

British Interests and the Struggle of Russia and France for Leases and Spheres of Influence in China (1897–1898)

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China found itself in massive debt after its defeat in the war with Japan (1894–1895), and it was progressively put under significant pressure by the Great Powers who were seeking to define their exclusive spheres of influence and gain economic concessions. Russia was the first to take measures in this regard, its objective being to acquire dominant influence in northern China building on the construction of the Trans-Siberian Railway. France too, Russia's ally, began to pursue a similar status in the southern Chinese provinces neighbouring French Indochina. Great Britain, after decades enforcing the principle of China's territorial integrity, and equal trade opportunities in the country for all, was somewhat taken by surprise by these developments. Russia took advantage of the situation to increase pressure on China, culminating in the lease of Port Arthur and Dalian and the recognition of Russian claims regarding the Liaodong Peninsula. Great Britain found itself in a particularly adverse position. Several members of Britain's government were determined to support resistance to Russia's advances in the Far East even at the cost of war. In contrast, Prime Minister Salisbury had been promoting an understanding with Russia for many years, but after Russia's occupation of Port Arthur he realised this was no longer possible. Britain managed to maintain its position in China, but many leading British politicians realised that the policy of "splendid isolation" would no longer suffice to maintain Britain's position.

[First Sino-Japanese War; Spheres of Influence in China; Leases to Russia and France; Crisis in the Policy of "Splendid isolation"]

Defeat in its war with Japan in 1894–1895 was catastrophic for the "Middle Kingdom" from a number of perspectives. Beijing had undertaken to pay Japan massive war reparations within a very short period, which plunged it into financial dependence on Western states, or more specifically their banks. Furthermore, European powers, primarily those which

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had forced a victorious Japan to return China the strategically important Liaodong Peninsula as part of the so-called Triple intervention,¹ soon began putting pressure on Beijing with the objective of asserting their interests.²

The first steps in this regard were taken by Russia, which had far-reaching plans for the Far East relating above all to its position in China.³ A key tool in implementing this was to be the Trans-Siberian Railway, which had been under construction since 1891. There were three options for the final section of the railway leading to the Pacific Ocean. The first was that the railway would be built only on Russian territory, curving along the Amur River. This would have been the longest line, and would naturally have involved the highest construction costs and would have been completed in 1916. The second option was based on the idea that the railway would be built from Kyakhta on the Russia-Mongolia border straight to Beijing, and this was likely to come up against much resistance from other powers because “*Peking will be in greatest danger as soon as the Siberian railway is made*”.⁴ The third, and in a way most favourable option for Russia, involved construction of the railway through Manchuria in China to Vladivostok. On 25 October 1895, a commentator on *The Times* of London stated: “*It is obvious that with Russian fleets in the harbour of Port Arthur, and a railway connecting that place with the great Siberian trunk line, Manchuria would practically become a Russian province.*”⁵ It was this opportunity which became the objective of the policy of so-called “peaceful penetration” in China, whose main protagonist was Russia’s Finance Minister Witte, who on 9 December 1895 submitted the appropriate proposal to the Tsar, who expressed his consent to it.⁶ But there was far from consensus on the construction of a line through Manchuria in St Petersburg.⁷ A vehement opponent of the Finance Minister’s plan was influential head of the Foreign Ministry’s Asian Division, Count Kapnist, who expressed his

1 This diplomatic intervention was undertaken jointly by Russia, Germany, and France on April 4, 1895, and is sometimes termed the Far Eastern Triple Alliance (or also the Triple Intervention).

2 For more details, see K. Van DIJK, *Pacific Strife: the Great Powers and their Political and Economic Rivalries in Asia and the Western Pacific, 1870–1914*, Amsterdam 2015, pp. 305–315.

3 The National Archives, London, (hereinafter TNA), Foreign office (hereinafter FO) 800/163, Bertie Papers, Francis Bertie to Foreign Office, May 19, 1899.

4 *Ibid.*, Francis Bertie to Foreign Office, May 20, 1899.

5 *The Times*, October 10, 1895.

6 A. MALOZEMOFF, *The Russian Far Eastern Policy 1881–1904*, Los Angeles 1958, p. 72.

7 For opinions on building the section of the line through Manchuria cf. *ibid.*, 72ff.

considerable concern over the construction. According to him, it would end up leading to the military occupation of the whole region, would arouse an undesirable response from the Great Powers, and could trigger the division of China, which at that time was certainly not in Russia's interest. The governor of Amur province, General Dukhovskii even termed the project a "*great historical error*" in regard to possible military problems.⁸ The Finance Minister countered these objections by arguing that a situation would soon arise when it would not be possible to build any railway in northern China without Russia's consent.⁹ Despite these differences in opinion, Russian political leaders agreed that Chinese affairs should be left alone until completion of the construction of the Trans-Siberian Railway.¹⁰ In the end, Witte pushed through his concept thanks to the support provided to him by Tsar Nicholas II, Prince Lobanov-Rostovsky and War Minister Vannovsky.

Around February 1896, Russian experts completed a survey of the anticipated railway route, and on 18 April 1896, Count Cassini, the Russian Envoy in Beijing, informed officials in the Zongli Yamen of their plan to build the railway line through Manchuria. To begin with, however, the Envoy failed in acquiring China's consent.¹¹ His activities over the following months are commonly linked with the controversial so-called Cassini Convention. The *North China Herald* newspaper, published in English in Shanghai, in an article entitled *Special convention between Russia and China*,¹² said that during negotiations in spring 1896, the Envoy had managed to make China sign a document which related to Russo-Chinese co-operation in the event of war, and also gave consent to the construction of a railway line through Manchuria.¹³ Eventually,

⁸ W. L. LANGER, *The Diplomacy of Imperialism 1890–1902*, New York 1951, p. 399.

⁹ Dukhovskii and Witte submitted a memorandum regarding this matter on 23 January and 12 April 1896 respectively. Cf. A. Popov, *Pervye shagi russkogo imperializma na Dal'nem vostoke*, in: *Krasnyi Arkhiv*, LII, 1932, pp. 83ff. and 91ff. Cf. A. MASAFUMI, *The China-Russia-Japan Military Balance in Manchuria, 1906–1918*, in: *Modern Asian Studies*, 44, 6, 2010, p. 1286.

¹⁰ C. J. LOWE, *The Reluctant Imperialists. British Foreign Policy 1878–1902. Vol. I*, London 1967, p. 230.

¹¹ LANGER, p. 401.

¹² *North China Herald*, October 30, 1896.

¹³ For more on the so-called Cassini Convention, see TNA, FO 17, China/1278. Political and other Departments. General Correspondence before 1906. Diplomatic despatches. MacDonald to Salisbury, No. 248, confidential, Peking, December 17, 1896.

a number of different variations of the “convention” appeared in the press; according to journalists, Cassini was waiting for negotiations to end and as such had delayed his planned departure for Russia until as late as 30 September 1896. Russia, however, consistently denied the existence of such a document,¹⁴ and the great likelihood is that it truly never came into existence.¹⁵

Viceroy and Grand Secretary Li Hongzhang’s foreign trip in 1896 was to be of great importance for pursuing Russia’s objectives. Although he had co-operated with the European powers in regard to the return of the Liaodong Peninsula to China, as a signatory of the Peace Treaty of Shimonoseki, he had fallen upon the Emperor’s disfavour, and his enemies in the court accused him of betrayal, even recommending removing him by murdering him.¹⁶ He escaped the worst above all thanks to support from Empress Dowager Cixi, and probably also the intervention of Russia’s Envoy Cassini and huge bribes, sometimes estimated at 5 million dollars.¹⁷ Although originally participation of the imperial prince was anticipated, Li managed to be named official representative of the Chinese Emperor at the coronation of Russian Tsar Nicholas II.¹⁸ On 8 March 1896 and accompanied by his son, Li Qingfang, and a large accompanying party, he left Beijing¹⁹ to sail on board a French steamship from Shanghai to Europe. In Port Said, Minister Witte’s emissary, Prince Esper Ukhtomskii,

¹⁴ P. JOSEPH, *Foreign Diplomacy in China, 1894–1900. A Study in Political and Economic Relations with China*, London 1928, p. 168.

¹⁵ The wording of the alleged Cassini Convention with relevant information and commentary is given in J. V. A. MACMURRAY, *Treaties and Agreements with and concerning China 1894–1919. Vol. I. Manchu Period (1894–1911)*, New York 1921, pp. 79–80. According to B. A. Romanov, who undertook an extensive analysis of the document, it was a secretly made copy of a draft of preliminary report which Cassini had prepared for his meeting in the Zongli Yamen of 18 April 1895. B. A. ROMANOV, *Russia in Manchuria (1892–1906)*, Ann Arbor (Michigan) 1952, pp. 98–102.

¹⁶ For more on Li Hongzhang’s role during peace negotiations, see A. LITTLE, *Li Hung-Chang: His Life and Times*, New York 2010, pp. 233–248.

¹⁷ LANGER, p. 401.

¹⁸ Tsar Alexander III died on 31 October 1894, and Nicholas II’s coronation took place at the end of May 1896. For more on Li Hongzhang’s nomination and his foreign trip, see TNA, FO 17, China/1277. Political and other Departments. General Correspondence before 1906. Diplomatic despatches. MacDonald to Tsungli Yamen. Peking, July 6, 1896; *ibid.*, MacDonald to Salisbury, No. 184, confidential. Peking, July 10, 1896.

¹⁹ For more details of Li Hongzhang’s accompanying party, see H. B. MORSE, *The International Relations of the Chinese Empire. Vol. III. The Period of Subjection, 1894–1911*, London, New York, Bombay, Calcutta 1918, p. 103.

President of the Russo-Chinese Bank and publisher of the influential paper *Peterburgskie vedomosti* was waiting for him. Accompanied by him, Li arrived on board a Russian cruiser on Saturday 27 April 1896 heading for Odessa, and he stayed in Russia until early June 1896.²⁰ Formally, he had several principal tasks,²¹ but as the results of his journey showed, the most important was the negotiations he held in Russia. During his stay, he was received several times by the Tsar and met with Witte²² and other Russian politicians. To begin with, Li insisted that that section of the railway line which was to go through Manchuria should be built by the Chinese using Chinese funds, and that the line would be of European gauge. Witte was realistic in his arguments that it would be very difficult to undertake the construction under these conditions because China did not have the necessary funds, and he insisted upon using Russian gauge. In his second audience with the Chinese dignitary, the Tsar repeated his fundamental arguments – the railway was essential if Russia was to assist China in case of threats, Russia had no territorial claims, and Beijing did not have the necessary funds. Britain received a report on the course of negotiations at the end of May 1896, their source informing them that Russia had put great pressure on the Chinese politician to allow the construction of the final section of the Trans-Siberian Railway through Manchuria.²³

Although Viceroy Li was not formally authorised to conclude any kind of agreement, the outcome of his talks in Russia was a document of fundamental importance. For decades, historians have been posing the question of what brought Li Hongzhang to drawing up the document. It has been often noted that at that time, he was probably one of the most

²⁰ From Russia, he went to Germany where he remained until 6 June 1896, and he subsequently visited the Hague (7 July), Paris (13 July), London (3 August), and arrived in the USA on 28 August 1896 then sailing back to China from Vancouver, Canada.

²¹ Li Hongzhang was meant to represent the Chinese Emperor at the coronation of the Russian Tsar, express his official thanks to Russia, Germany, and France for their intervention regarding the return of the Liaodong Peninsula, hand over courtesy letters to Queen Victor and the President of the United States, and probe whether there was an opportunity to revise the customs tariff. MORSE, p. 104.

²² For more to the negotiations Witte's with Li Hongzhang see *The Memoirs of Count Witte*, translated and edited by A. YARMOLINSKY, Garden City, New York, Toronto 1921, pp. 82–108.

²³ TNA, FO 17, China/1277. Political and other Departments. General Correspondence before 1906. Diplomatic despatches. MacDonald to Salisbury, No. 172, confidential. Peking, June 16, 1896.

corrupted politicians in the world, and there were no shortage of bribes being paid in his vicinity.²⁴ On the other hand, there is no doubt that Li had been very disappointed by Great Britain's position during the Sino-Japanese War and had turned his attention towards co-operating with Russia. His biographer claims that the bribe in regard to the agreements made in Moscow was not the most important aspect.²⁵ Baron de Wolff, former departmental deputy director at Russia's Foreign Ministry claims in his memoirs that, "*Li Hung Chang, the great man of China [...] returned to Peking with the treaty signed and two million roubles in his pocket,*"²⁶ and historians admit this is possible,²⁷ but on the other hand some are of the opinion that Li did it because of his disappointment with Great Britain's stance and fears of Japan, and a bribe may not necessarily have been paid. Moreover, Witte, who acknowledged Li's susceptibility to corruption in other cases, and who took part in the negotiations with the Chinese politician, denies that in this case, no matter how contentious it was, a bribe was paid to the Chinese dignitary.²⁸ The fact that Li had decided to turn towards St Petersburg does not indicate that he had correctly evaluated the international situation and the objectives of Russian policy. He clearly believed that railway construction would facilitate Russian assistance to China were it to be attacked again, but on the other hand he appeared ignorant of the fact that "*Russia had absorbed every weak state which she had taken under her protection*".²⁹ In fact, he only facilitated Russia and France's efforts at controlling China, and was further unaware that the other Great Powers would do everything they could to prevent this, or to acquire similar advantages. In other words, the path he chose played a large role in the fact that the Great Powers began to fight for spheres of influence in China, something which further weakened the Qing regime.

The outcome of Li Hongzhang's negotiations was a treaty whose significance for Russia's position in China was huge. Witte, Lobanov and Li signed a secret treaty of alliance on 3 June 1896 focused against Japan³⁰

²⁴ LANGER, p. 403.

²⁵ J. O. P. BLAND, *Li Hung-chang*, New York 1917, pp. 199–200.

²⁶ JOSEPH, p. 161.

²⁷ T. G. OTTE, *The China Question. The Great Power Rivalry and British Isolation, 1894–1905*, Oxford, New York 2007, p. 87; MALOZEMOFF, pp. 79–80; ROMANOV, p. 116.

²⁸ *The Memoirs of Count Witte*, p. 95.

²⁹ JOSEPH, p. 186.

³⁰ MacMurray gives the date the treaty was signed as the end of May 1896. May 1896, Russia & China. Treaty of Alliance, MACMURRAY, pp. 81–82. Elsewhere, the date of

to apply for fifteen years. Article IV of the treaty gave Russia the right to build the final section of the Trans-Siberian Railway through Manchuria. In this case, the terms were specified and confirmed by a contract of 8 September 1896 and other documents.³¹ The project was financed by the Russo-Chinese Bank, controlled by the Russian Finance Ministry. The actual construction and management of the railway was taken on by the newly established Chinese Eastern Railway Company, whose president was named by the Chinese government, with its Vice-President and main engineer named by Russia's Finance Minister, and whose shares could only be owned by Russians and Chinese, and whose share capital, issued by the Russo-Chinese Bank, amounted to 5 million roubles.³² The company was to own the Chinese Eastern Railway for 80 years, with the Chinese earning the right to buy it back after 36 years. Management of track operations was in complete control of Russia, which determined carriage tariffs, with Russia's armed forces, war material and post carried free of charge. The railway was exempt from paying all taxes.³³ The company acquired extensive rights for mining raw materials and exploiting natural resources. Formally, the semblance of a private independent company was maintained, but in fact it was a business under the full control of Russia's government.

It is undisputed that in this way, Russia took a key step towards implementing Witte's plan and its possible control of northern China. At the time, France was also exerting similar pressure in the southern Chinese provinces. Furthermore, Russia and France had already jointly provided Beijing with its first large loan of 400 million francs in 1895 to pay its war reparations to Japan. These factors led to the real threat that these new

3 June 1896 is given. MALOZEMOFF, pp. 79–80; ROMANOV, p. 80. It is interesting to note that China only published the contents of this treaty at the Washington Conference following the First World War. Its secrecy was not perfect, however; according to some testimonies, Li's son Li Jingfang sold a French version of the wording to British newspaper *The Daily Telegraph*, which printed it after significant delay on 15 February 1910. This episode is mentioned in MALOZEMOFF, pp. 79–80; ROMANOV, p. 265, note 85.

³¹ 8 September 1896, Russia (Russo-Chinese Bank) & China. Contract for the Construction and Operation of Chinese Eastern Railway, MACMURRAY, pp. 74–78; 16 December 1896, Statutes of Chinese Railway Company, *ibid.*, pp. 84–88.

³² This involved 1000 shares at 5000 roubles, of which 700 were reserved for the Russian government, and 300 for French shareholders of the Russo-Chinese bank. No shares were held by the Chinese government or private shareholders. LANGER, p. 408.

³³ *Ibid.*, p. 409.

allies³⁴ would achieve the financial and political control of China. It is often said that it was Germany in its annexation of the region around Jiaozhou Bay in November 1897 which first undermined China's territorial integrity, beginning the Great Powers' fight to define their spheres of influence. The truth is, however, that it was Russia's acts in 1895–1896 which had already initiated this process, despite St Petersburg's repeated declarations on its interest in the territorial integrity of the "Middle Kingdom", and which since at least 1895 had been considering occupying part of Chinese territory. It is hard to agree with Witte, then, when he writes in his memoirs that, *"by the seizure of Kiaochau, Emperor William furnished original impetus to our policy"*. But on the other hand, the claim of the Tsar's former minister that *"German diplomats and the German Kaiser were clearly making effort in those days to drag us into Far Eastern adventures. They sought to divert our forces to the Far East, as to ensure the safety of their Eastern frontier,"*³⁵ should be accepted. Russian policy's main objectives in China were for many years to achieve a decisive position in Beijing and weaken Great Britain's influence – these were the main objectives of Russian policy in China. *"For our future plans, the fact that China should be dependent on us is no less important than that we do not allow England to expand its influence here,"*³⁶ wrote Count Lobanov-Rostovsky in the mid-1890s to Russia's Ambassador in Paris, Baron Mohrenheim. Germany's annexation of Jiaozhou did not result in any major change in Russian policy in the Far East. This was clearly defined by Witte, who intended to control China through "peaceful penetration", i.e. through mainly economic means, at the time of the German act, and had been since at least 1895. Russian efforts to gain exclusive influence in Manchuria, or even the whole of northern China, naturally clashed with the interests of Great Britain and Japan especially, and the former Russian Foreign Minister Alexander Petrovich Izvolskii gives it as one of the causes of the first Russo-Japanese War in his memoirs: *"If one wishes to locate the initial act which led to the unfortunate war between Russia and Japan, it will be necessary to go back to the decision adopted by the Russian Government at the Count Witte's behest to push the main line of the*

³⁴ The treaty of military alliance between France and Russia was concluded in 1892 and ratified at the turn of 1893/1894.

³⁵ *The Memoirs of Count Witte*, p. 105.

³⁶ *Emprunt chinois. Politique en Asie. Saint-Petersbourg, le 11/23 mai 1895. Copie d'une lettre très confidentielle de S. Exc. M. le prince Lobanow-Rostovsky à S. Exc. M. le baron Mohrenheim, ambassadeur de Russie à Paris. Correspondance diplomatique du baron de Staal (1884–1900) publié par A. MEYENDORFF, T. II, Paris 1929, p. 274.*

Trans-Siberian railway through to Vladivostock by way of Chinese territory, thus shortening the distance considerably, but at the same time creating of the eastern confines of the Empire a singularly complicated and dangerous situation."³⁷

During 1897, the strengthening of Russia's position became apparent in Beijing. This was reflected to some extent over the course of the visit of Russo-Chinese Bank President, Prince Ukhtomskii in the Chinese capital.³⁸ Formally, his main task was to hand over a gift of £20,000 to the Emperor and Empress dowager "in return" for the gifts which Li Hongzhang had brought to Russia in the previous year, and to officially open the Russo-Chinese Bank branch. The Tsar's confidante arrived in Beijing on 21 May 1897 and was received with honours which had never before been shown to any foreign visitors. Several facts were startling. Immediately upon his arrival, several Zongli Yamen officials reported to him. After just a few days, he was received for an audience with Emperor Guangxu, being received again three days later to receive gifts for the Empress Dowager, which was totally without precedent for a court ceremony.

Although this all testified to the position Russia had gained in Beijing, on the other hand Ukhtomskii failed in terms of the main objective of his mission. The prince had been commissioned to acquire Chinese consent to construction of a branch line leading off the Chinese Eastern Railway to the south to one of the Korean ports and linking it to the Chinese Imperial Northern Railway. He was also to probe the Chinese opinion on the request that the Chief Engineer of the Chinese Eastern Railway could meet directly with the governors of the three Manchurian provinces and ensure Chinese law allowed the circulation of coins and bank notes issued by the Russo-Chinese Bank in Manchuria. In June 1897, the prince began necessary negotiations in the Zongli Yamen, but as soon as Li Hongzhang had received the necessary bribe, his willingness to accommodate the Russian emissary faded, and "*Ukhtomskii's mission was therefore a complete failure*".³⁹

³⁷ *The Memoirs of Alexandre Iswolsky*, edited and translated by C. L. SAGAR, London 1920, pp. 122–123. For more on the German occupation of Jiaozhou, see D. BÖNKER, *Global Politics and Germany's Destiny "from an East Asian Perspective"*: Alfred Von Tirpitz and the Making of Wilhelmine Navalism, in: *Central European History*, 46, 1, 2013, pp. 68–70.

³⁸ *British Envoy in China*, MacDonald, gave very detailed information on the course of the visit of Prince Ukhtomskii to Beijing in May 1897. TNA, FO 17, China/1312. Political and other Departments. General Correspondence before 1906. Diplomatic despatches. MacDonald to Salisbury, No. 65. Peking, June 1, 1897.

³⁹ MALOZEMOFF, p. 95.

At this time, Britain's Envoy MacDonald received a confidential report that during Prince Ukhtomskii's visit, the so-called Cassini Convention had been ratified. As such, he visited Li Honzhang and mentioned that he had information that the convention secured Russia the right to fortify Jiaozhou, Port Arthur (Lüshun) and Dalian and use these fortifications in the event of war. The Grand Secretary resolutely denied this, with justification it must be said, as the lease of these ports, or regions, to foreigners was to be decided upon in subsequent months. Li stated that ceding these locations would trigger similar demands from other Great Powers, which could in the end lead to the division of China. He informed the British diplomat that during his visit to Russia, and now in Beijing, they had discussed only construction of that section of the Trans-Siberian Railway leading through Manchuria. The Chinese politician, however, tactically concealed certain facts which could have caused an unfavourable response from Britain's diplomat. The fact that China had promised the Russian emissary that construction of the railway north of Shanhaiguan was to be given to Russia, and that they were planning to dismiss British instructors from the Naval School in Tianjin, could have been perceived by MacDonald as an act of hostility.⁴⁰

St Petersburg then was able to benefit from its undoubtedly favourable international position, something which expressed itself during two major state visits when Germany's Emperor Wilhelm II and French President Félix Faure visited Russia in August 1897.⁴¹ In 1895–1898, Wilhelm repeatedly assured the Tsar that he would “watch Russia's back” while it was engaged in the Far East. In January 1897, for example, he dramatically told the Russian Tsar: *“Even if you had to send all your troops to the East, following political aims in accordance with your interests, I not only will not attack France, but will not allow anyone in Europe to stir there, that is what I mean by my promise to guarantee your rear.”*⁴² During the visit, the Emperor repeatedly stressed his friendly relationship with Russia, and he must have been satisfied with certain signals from Russia; Foreign Minister Count Muravyov allegedly declared privately that he would prefer an alliance

⁴⁰ Envoy MacDonald provided information on his meeting with Li Hongzhang in an extensive report for Prime Minister Salisbury. Cf. TNA, FO 17, China/1312. Political and other Departments. General Correspondence before 1906. Diplomatic despatches. MacDonald to Salisbury, No. 76. Peking, June 15, 1897.

⁴¹ For more on both visits, see LANGER, pp. 446–447.

⁴² *Ibid.*, p. 448.

with Germany to one with France.⁴³ The Emperor also discussed the idea of a Continental alliance against Great Britain with Witte and Chief of the Main Staff, General Obruchev, and the issue was discussed at the time in the Russian and German press. Chancellor Hohenlohe and Bülow, Head of the Foreign Office, who accompanied the Emperor, were much more cautious, not wishing above all to allow a deterioration in relations with Great Britain. This is one reason why when Obruchev proposed a Continental offensive and defensive alliance for three years in September 1897, Germany was evasive, and even informed British Prime Minister Salisbury of the Russian proposal.⁴⁴

During autumn 1897, several signals appeared suggesting increased Russian pressure in China. Russia's chargé d'affaires in Beijing, Pavlov, was to inform Britain's Envoy MacDonald that the "*Russian Government intended that the provinces bordering at the Russian frontier must not come under the influence of any nation except Russia*".⁴⁵ A similar signal, clearly unfavourable for Britain, was the report that Russia was considering achieving the replacement of Sir Robert Hart in the role of Inspector-General of the Chinese Imperial Maritime Customs Service with a Russian,⁴⁶ and that Germany was allegedly supporting them in this. There were repeated reports that Russia wanted to acquire a Chinese port. For Britain, the information that Russia had transferred its envoy in Korea, de Speyer, to the legation in Beijing was not positive. It was possible to assume that this "*energetic, narrow-minded and extreme Anglo-phobe*" would apply the same aggressive policy in China as he had beforehand in Korea, and according to the words of the former Secretary of the British legation in Beijing, Henry Bax-Ironside, "*His Majesty's Government can have no more bitter enemy to deal with from the diplomatic point of view*".⁴⁷

⁴³ Ibid., p. 445.

⁴⁴ *Die Große Politik der Europäischen Kabinette 1871–1914. Sammlung der diplomatischen Akten des Auswärtigen Amtes* (hereinafter *GP*). Hg von J. LEPSIUS – A. MENDELSSOHN BARTHOLDY – F. THIMME, Bd. 13, Die Europäischen Mächte untereinander 1897–1899, Berlin 1924, Nr. 3451. Der Stellvertretende Staatssekretär des Auswärtigen Amtes Bernhard von Bülow, z. Z. in Semmering, and das Auswärtige Amt, den 13. September 1897, pp. 88–89.

⁴⁵ *Correspondence respecting the Affairs of China* (hereinafter *CRAC*), London 1898, Despatch 14, MacDonald to Salisbury. October 10, 1897, p. 6.

⁴⁶ TNA, FO 17, China/1313. Political and other Departments. General Correspondence before 1906. Diplomatic despatches. MacDonald to Salisbury, No. 162. Peking, December 1, 1897.

⁴⁷ Speyer had previously served in Persia, where according to his own words he helped

Something which undoubtedly contributed to the dramatization of developments in China was Germany's occupation of territory around Jiaozhou Bay and the port of Qingdao in the province of Shandong in mid-November 1897.⁴⁸ But the idea that the German step was the key trigger for Russia's decision to send warships to Port Arthur can hardly be accepted, as Russia had already been considering this prior to the event. This port, on the southernmost point of the Liaodong Peninsula, protected by a partially modernised fortification system, was of exceptional strategic significance for controlling maritime routes in the Yellow Sea, and its position at the access route to the Chinese capital was also of general importance in terms of influence on Beijing and northern China. China consented to Russia's presence (the Russian ships were to spend the winter in the port), as they thought that in this way, they could gain a counterbalance to Germany's activities in Jiaozhou. Beijing attempted to manoeuvre between the Great Powers, which is also why they allowed British warships to sail to Port Arthur too. For Russia, it was in no way about meeting the terms of its treaty of alliance with Beijing, but rather an important step to implementing Russia's plans to control northern China. At the same time, it was evidence of a certain change in Russia's approach. Witte, a supporter of "peaceful penetration" this time had to give in to pressure put on the Tsar by Foreign Minister Muravyov and War Minister Vannovsky, to occupy Part Arthur and Dalian. Muravyov submitted a memorandum to the Tsar on 23 November 1897 in which he recommended the occupation of both Chinese ports and part of the Liaodong Peninsula, and three days later the Ministerial Council discussed this document, though did not issue its verdict yet.⁴⁹ The proposal's sole opponent remained Witte.⁵⁰ The decision was likely made sometime between 26 November and 11 December 1897. On Tuesday 14 December, the Russian fleet received the order to sail to Port Arthur, where they arrived on 19 December 1897. To begin with, the Russians were restrained, and did not attempt any action on land for two months.

"destroy Britain's influence". In Korea he used indiscriminate tactics to pursue Russian objectives, even proposing deporting the Korean king to Vladivostok. TNA, FO 17, China/1313. Political and other Departments. General Correspondence before 1906. Diplomatic despatches. Memorandum of H. O. Bax-Ironside. Peking, December 14, 1897.

⁴⁸ For more on the development in Jiaozhou, see also Van DIJK, pp. 295–315.

⁴⁹ MALOZEMOFF, p. 100.

⁵⁰ LANGER, pp. 457–458.

When two British cruisers sailed into Port Arthur on 25 December, the Russian commander did not protest.

Supporters of a bolder approach in the Far East acquired a stronger position in St Petersburg with the arrival of General Alexey Nikolaevich Kuropatkin in the role of War Minister on 1 January 1898. To allow Russian plans to be implemented, the General considered it to be strategically essential to gain a large part of the Liaodong Peninsula including Port Arthur and Dalian and begin construction of a railway line to join them to the Chinese Eastern Railway.⁵¹ At the end of January 1898, a group of supporters of the permanent occupation of Manchurian ports including important ministers and representatives of army and navy command⁵² gained the upper hand over Witte.⁵³

At the time, discussions were ongoing both with Russia and Britain on China's third loan to repay its war reparations to Japan. Russia had submitted an offer for a loan of £16 million whose terms, along with the construction of the Chinese Eastern Railway and any lease of Port Arthur and Dalian would have made China to a large extent a de facto Russian protectorate. Witte submitted a proposal on 26 December 1897 in which in exchange for providing the loan, Russia would acquire a monopoly on the construction of all railways, mining operations and the establishment of industrial enterprises in Manchuria, Mongolia and northern China, along with a promise that "*a Russian should be appointed Inspector-General of Customs when that post became vacant*".⁵⁴ Furthermore, Russia was to gain the right to build the railway connection from the Chinese Eastern Railway to a port on the Yellow Sea coast which they would choose themselves. Russian agents in Beijing were authorised to give Li Hongzhang or people in his circle bribes to a total of 1 million roubles.⁵⁵ On 20 January 1898,

⁵¹ JOSEPH, p. 225.

⁵² These included in particular Foreign Minister Muravyov, War Minister Kuropatkin and Naval Minister Tyrtoov.

⁵³ For more see OTTE, pp. 107–108.

⁵⁴ TNA, FO 17, China/1314. Political and other Departments. General Correspondence before 1906. Diplomatic telegrams. MacDonald to Salisbury, Tel. No. 95. Peking, December 22, 1897. Also, CRAC, 1898, Despatch 36, MacDonald to Salisbury. December 22, 1897, p. 9.

⁵⁵ LANGER, p. 463. According to Malozemoff's version, Witte instructed the Russo-Chinese Bank in Beijing's agent Pokotilov to offer Li Hongzhang 1 million roubles if he could secure China's acceptance of the third loan for its indemnity to Japan from Russia under the conditions offered, plus an additional million if the pro-Russian Chinese agent who signs the agreement could be sent St Petersburg. MALOZEMOFF, p. 103.

Foreign Minister Muravyov instructed chargé d'affaires Pavlov to probe the possibility of lease and stressed that he was to “*submit the request with great caution so as not to disturb loan discussions*”.⁵⁶

When Britain’s Ambassador in St Petersburg O’Conor met with Witte on 22 January 1898, Russia’s Finance Minister asked him what stance Britain would take if Russia’s occupation of Port Arthur and Dalian became permanent and expressed a willingness “*to support what he calls England’s practical and commercial policy provided that England will not impede Russian ambition in the North*”. He didn’t reject the idea of a mutual agreement either, declaring: “*If we came to an understanding our rule would be law in the Far East*.”⁵⁷ In this way, he was essentially proposing a compromise based on the division of China into spheres of influence for individual Great Powers, something which for Britain, nevertheless, was unacceptable.

Britain put considerable diplomatic efforts into preventing Russian domination in northern China. The idea of an alliance with Japan appeared quite early. This idea was strongly supported by Secretary of State for the Colonies Joseph Chamberlain, and especially Under-Secretary of State for Foreign Affairs Curzon, who at the end of December 1897 was already recommending Prime Minister Salisbury to assume co-operation with Tokyo. Envoy MacDonald in Beijing repeatedly warned China of the risk involved in accepting Russia’s requirements. In this regard, he considered the possibility of an alliance of Great Britain, Japan and China, and even of transferring the capital of the “Middle Kingdom” back to Nanjing,⁵⁸ outside the area of immediate Russian pressure.⁵⁹ Some of Britain’s ideas were somewhat bizarre, such as a violent uprising being staged in Beijing which would lead to the removal of pro-Russian elements, something which was rejected as dangerous.⁶⁰ It can be said that at the last minute, the British Government was unexpectedly conciliatory in a number of regards. Prime Minister Salisbury sent a telegram to the

⁵⁶ ROMANOV, p. 198.

⁵⁷ *British Documents on the Origins of the War 1898–1914* (hereinafter *BD*), ed. by G. P. GOOCH – H. TEMPERLEY. Vol. I, End of British Isolation, London 1927, No. 8, O’Conor to Salisbury, Tel. No. 12, secret. Peking, January 23, 1898, p. 7.

⁵⁸ Nanjing had been China’s capital under the previous Ming Dynasty.

⁵⁹ TNA, FO 17, China/1334. Political and other Departments. General Correspondence before 1906. Diplomatic despatches. MacDonald to Salisbury, No. 47. Peking, March 18, 1898. TNA, FO 800/163, Bertie Papers, Francis Bertie to Foreign Office, May 20, 1899. *Ibid.*, Bertie to Salisbury, May 21, 1899.

⁶⁰ *BD*, I, No. 34, Minute by Salisbury, private, March 22, 1898, pp. 22–23.

ambassador in St Petersburg stating that, “*Her Majesty’s Government would not regard with any dissatisfaction the lease by Russia of an ice free commercial harbour and its connection by rail with the Siberian Railway now under construction*”.⁶¹ The telegram went on to explain the reasons for Britain’s disquiet: “*The occupation of Port Arthur which is useless for commercial purposes and whose whole importance is derived solely from its military strength and strategic position, would be inevitably considered in the East as a standing menace to Peking and commencement of the Partition of China.*”⁶² Another passage in the Prime Minister’s message demonstrates the British position’s conciliatoriness: “*Her Majesty’s Government are prepared to give assurances that beyond existing Treaty Rights they have no interests in Manchuria, and to pledge themselves to occupy no ports in the Gulf of Pechili so long as the same policy is pursued by other Powers.*”⁶³

A special commission was formed in St Petersburg for dealing with the issue of leases in China made up of the highest authorities,⁶⁴ and in mid-February 1898 it came to the conclusion that Russia should ask for the lease of the southern part of the Liaodong Peninsula (the northern part was to remain a buffer zone), pursue the right to build a railway line from the Chinese Eastern Railway to one of the ports on the Liaodong Peninsula and send landing forces to Port Arthur to ensure these requirements were met. On 3 March 1898, Russia asked China to lease a part of Liaodong and the ports in question, and in mid-March, Britain’s final attempts at making the Russians change their mind failed. Russia’s Foreign Minister Muravyov informed Britain’s Ambassador O’Conor that, “*Russia desired to respect the integrity of China, but he absolutely refused to admit that the proposed lease of Port Arthur violated this principle or constituted a dismemberment of the Chinese Empire. Anyhow he held that its occupation was a vital necessity for Russia, that what was allowed to Germany and to Japan, could not be denied to Russia*”.⁶⁵ The Russian minister declared that Port Arthur would be open to all traders and warships.⁶⁶ He also stated that no other government had raised any

⁶¹ Ibid., No. 36, Salisbury to O’Conor, Tel. No. 90, Foreign Office, London, March 22, 1898, p. 23.

⁶² Ibid.

⁶³ Ibid.

⁶⁴ This group included Grand Duke General Admiral Alexei Alexandrovich, Witte, Muravyov, Kuropatkin, Tyrto, head of the naval staff Admiral Avellan and head of the army staff General Sakharov. MALOZEMOFF, p. 104.

⁶⁵ BD, I, No. 37, O’Conor to Salisbury, Tel. No. 57, St. Petersburg, March 23, 1898, p. 24.

⁶⁶ For more on Port Arthur, see R. NIELD, *China’s Foreign Place. The Foreign Presence in the Treaty Ports Era, 1840–1943*, Hongkong 2015, pp. 188–190.

objections to Russia's operation, and only Britain was standing in Russia's way.⁶⁷

Sergei I. Witte describes in his memoirs how Chinese consent to the Russian demands were acquired.⁶⁸ Emperor Guanxi and Empress Dowager Cixi went to their summer residence in Beijing, and likely under the influence of British and Japanese diplomats, rejected Russia's requirements and left decision-making in the hands of high officials, these being Li Hongzhang and Zhang Yinghuan. Once these officials had received "gifts" to the value of 500,000, or 250,000 roubles,⁶⁹ they went to persuade the Emperor and Emperor Dowager, something they succeeded in doing, and the lease agreement was signed on 27 March 1898.⁷⁰ On the same day, Chinese troops left both ports and were replaced just two days later by Russians.⁷¹ The agreement applied for 25 years and its content differed significantly from the recent promises given to Britain. Port Arthur was declared an exclusive military port which only Russian and Chinese ships could use, remaining closed for war and trading shops of other countries, something which violated Britain's Most Favoured Nation status. Dalian became an open port.⁷² The leased territory's borders were determined in a further agreement of 7 May 1898.⁷³ The Russians ran a civil and military administration on the leased territory, although it was formally under Chinese sovereignty. In contrast to its original promises, Russia acquired the right to fortify the leased territory, and a buffer zone was created between the leased territory and Chinese territory in which members of other countries could not carry out their business without Russia's permission. Although the British Government protested these terms on 28 March 1898, Russia knew that in essence London could do nothing which could change the situation. One can say that in terms of the lease, construction of the line from Port Arthur to the Chinese Eastern Railway, its position in Manchuria and though this recognition of its sphere of

⁶⁷ CRAC, 1898, Despatch 132, O'Connor to Salisbury, March 23, 1898, p. 56.

⁶⁸ *The Memoirs of Count Witte*, p. 103.

⁶⁹ MALOZEMOFF says that both were to receive 500,000 taels each. MALOZEMOFF, p. 104.

⁷⁰ MACMURRAY, pp. 119–121.

⁷¹ MORSE, p. 113.

⁷² For more on Dalian, see NIELD, pp. 82–84.

⁷³ MACMURRAY, pp. 127–128. No. 1898/9. Additional agreement defining the boundaries of the leased and neutralised territory in the Liaotung Peninsula, May 7, 1898, pp. 127–129.

influence, Russia achieved a success which in the end Britain was unable to prevent.⁷⁴

It seems that Britain was somewhat incorrect in its assessment of Russia's advances and the consequences of its activities, something which was also affected by Salisbury's idea of the possibility of agreement with Russia. Britain's generally unfavourable international position certainly also played a role, having been determined by deteriorating relations with Germany, the United States and subsequently also France. Russian pressure and threats to British interests in China made Disraeli's famous statement that "*in Asia there is room for us all*"⁷⁵ somewhat implausible. The activities of St Petersburg's ally, France, contributed to this, as although its weight in China had never been equivalent to both its major rivals, in the end it too played a successful part in the battle for leases and spheres of influence. In terms of influence in Beijing, France co-operated so closely with Russia that there was an idea in Britain that there was a certain "encirclement" because of Russian pressure in the north of China and French pressure in the south of China.

In March 1897, Paris had already forced Beijing to declare that the island of Hainan off the southern Chinese coast would not be transferred to another power in future.⁷⁶ France was undoubtedly inspired by the successes of its Russian ally, and this related to its ideas of its objectives in China. French interest was primarily focused on the southern Chinese provinces of Yunnan, Guansi and Guangdong, which neighboured French Indochina. In 1895, the Lyon Chamber of Commerce sent a mission to China to investigate conditions for trading there, during which it was to mainly focus on the extensive and wealthy western Chinese province of Sichuan. The mission prepared 100 reports for the French government and completed its mission in 1897. The outcome was a truly generously conceived plan linking Chongqing in Sichuan with Tonkin in French Indochina by a railway line which French companies would build, and which would result in the diversion of trade from four provinces, which had previously mostly been realised via Shanghai and Hong Kong (Xiang-gang), to ports in Tonkin. In this way, the French would acquire major

⁷⁴ For more on the Chinese Eastern Railway, see S. URBANSKI, *Kolonialer Wettstreit: Russland, China, Japan und die Ostchinesische Eisenbahn*, Frankfurt, New York 2008.

⁷⁵ *The Times*, November 10, 1895.

⁷⁶ March 15, 1898. France & China. Declaration concerning Non-alienation of Island of Hainan. MACMURRAY, p. 98.

economic influence over an area of roughly 1.28 million km², in which about 95 million citizens lived.⁷⁷

Despite these facts, French Foreign Minister, Gabriel Hanotaux, declared as late as February 1898 that France was not intending to acquire a naval base in China⁷⁸ and even termed the steps taken by Russia and Germany as “*premature and consequently regrettable*”.⁷⁹ Nevertheless, on 7 March 1898, France asked China not to provide economic benefits in the southern Chinese provinces to other powers, to award a concession to France for the construction of the railway from Tonkin to Yunnanfu, to allow France to set up a ‘coaling station’ on the south Chinese coast, and to name a French Inspector-General of the Chinese postal service.⁸⁰ The French demands aroused disquiet in London, which warned Beijing that further states would come with similar demands, including Britain.⁸¹ *The Times* even reported that France was attempting to acquire the whole area south of the Yangzi (Yangtze River; Chang Jiang) under its sphere of influence.⁸² Britain tried to make China turn the French down by promising they would place no more demands upon them. When they couldn’t achieve this, they submitted their own demands, which were to restrict France’s exclusive position in southern China if they were to be met.⁸³

Despite Britain’s warning, China accepted France’s demands on 10 April 1898.⁸⁴ France received Guangzhouwan Bay and adjacent islands for a naval base on a 99-year lease, and its troops annexed the area on 22 April, although the port remained open to ships of all countries. Furthermore,

⁷⁷ JOSEPH, pp. 229–230.

⁷⁸ *North China Herald*, March 7, 1898.

⁷⁹ JOSEPH, p. 475.

⁸⁰ *Ibid.*, p. 476. For more on the development of the Chinese postal service, see MORSE, pp. 57–71.

⁸¹ CRAC, 1898, Despatch 151, MacDonald to Salisbury, April 4, 1898, p. 103.

⁸² *The Times*, March 19, 1898.

⁸³ Britain’s terms included lease of the so-called New Territories, comprised of Hong Kong, concession for the building of certain railway lines, an assurance France would not receive any exclusive railway or mining rights, a promise that Nanning would become a treaty port, and an agreement that China would not cede any territory within the provinces of Yunnan and Guangdong. CRAC, 1899, Despatch 21, Balfour to MacDonald, April 13, 1898, p. 19; *ibid.*, Despatch 40, MacDonald to Salisbury, April 25, 1898, p. 31.

⁸⁴ April 10, 1898. France & China. Declaration concerning Non-Alienation of Chinese Territory bordering Tonking. MACMURRAY, pp. 123–124; April 10, 1898. Agreement regarding Concession for Railway from Tonking to Yunnan, Lease of Kuangchowwan, and Organisation of Chinese Postal Service, *ibid.*, pp. 124–125.

France acquired a concession to build the railway from Tonkin to Yunnanfu, and China restated its promise that it would not give the island of Hainan to anyone else and that a French citizen would become Inspector-General of the Chinese postal service. Although the convention was discussed in the Zongli Yamen on 27 May 1898, China didn't ratify it until 5 January 1900.⁸⁵ But it wasn't just the pressure and activities of the Russian and French allies which represented a threat to British interests, but also the fact that Germany too had decided to gain a firm foothold in the Far East and acquire a sphere of influence within China. Finally, not only the gains of Russia and France, but also the occupation of Jiaozhou and the exercise of exclusive rights in Shandong province forced the Germans in the last years of the 19th century to reconsider the basic approach to defending British interests in China.

⁸⁵ China postponed the matter for a long time but following the murder of two French naval officers near Guangzhouwan on 12 November 1899, they hastily ratified the convention. MORSE, p. 113.

