, so that it could increase its hold over the Chinese government and add extra weight to the threat that already emanated from Russia's presence in Manchuria.⁸ Cavendish noted that a Port Arthur in Russian hands, which already had 'a frontier of 4,000 miles conterminous with that of China', formed a great threat to the future of that country. So close to Beijing, and with the Chinese navy not amounting to much, Port Arthur would give 'Russia powerful influence over the policy of the Government of China'.⁹ As menacing as such a Russian

6 Salisbury in House of Lords 8-2-1898 (hansard.millbanksystem.com/lords/1898/feb/the-queens-speech-reported-by-the-lord-chancellor).

7 Cavendish in House of Lords 5-4-1898 (hansard.millbanksystems.com/lords/1898/apr/05/far-east).

8 Balfour and Curzon in House of Commons 5-4-1898 (hansard.millbanksystem.com/commons/1898/apr/05/far-east).

9 Cavendish in House of Lords 5-4-1898 (hansard.millbanksystems.com/lords/1898/apr/05/far-east).

position was considered to be, rumours began to circulate that the Chinese government intended to arrange for a new capital more to the south, out of easy reach of the Russian army.

What happened in northeast Asia, and especially Russia gaining control over Port Arthur and the Bay of Dalian, put Salisbury in a difficult position. Some directly blamed the British government for Russia also taking the Bay of Dalian. By mentioning the Bay in the discussions about a loan for China, Great Britain had been 'the first to introduce the name of Talienwan into the Chinese Question'. In doing so, it 'set Russia upon determining to occupy Talienwan' and not only Port Arthur.¹⁰ Developments were closely followed by the general public in Great Britain, among whom, as a number of Members of the House of Commons noted, there were feelings of 'considerable anxiety', 'alarm' and 'great apprehension'. Even the words 'scare' and 'panic fears' could be heard. The feeling of anxiety was partly caused by the impression that the government had not reacted resolutely enough; all the more so as London had abandoned its plan to turn Dalian and Nanning into open ports in return for the loan to China. The British government tried to give the impression that it had not suffered a diplomatic defeat. It had advanced the idea, Salisbury explained, 'on very liberal terms', with the only intention of 'increasing and freeing the trade with China'.¹¹ Curzon also stressed that opening the Bay of Dalian and Nanning to foreign trade had just been mentioned as something one would like to see realised and not 'as a demand'. On top of this, there was much lamenting about Great Britain not coming to Japan's assistance in 1895. If Japan, with British support, had been able to hold on to Port Arthur, the place would never have become Russian.

Russia took centre stage in the British reactions. Germany, with its actual and aspired commercial activities in other parts of China, would think twice before proclaiming a protectionist trade policy in Shandong, it was thought. The German presence was seen as a commercial venture rather than a military threat, and received much less attention from the British public and government; an exception being those traders who had an immediate commercial interest in north China and feared unfair competition. After an initial protest, Great Britain did not persist. London, in search of allies to counter the Russian and French advance in China, and careful not to alienate Berlin, kept a low key regarding Germany's newly won territory

10 Harcourt in House of Commons 5-4-1898 (hansard.millbanksystem.com/commons/1898/apr/05/far-east).

11 Salisbury in House of Lords 8-2-1898 (hansard.millbanksystem.com/lords/1898/feb/08/the-queens-speech-reported-by-the-lord-chancellor).

in China; presenting a German Jiaozhou as beneficial to the commercial development of China. Some British politicians even contemplated a Dual Alliance, a defence treaty with Germany in an effort to find support against a further intrusion of Russia into Asia and to neutralise French claims in Asia and Africa. One of its advantages, Beresford explained in the House of Commons, would be to force Russia to relocate a considerable number of troops from Manchuria and the Caucasus to the German-Russian frontier.¹²

After it had become evident that neither Berlin nor Moscow was prepared to back down, the British public called for a demonstration of strength in Chinese waters, even for war against Russia. A feeling prevailed, Salisbury concluded in the House of Lords – also taking into consideration public opinion with respect to Afghanistan –, that it was a British duty to take possession of everything they could, ‘to fight everybody, and to make a quarrel of every dispute’.¹³ He called such sentiments ‘a very dangerous doctrine’ and warned against ‘undue concessions to rashness which has, in more than one case in history, been the ruin of nations as great and powerful’ as the British Empire.¹⁴

The conflict over Port Arthur made Great Britain appear even more isolated in Europe. It was the only country that protested; for obvious reasons Germany and France did not. The Colonial Secretary, Joseph Chamberlain, acting in those days as a kind of shadow Foreign Secretary, was convinced, as a Member of the House of Commons paraphrased it, that it was ‘hopeless to talk of maintaining the policy of the open door in China ... without the assistance of military allies’.¹⁵ Consequently, he went in search of such partners to stop a further Russian advance in north Asia. Chamberlain tried to solicit American, German and Japanese support but failed (Taylor 1971: 376). Likewise, approaches to Washington and Berlin in February and March 1898 to join Great Britain in its struggle for an Open Door in China failed to produce concrete results.

Amidst calls for war and searches for allies, the opinion of the Salisbury government prevailed. Great Britain could not risk a war over Port Arthur or Qingdao. The Trans-Siberian Railway had cast its shadow. Balfour mentioned the line as a reason why the British government had never contemplated

12 Beresford in House of Commons 5-4-1898 (hansard.millbanksystem.com/commons/1898/apr/05/far-east).

13 Salisbury in House of Lords 8-2-1898 (hansard.millbanksystem.com/lords/1898/feb/08/the-queens-speech-reported-by-the-lord-chancellor).

14 Ibid.

15 Robson in House of Commons 10-8-1898 (hansard.milbanksystem.com/commons/1898/aug/10/appropriaton-bill).

taking Port Arthur. The Russian military threat was too great. In anticipation of the transportation of Russian troops and weaponry along the line, a British Port Arthur would have needed strong fortifications and a large military garrison. The British army lacked the manpower and experience to fight such a war. 'Russia would have gone on making her railway ... and the railway would have crept down ... and would have come closer and closer'.¹⁶ At sea the British fleet in Asian waters might have to take on the combined naval force of Russian or German warships from the north and that of French from the south. Russia, according to the doom scenarios of those days, could also react by sending its army into Afghanistan, threatening the British position in India.

Until that moment many Britons had cherished the idea that if any foreign power had a say in China it was Great Britain. Commercially, the British were still preponderant, but Port Arthur and Jiaozhou had shattered the British belief that their interests in China were secure. British investors and merchants in China began to fear the consequences for their economic ventures of an aggressive Russia pushing southward in the direction of Beijing. The anxious Associated British Chambers of Commerce invited Beresford to report on the safety of British investments in China; also in the physical sense, unsafe as trade routes in China could be. Beresford, a Rear Admiral and Member of Parliament, who had participated in the occupation of Alexandria and was later to become commander of the British Channel Fleet, accepted. Starting his tour in October 1898, he traversed China. Convinced as he was that a strong Chinese army was the only means to prevent a break-up and restore the law and order in the country that trade and investment required, he took it upon himself to sound out – *à titre personnel*, he would stress – how the Chinese would react to the British training and reorganising the Chinese army. He was prepared to involve American, Japanese and German military officers in these plans, but not Russian ones. For him, it went without saying that Great Britain, economically still predominant amongst the powers in China, should take the lead in such an undertaking (Beresford 1899: 164-5, 169, 179-81, 439).

Afterwards, Beresford wrote a gloomy report about his visit to China. He observed, and he was not the only one, how detrimental the occupation of Port Arthur and the retreat of the British warships had been to British prestige. Russia was clearly seen as the winner, the stronger party. Chinese as well as foreigners, Beresford had experienced, had become inclined to

16 Balfour in House of Commons 29-4-1898 (hansard.millbanksystems.com/commons/1898/apr/29/class-ii).

think that Great Britain was afraid of Russia. They held Russia in higher esteem than Great Britain. Every time he had proposed something to Chinese authorities they had responded, Beresford (1899: 21-2) wrote, by asking: 'But what would Russia say to that? or with similar remarks'. In short, 'British prestige was at a low ebb all through China at all the places I visited; not one, but every Chinese authority I spoke to continually referred to the fear with which Britain regarded Russia' (ibid.: 138). The poor performance of the British army in the initial phase of the Boer War would, as Hart noted, only enhance the British image among the Chinese of a nation that was no match for the Russians (Bickers 2011: 343).

Such developments made some go even further than Beresford had, concluding, as one Member of the House of Commons did in 1900, that British prestige and influence in China had become non-existent. It was 'almost hopelessly subordinated to the immense power' that Russia had gained.¹⁷ In retrospect, Ernest Mason Satow, British minister in Beijing since 1900, made a similar observation, noticing that in those days 'China feared only Russia'.¹⁸ For some the conclusion was clear. As Hamilton (1904: xix) would write, Salisbury had committed a 'monstrous blunder'. His 'drifting and vacuous policy ... made it impossible to avert the decay of our prestige and trade which has set in throughout the Far East' (ibid.: 144).

Wei-hai-wei

In March London suggested that if Russia did not take possession of Port Arthur, Great Britain would refrain from occupying a port along the Bohai Sea. When the answer was negative, London addressed 'grave representations' to Russia and, when these were unsuccessful, St Petersburg was told that Great Britain would not hesitate to take any steps necessary to protect British interests and 'to obviate, as far as possible, the evil consequences which ... might result from the step which had been taken by Russia'.¹⁹ Somehow the British government had to restore British prestige and show what Great Britain was worth, not only for international but also for domestic consumption. Public opinion, Chamberlain wrote to Salisbury,

17 Walton in House of Commons 30-3-1900 (hansard.millbanksystems.com/commons/1900/mar/30/british-commercial-and-political-interests-in-china).

18 Satow to Grey 31-3-1906 (PRO FO 800 44).

19 Cavendish in House of Lords 5-4-1898 (hansard.millbanksystems.com/lords/1898/apr/05/far-east).

demanded 'some sensational action' (Massie 1993: 242). Salisbury agreed. He saw the acquisition of a piece of China merely as the 'territorial or cartographic consolation' the public wanted (*ibid.*: 242). Such was the mood that even Shanghai, or another place near the mouth of the Yangtze, was mentioned. Salisbury did not expect tangible benefits. As he concluded in March 1898: 'It will not be useful, and will be expensive; but as a matter of pure sentiment we will have to do it' (Taylor 1971: 241). Great Britain did not need an additional naval station on the Chinese coast. The one in Hong Kong served to protect British commercial interests in China perfectly.²⁰ At the same time, the British government warned St Petersburg that Port Arthur was the limit. As Chamberlain wrote in a memorandum on 1 April 1898: 'We might say to Russia – "You have got all you say you want. We are ready to recognise your position, but you must go no further. The rest of China is under our joint protection"' (Taylor 1971: 376).

The territorial consolation Great Britain received was Wei-hai-wei, or Port Edward as it also came to be known, off the Shandong Peninsula, some eighty miles from Port Arthur. Wei-hai-wei, in the Bohai Sea, had already been considered by the British as a naval base at the end of the Second Opium War in 1860, but at that time one of the British officers in command, Lieutenant-Colonel Garnet Joseph Wolseley, had dismissed the idea (Wright and Cartwright 1908: 773). Wei-hai-wei had also been mentioned in 1895 when it was speculated abroad that this was the price London should ask for a loan to China.

On 3 April 1898 China assented to a British lease of Wei-hai-wei; though a formal agreement would only be signed on 1 July. The reason stated for Beijing's consent was 'to provide Great Britain with a suitable naval harbour in North China, and for the better protection of British commerce in the neighbouring seas'. Great Britain would be allowed to stay in Wei-hai-wei for the same length of time – twenty-five years – that Port Arthur would remain Russian.²¹ The territory consisted of the islands in the bay, of which one, Liu-Kung, was to serve as a naval station, and a small strip of land along the coast ten miles wide. As in Jiaozhou and Port Arthur, there was a larger zone which only British and Chinese troops were allowed to enter and where Great Britain had the right to build fortifications, hospitals and the like, and to station troops. The British could only take possession of Wei-hai-wei after it had been vacated by Japanese troops at the end of May 1898. On 21 May, in a brief ceremony, Japan returned Wei-hai-wei

²⁰ *Ibid.*

²¹ Convention between Great Britain and China respecting Wei-hai-wei (Hertslet 1908: 122).

Figure 22 Wei-hai-wei at the time of the Sino-Japanese War; shown is the landing of Chinese prisoners



Source: Jukichi Inouye 1895

to China. After the Japanese had left (as they had done in Port Arthur in 1895, taking with them all the guns of the forts) the first British troops disembarked. On 24 May, the Queen's Birthday, the British flag was raised. It was not only British marines who attended the ceremony; a detachment of Chinese naval sailors marched to the fort, preceded by a British band playing 'A Life on the Ocean Wave', where the Chinese were to hand over the enclave. With the Chinese flag already flying from one flagstaff, the British flag was hoisted after the transfer had been concluded. This was accompanied by the playing of 'God Save the Queen'. To give due honour to Wei-hai-wei still being Chinese territory, something that was supposed to be the Chinese national anthem, which in fact China did not have yet, was also played. As the newspapers did not fail to mention, the British officers greeted the hoisting of the British flag with three cheers for the Queen and just one for the Chinese Emperor (*Marlborough Express* 28-7-1898; *Thames Star* 2-8-1898; Bickers 2011: 336).

To the dismay of some Britons, who saw it as an apology to Berlin for occupying part of Shandong, London was careful not to impinge on any sphere of influence that Germany had established in the Peninsula and so informed the German government hours in advance of Great Britain taking control. Worse, the British ambassador in Berlin had to communicate that Great Britain was not 'to interfere with the interests of Germany in that

region'.²² This meant that the government had, 'unasked by Germany', forfeited the opportunity to join in the exploitation of the Peninsula.²³

Keen to stress the military rather than the commercial value of Wei-hai-wei, the British government made much of the fact that access to the rest of the Peninsula was almost impossible; a condition it somehow presented as an advantage, and – as a Member of Parliament remarked, almost apologetically – also communicated to Berlin.²⁴ Wei-hai-wei, Balfour said in Parliament, was not an island, but the government would 'have preferred it if it had been' and certainly treated it as such.²⁵ On another occasion, he pointed out that Wei-hai-wei had no population (which it had, some 4,000 people) and thus 'no responsibility of government', and the enclave was 'incapable ... of being turned into a commercial port'.²⁶ Stressing its isolation, Balfour remarked that it was impossible to construct a railway to the interior of Shandong. But not everybody agreed with him; certainly not Joseph Walton, a Member of Parliament who had visited China and had gone 'to the top' of Wei-hai-wei to survey the landscape.²⁷

Precisely what the British had gained, contemporaries were not entirely sure. From a commercial point of view, Wei-hai-wei was not much of a concession compared to the Bay of Dalian and Jiaozhou, small as the concession was with the opposite coast on the mainland cut off from the hinterland by mountains. Wei-hai-wei had served as a base for the Chinese navy, it had been protected by a number of well-armed forts, and it had been important enough for the Japanese to occupy and subsequently to hold on to it as a security for war reparations; but opinions about Wei-hai-wei's potential as a naval base for the British varied. The judgements were being influenced by patriotic and political sentiments, one author even arguing that with Wei-hai-wei 'Britain, and not Russia, became the mistress of the Pechihlee Gulf and of the North Pacific' (Temple 1902: 436). Balfour, keeping quiet about the money needed to turn Wei-hai-wei into a well-fortified naval station, tried

22 Cited by Harcourt in House of Commons 29-4-1898 (hansard.millbanksystems.com/commons/1898/apr/29/class-ii).

23 Walton in House of Commons 30-3-1900 (hansard.millbanksystems.com/commons/1900/mar/30/british-commercial-and-political-interests-in-china).

24 Harcourt in House of Commons 10-8-1898 (hansard.milbanksystem.com/commons/1898/aug/10/appropriation-bill).

25 Balfour in House of Commons 10-8-1898 (hansard.milbanksystem.com/commons/1898/aug/10/appropriation-bill).

26 Balfour in House of Commons 5-4-1898 (hansard.millbanksystem.com/commons/1898/apr/05/far-east).

27 Walton in House of Commons 30-3-1900 (hansard.millbanksystem.com/commons/1900/mar/30/british-commercial-and-political-interests-in-china).

to convince the House of Commons that it was 'by the confession of every competent judge the one port in the Gulf of Pechili which may be held to balance the possession of Port Arthur'.²⁸ By establishing itself there, Great Britain had prevented 'the Gulf of Pechili from falling under the undisputed maritime control of any one Power'. In the same session, Curzon suggested that Wei-hai-wei had restored 'the equilibrium of power' in north China and gave the British fleet a naval base 'to vindicate that respect for our Treaty rights and privileges which we have claimed and received'.²⁹

The Admiralty also stressed this strong point, omitting the fact that not having a connection with the interior or a nearby coalfield was clearly a disadvantage. Wei-hai-wei was 'a very valuable station in which a very considerable squadron can be harboured with safety'.³⁰ In 1902 Vice-Admiral Edmund Fremantle, Commander of the British China Station, was almost lyrical, even venturing Wei-hai-wei's potential as a commercial port. Wei-hai-wei was 'admirably situated' and for British purposes 'a far more valuable possession' than Jiaozhou and Port Arthur (Wright and Cartwright 1908: 773). When he visited Wei-hai-wei Beresford, himself a senior naval officer, also showed himself to be optimistic about its potential. Nowhere, he wrote, could warships anchor so close to the shore. Nevertheless, he had to admit that with no guns mounted yet it was dwarfed as a naval base in comparison to Port Arthur (Beresford 1899: 79-80). Some even doubted whether Wei-hai-wei was of any use in denying Russia control over the Bohai Sea (Krahmer 1899: 205).

Leasing Wei-hai-wei was intended to show China and the rest of the world that Great Britain still counted in the Far East. So the public was told an assertive story. Wei-hai-wei was leased to serve as a naval base and to balance the Russian presence in Port Arthur and the Bohai Sea. It would also make a quick response possible should Russia launch an attack on China, preceding a conquest of Beijing. Acquiring Wei-hai-wei was even presented as an altruistic move to prevent the dismemberment of China. As Prime Minister Salisbury said in the House of Lords in May 1898:

I should say that what China wants is courage, and one of the defences of the occupation of Wei-hai-wei is that it had a tendency to strengthen

28 Balfour in House of Commons 5-4-1898 (hansard.millbanksystem.com/commons/1898/apr/05/far-east).

29 Curzon in House of Commons 5-4-1898 (hansard.millbanksystem.com/commons/1898/apr/05/far-east).

30 Salisbury in House of Lords 17-5-1898 (hansard.millbanksystems.com/lords/1898/may/17/occupation-of-wei-hai-wei).

China against despair, and to give it courage, if the occasion should arrive, to stand up against her enemies. The danger of allowing the occupation of Port Arthur to take place without any corresponding movement on our side was that China, or, at all events, large classes of Chinamen, would give themselves up to despair, and believe that the domination of one foreign Power was the destiny from which it was impossible for them to escape.³¹

(The moral courage that Salisbury spoke of, Grey concluded two years later, failed to emerge.)³² Presenting Wei-hai-wei as an effort to discourage the dismemberment of China, Salisbury stressed that the lease was only 'a political measure in order to balance and compensate that which had been done by another Power'.³³ Salisbury now also explained that with the growth of Japan and the building of the Trans-Siberian Railway, northern China and the Chinese Sea would become increasingly important commercially, warranting a British coaling and naval station there. Hong Kong had sufficed as long as Britain's main commercial interests had been in the south, in Guangzhou and Shanghai, but this was no longer the case with the development of distant northern China.

Wei-hai-wei did not make the impression London might have wanted it to. At home the opposition initially attacked the government for having abandoned the Open Door policy.³⁴ In China British merchants reacted to the British government's policy 'with astonishment and dismay'.³⁵ There and at home British commercial circles continued to hesitate to invest money in China, especially in its northern part. They pointed to the 'undue risk' brought about by the Russian advance in the north, the domination of Beijing by Russia that might be in store and their 'distinct feeling of unrest and apprehension regarding the safety of the capital already locked up'. They also continued to attack the 'neglect of the China Question' by London, 'the absolute absence of any definite policy [and] the complete apathy shown'.³⁶

31 Ibid.

32 Grey in House of Commons 30-3-1900 (hansard.millbanksystems.com/commons/1900/mar/30/british-commercial-and-political-interests-in-china).

33 Salisbury in House of Lords 17-5-1898 (hansard.millbanksystems.com/lords/1898/may/17/occupation-of-wei-hai-wei).

34 Curzon in House of Commons 5-4-1898 (hansard.millbanksystems.com/commons/1898/apr/05/far-east).

35 Provand in House of Commons 28-4-1898 (yourdemocracy.newstatesman.com/parliament/order-of-the-day/HAN1455362).

36 Memorandum of the China Association in Shanghai 6-10-1898 (Beresford 1899: 86,96), British section of Chamber of Commerce Tianjin (in Northeastern China) to Beresford (Beresford 1899: 26).

Great Britain also tried to protect its wider interests in China. Others should not encroach on the large Yangtze Valley, the 'best part of China', as Millard (1906:188) called it, which to all intents and purposes Britain treated as a British sphere of influence. Among the advocates of such a view was Curzon, who as early as January 1896, in his capacity as Under-Secretary of State for Foreign Affairs, suggested that should Russia take 'the North of China and France the South', Great Britain 'ought to grab the whole intervening portion'.³⁷ According to the Permanent Under-Secretary at the Foreign Office, Thomas Sanderson, such a bold step went too far. He pointed out that 'the burden would be enormous and the position politically and strategically most uncomfortable'.³⁸ The matter had come up during the negotiations with France over Thailand and speculation about that country taking hold of southern China. Salisbury suggested that as compensation London could make a French 'abandonment of any rights over the middle a condition of our acquiescence'.³⁹

In February 1898, during negotiations over the disputed Chinese war indemnity loans, in the so-called Yangtze Agreement, London gained a 'definite assurance' from Beijing that the Chinese government would not cede or lease any part of the Yangtze Valley to another power.⁴⁰ The question, of course, was how to uphold the Chinese pledge. There were doubts about what China's word was worth to guarantee 'this great paper sphere of influence', as one member of the House of Commons called it.⁴¹ Again, some suggested an occupation of the Yangtze Valley; a move, others countered, for which Great Britain lacked the military strength. The February deal also foiled a Russian move to get rid of Hart as inspector general of the Chinese Imperial Maritime Customs Service. Beijing promised that as long as British commercial interests were predominant in China, that position should be held by a British official; a commitment London hailed as a big diplomatic success. China further gave the assurance that in any treaty it was to conclude in the future all nations would get the same commercial treatment. Also greeted as a British accomplishment was the Inland Steam Navigation Regulations concluded a few months later and in which China opened up all its rivers to foreign commercial steam shipping. The British

37 Memorandum Sanderson 9-1-1896 (cited in Chandran 1977: 219).

38 Ibid.

39 Salisbury to Sanderson 10-6-1896 (cited in Chandran 1977: 220).

40 Exchange of Notes between Great Britain and China respecting the non-alienation of the Yang-tsze Region, 9, 11 February 1898 (Hertslet 1908: 20).

41 Dilke in House of Commons on 5-4-1898 (hansard.millbanksystem.com/commons/1898/apr/05/far-east).

business community had had high hopes for what the implications would be. Just before the Regulations were issued in July and September 1898, in its report the mission of the Blackburn Chamber of Commerce to China had listed the advantages of unrestricted inland navigation. It would allow British ships to sail to Nanning on the West River, which would mean the end of the 'vaunted Red River route of our jealous friends', allowing British access to Yunnan and Sichuan via the Yangtze (another blow to the French), and at last making the approach from Burma to the Yangtze feasible. Strategically, a British foothold on the Upper Yangtze would, and Curzon advanced a similar argument at the time, allow for the transportation of troops from Burma to the Lower Yangtze should 'serious complications' arise there (Neville and Bell 1898: 332-3). As so often, there was a gap between expectations and reality. It would not take long before *The Times* in frustration would dismiss the regulations for their 'complete worthlessness'.⁴² Additional rules were agreed upon in 1902. These testified to British impatience and Chinese reluctance. To see to it that 'the people living inland should be disturbed as little as possible by the advent of steam vessels to which they were not accustomed', the opening up would take place 'gradually'.⁴³

Railway concessions

Wei-hai-wei was only part of the strategic considerations in those days. Much attention went to the construction and control of railways. These were the days when the 'railway question' played, 'so important a part in the international relations of the Chinese Empire', one British politician observed.⁴⁴ In China everybody – including Belgian companies – wanted to finance and construct railways; also because when railways were being built for the Chinese government and loans were provided to China for this purpose, lack of proper financial control could make for excessive profits and commissions (Putnam Weale 1908: 570-1). Up to World War One, competition over who was to finance a railway in China and the tenders that went with it would frequently lead to complications between the powers, initially usually involving Great Britain, France and Russia, later also Germany, the United States and Japan. Expectations, augmented by

⁴² *The Times* quoted in *The Star* 5-7-1900.

⁴³ Additional rules inland waters steam navigation, Art. 7 (United States 1902: 564).

⁴⁴ Dilke in House of Commons (hansard.millbanksystem.com/commons/1898/aug/10/appropriation-bill).

international rivalries, got the better of investors. Already in 1898 British companies had won the right to lay 2,800 miles of railways, of which in 1907 just a few hundred miles had actually been realised (Lowe 1988: 67). By 1900, concessions for some 5,000 miles of railway had been granted by China, with concessions for another 2,000 miles still being considered (Wright and Cartwright 1908: 95).

In north China, railways did not simply concern transport and the economic benefits which went with it. Article VI of the Chinese Eastern Railway Convention of September 1896 gave the company running the line the 'absolute and exclusive right of administration' of the land needed for the construction of the railway, including 'the lands in the vicinity of the line necessary for procuring sand, stone, lime, etc.'⁴⁵ No land taxes had to be paid and the Chinese Eastern Railway Company was free to construct 'buildings of all sorts, and likewise to construct and operate the telegraph necessary for the needs of the line'.⁴⁶ The term 'railway zones' was born, which would allow Russia (and later Japan) to claim the right of administration over whole towns. The Chinese Eastern Railway Company took the text as a licence to engage in all kinds of economic activities, included mining; though mining had hardly been mentioned in the convention. It only stipulated that the income the Chinese Eastern Railway earned from the transportation of passengers and goods and from operating the telegraph line would be free from tax and duties but that mines formed an exception. For mines, the prospect of a special arrangement was held out.

After it had acquired the Guangdong Leased Territory, Russia was also given the right to build a railway connecting the newly won territory with the Chinese Eastern Railway under the same conditions as those of the 1896 contract. Russia's occupation of Port Arthur had intimidated Beijing into complying. In 1897 China had still refused Russia to construct a railway in Manchuria to an ice-free port on its coast or in Korea (Paine 2010: 19). The South Manchuria Railway, running from Harbin to Dalian, gave the Trans-Siberian Railway an outlet to the Yellow Sea, as St Petersburg proudly proclaimed.⁴⁷ It is an irony of history that among the passengers on the first

45 Contract for the construction and operation of the Chinese Eastern Railway 8 September (27 August) 1896 (Manchuria 1921: 15). It was a much disputed stipulation as a translation of the Chinese text of the contract read that the company was allowed to erect 'any buildings and carry out all kinds of work' after the land had come under its management (Lawton 1912: 1303).

46 Contract for the construction and operation of the Chinese Eastern Railway 1896, Art. VI (Manchuria 1921: 15).

47 Russian Imperial Order regarding the establishment of Dalian as a free port on 11 August 1899 (Manchuria 1921: 44).

train from St Petersburg, which arrived in Port Arthur in August 1902, was the Japanese crown prince (Weislo 2011: 184). In the far south a branch line was built from Tashihchiao to Yingkou. It had a dubious basis. China and Russia had agreed that such branch lines could be built to facilitate the construction of the South Manchuria Railway, but once work had been completed they should be dismantled 'at the notice' of the Chinese government.⁴⁸ Rolling stock, rails and much of the other equipment needed for the South Manchuria Railway would be American-made; a reflection, Beresford (1899: 58) suspected, of Russia's intention 'not to purchase anything in England unless it is unavoidable'.⁴⁹ Politically, the railways meant an inroad into China. Russian troops (Cossacks) entered Chinese territory. They were needed to protect the Russian labourers and engineers against a hostile population, infuriated by the disregard the builders of the line showed for their material interests. The stationing of Russian troops was also a little bit dubious. The railway contract made China responsible for the safety of the line; while the Chinese Eastern Railway Company had to see to it that Russian troops and war material could 'be carried through directly from one Russian station to another, without, for any pretext, stopping on the way longer than ... necessary'.⁵⁰ The presence of these soldiers put Chinese Manchuria under factual Russian control. The flag flown over the Russian barracks in the city of Jilin (Kirin) at the end of the nineteenth century gave a hint of this: it was the Chinese flag with the Russian tricolour in the right upper corner (Krahmer 1899: 177).

Germany followed the example of Russia, except for the stationing of soldiers on Chinese territory. After having leased the Bay of Jiaozhou, Germany energetically undertook the economic penetration of the hinterland. In 1895 the German Minister of Foreign Affairs spoke out against an occupation of Jiaozhou because, without a railway, it had little value for German trade. Having acquired the lease, still in 1898, work was started on a railway line, while the first drilling operations also took place; almost immediately leading to trouble with the local population and the deployment of German troops.⁵¹ On 1 June 1899 the Shantung-Eisenbahn-Gesellschaft (Shantung

48 Agreement concerning the southern branch of the Chinese Eastern Railway 6-7-1898, Art. III (Manchuria 1921: 48).

49 Such products were also among those listed by Beresford as being of inferior quality to British ones, but at the same time he had to admit they were less expensive and could be delivered much faster than the British ones (Beresford 1899: 36-7).

50 Contract for the construction and operation of the Chinese Eastern Railway 1896, Art. VIII (Manchuria 1921: 15).

51 Marschall to Hatzfeldt 1-2-1895 (www.mtholyoke.edu/acad/intrel/gerchin.htm).

Railway Company) was founded by a German syndicate represented by the Deutsch-Asiatische Bank to build a railway in Shandong. A few months later, on 23 September, Prince Heinrich of Prussia officially cut the first sod. In his speech he expressed the hope that the railroad would disseminate 'German culture and German conscientious devotion to duty' and strengthen Sino-German relations (Weicker 1908: 155).

In an effort to prevent future trouble, the railway company concluded a contract with the Governor of Shandong regarding how to proceed outside the German enclave in March 1900. One of the aims of the contract was to 'prevent excitements and disturbances of any kind ... and to maintain friendly relations between the population ... and the Company'.⁵² The intentions were good: 'Houses, farmsteads and villages, temples, graves and above all high class graveyards belonging to the gentry' would be spared as much as possible and the purchase of land should take place 'peacefully'.⁵³ Chinese officials were to be involved in the buying of the land required. They were made responsible for settling the conflicts arising.⁵⁴ Outside the 50-kilometre zone the rail line was to be guarded by Chinese and not German soldiers.⁵⁵

Like the Russian railways in northeast China, the line was not just a railway track. Along with the railway came mining concessions. The March 1898 convention regarding the lease of Jiaozhou not only granted Germany the right to build railways, it also stipulated that German mining activities would be allowed in a 15-kilometre zone on both sides of the tracks. The company exploiting these, the Shantung-Bergbau-Gesellschaft, was a subsidiary of the company managing the railway, which in the contract with the Governor of Shandong had won the right to build branch lines to the mines without having to ask the Chinese authorities for permission.⁵⁶ A contract with the Governor of Shandong concerning German mining activities was signed on the same day as the railway contract, and for the same reason: avoiding complications with the population.⁵⁷ Both the railway and the mining company were Sino-German joint ventures. By having Chinese shareholders, preferably holding key positions in the Chinese administration, and indeed the Governor of Shandong was one of them, the Germans hoped to minimise the risk of disturbances in the

52 Preamble Regulations for the Kiaochow-Tsinanfu Railway, 21-3-1900 (Shantung 1921: 27).

53 Regulations for the Kiaochow-Tsinanfu Railway 21-3-1900, Art. 6 (Shantung 1921: 28).

54 Ibid., Art. 3 (Shantung 1921: 28).

55 Ibid., Art. 16 (Shantung 1921: 30).

56 Ibid., Art. 13 (Shantung 1921: 29).

57 Preamble Regulations for Mining in Shantung (Shantung 1921: 41).

construction and exploitation of the mines and rail tracks; but their caution could not prevent Chinese miners from going on strike (Weicker 1908: 144-5).

In Great Britain people were much dismayed that the Russian and German governments did not want British railways to be constructed in their concessions without their permission. Worse, the feeling was that St Petersburg and Berlin preferred the railways the Chinese authorities allowed them to construct in their spheres of influence and in the rest of China to be built with Russian and German expertise and with Russian and German material, which would be detrimental to the British steel industry.

The matter had come up even before Germany had formally leased the Bay of Jiaozhou in March 1898. A month earlier, the British minister in Beijing, MacDonald, had informed London that the German envoy had told the Chinese government that no railways should be constructed in Shandong 'without an arrangement with Germany'. Should China do otherwise, it might face 'serious consequences'.⁵⁸ London protested in Berlin and Beijing, warning the Chinese government that if German firms were given preferential treatment, Great Britain would demand compensation. In early August Curzon could tell the House of Commons that Bülow had assured him that all of this was a misunderstanding. The German ambassador had merely told the Chinese government that when a railway was to be constructed in Shandong German companies should be contacted first. This also held for other projects. China should turn to Germany first for the machinery, material and capital required. The following day Balfour tried to convince the British public and the opposition that not much was amiss with this: it was only the right of 'first offer' that was at stake; if others submitted a better tender, then the contract would go to them.⁵⁹ Bülow would also reassure the American government that Germany would honour free trade in the concession it had won; but this did not prevent the suspicion from remaining. From time to time, London and Berlin had to deny that Germany acted in Shandong contrary to the principles of an Open Door policy.

Because railways were linked with the extension of political and economic influence Great Britain was also not averse to keeping the competition out where it considered its own interests to be predominant, be it in China or elsewhere in Asia. In April 1899 the Anglo-Russian Agreement

58 Curzon in House of Commons 9-8-1898 (hansard.millbanksystem.com/commons/1898/aug/09/germany-and-the-shan-tung-concession).

59 Balfour in House of Commons 10-8-1898 (hansard.milbanksystem.com/commons/1898/aug/10/appropriation-bill).

Respecting Spheres of Influence in China, also known as the Anglo-Russian Railway Agreement, was concluded. The agreement, an exchange of notes in St Petersburg between the British ambassador, Charles S. Scott, and the Russian Minister of Foreign Affairs, Mouravieff, on 28 April, was a weak reflection of the partition of preponderance Salisbury had previously suggested. Or, as Balfour, disliking the term 'spheres of influence', would phrase it, of spheres of interests; regions where no other power should control a port or railways. A transgression of this principle would be considered an 'unfriendly act'.⁶⁰ Taking into account 'the economic and geographical gravitation' in China, Russia promised not to seek railway concessions for itself, its subjects or others in the Yangtze Valley, and Great Britain would not do so north of the Chinese Wall (Manchuria 1921: 53). The Anglo-Russian Railway Agreement was a feat for the Russians. It put an end to any hopes the Chinese government had that allowing the British to build a railway south from Jirin in Manchuria to the coast, to Shanhaiguan, where the Chinese Wall ended, could prevent Russia from gaining supremacy in Manchuria (Paine 2010: 19). Plans by British merchants in Yingkou to build a railway into Manchuria also came to nought. Such a line would also have served American mercantile interests, as much of the trade into and out of Yingkou was in American hands; and indeed, before Port Arthur had become Russian, American investors were looking for railway and mining concessions in Manchuria, hoping for Russian participation (LaFeber 1998: 353). In fact, Russia got even more. In 1899 China succeeded in turning down a Russian suggestion for a railway line connecting the South Manchuria Railway with Beijing. In return it had to promise – in a note dated 1 June 1899 – that China preserved the right to build a line from Beijing 'to the north or to the northeast towards the Russian border', but that except for Russia no other power would be allowed to do so.⁶¹

Earlier, the Anglo-German Financial Agreement of 1898 regarding plans by a joint Anglo-German business endeavour to have a British company construct a railway line in the Yangtze Valley, linking up with a German-built line in Shandong, had resulted in some misunderstanding. It was seen as a formal treaty between Great Britain and Germany about stressing exclusive rights to construct railways in their spheres of influence, and not, as it was, a commercial contract between two companies, countersigned by Berlin and London.

60 Balfour in House of Commons 28-4-1898 (yourdemocracy.newstatesman.com/parliament/order-of-the-day/HAN1455362).

61 Note of the Tsung-li-Yamen to the Russian Minister at Peking in regard to the construction of railways northward and northeastward from Peking 1-6-1899 (Manchuria 1921: 55).

