

Problems of British Policy in China at the End of the 19th Century¹

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During the long period of the years 1815–1902 Great Britain pursued a consistent principle of *Splendid Isolation* in its foreign policy, a term which means it sought to maintain the balance of power in Europe above all, while with one exception,² avoiding commitments which might force it to get involved in continental conflicts. As well as only sporadic involvement even in regions outside Europe, Britain did not develop activities on the basis of any close ties to the great powers or any other parties. London pursued this policy, underpinned by its economic power and naval supremacy, for decades. The situation changed significantly, however, in the 1890s, a period which demonstrated that in many contexts *Splendid Isolation* was becoming ever less of an advantage for Britain, and in a number of cases was even a threat. The volatility of German foreign policy and the development of “*Weltpolitik*” pursued after the removal of Bismarck from the office of Chancellor in March 1890 brought with it considerable uncertainty. The rapprochement of Russia and France from the end of the 1890s, which culminated in a treaty of alliance ratified at the turn of 1893/1894, caused great concern in London. For the British, the fact that St Petersburg and Paris had begun co-operating in implementing their expansionist objectives overseas put them in an unfavourable position, and “*from 1895 the political thinking of British statesmen pivoted on the central fact that Great Britain had no satisfactory reply to this potentially hostile combination*”.³

In terms of the determining forces of British policy, there were fundamental differences in the general perspective of foreign policy. Long-standing Liberal leader and four-time Prime Minister, William Ewart Gladstone, was a supporter of the “*Little England*” ideology, meaning that he opposed the acquisition of further overseas territory, instead prioritising the construction of a so-called informal empire, where such territory would be linked to the British Empire only through economic ties formed on free trade principles. The facts supported this stance — since the 1880s the

1 This study is one of the outcomes of the grant *The Political and Economic Interests of Great Britain and Germany in China, 1894–1914*, awarded by the Grant Agency of the Czech Republic (GA13-12431S).

2 The exception mentioned occurred in 1854–1856, when Great Britain took part in the Crimean War against Russia alongside France, the Kingdom of Sardinia and the Ottoman Empire.

3 L. K. YOUNG, *British Policy in China, 1895–1902*, Oxford 1970, p. 1.

British had expanded their empire, but trade with these territories was negligible; in 1901 they contributed only 2.5% to total British foreign trade, while 75% was with foreign countries.⁴ Confronted with these facts, the argument of those supporting Empire building, including leading members of the Conservative Party that further colonial expansion would lead to a considerable growth in trade, could not be justified.

Nevertheless, trade remained a key factor, which right up to the First World War affected London's foreign policy in a significant way, although Britain's position in the decades before the war had undergone much change. The British Empire had maintained its primacy, but its share of world trade had significantly fallen. Despite various initiatives, it maintained the principle of free trade until 1914 and did not impose duties to protect domestic manufacturing. Economic considerations did of course affect British policy in terms of the huge opportunities available in China, Latin America and the Ottoman Empire. From a general perspective, the British hoped that profit from their trade with China, India and Japan would help what had then become an unfavourable balance of trade with the United States, Canada and Argentina. Furthermore, there were greater fears of competition from Germany overseas. It was soon demonstrated that their fears were justified — in 1902, for example, Britain held 33% of foreign investments in China, while Germany already had 20.9%.⁵

On the other hand, we cannot present Britain's situation as a clear case of defence and retreat. Britain still had very effective means for defending its position. The British navy had maintained the supremacy it needed over its potential rivals. More than half of the world's merchant shipping fleets were British. Dominance on the world's seas was both a guarantee that trading relations would operate unimpeded, and an effective tool for any policies of expansion. London continued to remain banker and lender to the rest of the world. British foreign investment grew between 1875 and 1900 from 6 to 10 billion pounds, with annual interest achieving a level of 500 million pounds, exceeding profit from foreign trade by up to five times. Britain's financial and trading influence was directly associated with the size of its empire, since, as Secretary of State for the Colonies, Joseph Chamberlain, declared on 10 June 1896, no nation had ever achieved greatness without commerce, nor survived its decay. Britain's economic position was greatly dependent on overseas trade, which between 1880 and 1900 amounted to an average annual volume of 710 million pounds, which in that time was a truly huge amount. It was three times France's foreign trade, and ten times that of Russia at the time.

All of Britain's global considerations at the time were based on securing maritime links and protecting trading routes. For Britain, maintaining dominance on the world's seas was fundamental, and as the First Lord of the Admiralty, the Earl of Selborne, declared in his memorandum of 16 November 1900, any defeat in naval warfare would mean "*a disaster of almost unparalleled magnitude in history*"⁶ for Brit-

4 C. J. LOWE, *The Reluctant Imperialists. British Foreign Policy 1878–1902*, Vol. 1, London 1967, p. 4.

5 M. H. WILGUS, *Sir Claude MacDonal, the Open Door and British Informal Empire in China, 1895–1900*, New York, London 1987, p. 30.

6 The National Archives, London, Kew (further TNA), Cabinet Papers 38/59/118, Selborne Memorandum, 16 November, 1901.

ain. The requirement for naval dominance had been de facto generally accepted from 1815, and was expressed by the Two Power Standard doctrine in 1889, according to which Britain should have a flotilla of warships stronger than the combined power of the second and third largest navies. This principle was essentially accepted by the politicians of both main political parties. However, it became ever more difficult to maintain the principle with spending on the navy growing significantly. While this law assigned annual navy costs of 4 million pounds in 1889, by 1907 this had already grown to 43 million pounds. We can assume this fact in the end forced leading politicians in London to consider withdrawing from “Splendid Isolation” and searching for an alliance with another naval power.

The claim that at the end of the 19th century, Britain had relatively little interest in continental European affairs in essence reflects reality. From a certain perspective, it can be said that Britain’s navy secured it not just its position in the world’s seas and vital links overseas, but on the other hand it de facto isolated the country from the European continent. However, by the end of the 19th century, this state of affairs was proving to be ever less beneficial due to the requirements of securing its position beyond Europe, which was leading to a “strain on resources”, and as such Prime Minister, the Marquess of Salisbury, opposed direct annexations in China, despite the pressures placed on him by powerful organisations advocating this policy.

During the 1890s, the attention of the great powers was focused outside Europe mainly on Africa and the Far East. In Africa, the British mainly faced the ambitions of France, and in China faced the growing pressure of Russia, in relation to the building of the Trans-Siberian Railway,⁷ whose construction was approved in 1891, and so “*the grouping of two naval powers whose imperial ambitions had long caused problems for Britain threatened serious embarrassment for British policy — particularly in the Mediterranean but also in Africa and Asia*”.⁸

Great Britain, along with Russia, was the earliest state to show interest in China, with the first attempts at establishing closer relations with the Middle Kingdom occurring at the turn of the 18th and 19th centuries.⁹ After the First Opium War with China in 1839–1842, Great Britain acquired the island of Hong Kong in the Peace Treaty of Nanking of 1842, five ports were opened for British trade¹⁰ and China was obliged to pay war reparations. Soon after, similar treaties were signed with China by the USA, France, Russia and other countries. The Second Opium War of 1856–1858, in which Britain and France fought against China, ended with the signing of the Tientsin Treaties on 26 and 27 June 1858, on which basis amongst other things the victors secured further extensive privileges. The Third Opium War of 1859–1860 ended with

7 For further information on the Trans-Siberian Railway and the transfer of Russia’s attention to the Far East, see A. MALOZEMOFF, *Russian far Eastern Policy 1881–1904*, Berkeley, Los Angeles 1958, pp. 20–40.

8 E. W. EDWARDS, *British Diplomacy and Finance in China, 1895–1914*, Oxford, New York. 1987, p. 1.

9 In 1787, this was the mission of Colonel Charles Cathcart, who died before reaching Peking. Lord Macartney (1793) and Amherst (1816) were also unsuccessful in their missions.

10 These were the ports of Shanghai, Canton (Guangzhou), Foochow (Fuzhou), Ning-po (Ningbo) and Amoy/Xiamen.

the signing of the Peking Conventions with Britain and France on 24 and 25 October 1860. China bore full responsibility for the conflict, opened the major northern Chinese port of Tientsin (Tianjin) to international trade, and permitted the “export” of coolies to work in plantations in the Caribbean and South America. Great Britain acquired the southern promontory of the Kowloon Peninsula located opposite Hong Kong. The treaty of 25 October 1860 with France guaranteed the Catholic Church the option to own land in China, and the return of all property which had been confiscated from it there subsequent to 1724.

China’s unsuccessful confrontation with the countries of the West, who had more advanced technology available to them, the consequences of the Second and Third Opium Wars, and the Taiping Rebellion (1850–1864) — these were the factors whose actions in the end resulted in the gradual integration of China within the international system. Failure in the war with France (1884–1885) also contributed to the idea within Europe that the Chinese were one of the “dying” nations. In this regard, the words of British Prime Minister, the Marquess of Salisbury, are often recalled, when he declared in May 1898 to the members of the Primrose League that living nations would gradually encroach on the territory of dying nations, leading to conflict between the “civilised nations”¹¹ And it was China which was understood as the final link in the chain of these “dying” nations. Despite the dramatic and often particularly tragic developments in China during the 20th century, his theory was not proven, but in the 1890s the Chinese question became probably the greatest international problem of the era. The idea of the collapse of China, which could have immense and unpredictable consequences “*spread like an epidemic throughout Europe*”¹² along with the belief that “*China has taken the place of Turkey as the pre-eminent Sick Man*”.¹³ For a certain time, the great powers were forced to pay ever greater attention to the situation in China. The urgency of the problem became ever clearer at a period when relations between the great powers were more dynamic and the interconnectedness of international relations was increasing — it was becoming ever more frequent that events in the far ends of the earth were affecting the situation in Europe, and vice-versa. For a long time, China had not attracted much attention from most European governments, being thought of as “*a static unit, which did not affect the European political system called the balance of power. But the prospect of dividing up the Chinese State altered this point of view. After 1894, Chinese affairs were matters of deep concern to all those statesmen who were interested in the aggrandizement of their territories or in maintaining the status and prestige, which their country had already attained. The addition of the Chinese Question to those already occupying the attention of diplomats made international politics more complicated and more acute than it already was. The Chinese Question ceased to be a question solely affecting China; it became an international one — in which the principal contenders were the Great Powers, and not China. Thereafter, China and Europe were fused into one political system. Henceforth European politics could not be*

11 *The Times*, May 18, 1898.

12 T. G. OTTE, *The China Question: Great Power Rivalry and British Isolation 1894–1905*, Oxford, New York 2007, pp. 1–2.

13 A. J. P. TAYLOR, *The Struggle for Mastery in Europe 1848–1918*, Oxford 1954, p. 391.

divorced from Chinese affairs".¹⁴ The era appeared to be, as Prime Minister, the Earl of Rosebery, wrote to Baron Cromer, "*pregnant with possibilities of disastrous kind; and it might result in an Armageddon between the European Powers struggling for the ruins of the Chinese Empire*".¹⁵

For decades, Britain's main interest in China had been trade, and practically since the First Opium War the British had continuously strived to expand their opportunities and open China to trade. Over this whole period, British traders had maintained their undisputed primacy. Since 1858, the "most favoured nation principle" had been applied to Britain on the basis of Article 54 of the Treaty of Tientsin, which meant in practice that if China provided traders of any other state with advantageous trading terms and conditions, the British were also automatically to receive them. The British controlled over 70% of Chinese trade in Hong Kong and Shanghai, and a substantial proportion of the trade on Chinese rivers was in their hand, while they were responsible for half of trade on the Chinese coast.¹⁶ British interest dominated in the wealthy Yangtze River Valley. Most trade with Europe went via Hong Kong; only from the mid-19th century did Britain's main interest gradually shift to Shanghai. British companies were clearly dominant over their competitors in the treaty ports. Companies such as Butterfield & Swire, Dent & Co. and Jardine, Matheson & Co. grew to control most trade in treaty ports and transport and trade along the Chinese coast. British banks, especially the Hong Kong and Shanghai Banking Corporation and the Chartered Bank of India, Australia and China played a large part in the financing of trade. In 1894, on the eve of the Sino-Japanese War, whose course and outcome would dramatically bring the "Chinese Question" to the fore, the British controlled 65% of trade with China, where 85% of goods were transported by British ships.¹⁷ There is no doubt that this trade was of great importance to Britain, and London could not ignore any threat to its primacy. On the other hand, the opportunities in trade with China had been overestimated for years; not just British traders, but also politicians, had been fascinated by the apparent opportunities which the massive Chinese market then represented with its 400 million potential customers. It is interesting to note that this fascination with the opportunities of the Chinese market, which 100 years later has "grown" by almost a billion customers, is once again in vogue today.

Of immense importance to the British position in China was the Chinese Imperial Maritime Customs Service (CIMCS), founded in 1854 in Shanghai by foreign consuls under British supervision with the original objective of braving the chaotic situation in the Chinese ports during the Taiping Rebellion and securing the collection of duty from overseas trading.¹⁸ Soon, its powers and services were expanded and it gradually

14 P. JOSEPH, *Foreign Diplomacy in China 1894-1900: A Study in Political and Economic Relations with China*, London 1928, p. 416.

15 TNA, Cromer MSS, Foreign Office (further FO) 633/7, Rosebery to Cromer, secret, 22 April 1895.

16 LOWE, p. 227.

17 W. L. LANGER, *The Diplomacy of Imperialism 1890-1902*, New York 1951, p. 167.

18 For recent publications giving further information on the importance and activities of the Chinese Imperial Maritime Customs Service, see D. BRUNERO, *Britain's Imperial Cornerstone*

turned into an institution, which on the one hand was a key tool for enforcing British economic interests, and on the other hand played a major role in the modernisation of China. It soon became “a central element of the treaty ports system that had forced the opening of China to Western trade and residence”.¹⁹ We can on the whole concur with the idea that “from its inception in the 1850s, the Imperial Maritime Customs Service was a uniquely cosmopolitan institution dominated by British nationals. Stretching along the China coast and penetrating inland along waterways, the Service represented a vast network of over 40 Customs stations and sub-branches monitoring and regulating foreign trade with China”.²⁰

The first Inspector-General of the Chinese Imperial Maritime Customs Service was Horatio Nelson Lay (1854–1863), followed by Sir Robert Hart, who filled the role until his death in 1911. Hart was an exceptional character, and during his almost half-century working for the Imperial Maritime Customs Service, its activities were successfully expanded into many fields.²¹ Its key activity remained the collection of customs duties. After subtracting costs, revenue from the duties was handed to the Chinese government, for whom it represented a permanent and stable source of income, which, amongst other things, it used for repaying foreign loans and any war reparations. Roughly a third of total taxes in China were collected by the Imperial Maritime Customs Service. Hart’s body also helped to complete mapping of the Chinese coast, was involved in port management, its boats policed the coast and the Yangtze (Chang Jiang) and cracked down on pirates, founded and ran various educational facilities, initiated the founding of the Central Statistical Office and later also participated in financial operations and negotiations regarding loans. Although the Maritime Customs Service was formally subject to the Chinese government, its working was under the full control of foreigners, mainly the British. In the mid-1890s, around 700 foreigners worked in over 40 customs and other institutions for the Maritime Customs Service, of whom half were British, alongside 3,500 Chinese.

Robert Hart often styled himself in the role of a mere “employee” of the Chinese government, and at the end of the 19th century he even undertook a role as a kind of unofficial diplomatic adviser to them. He stressed to his subordinates that “*The Inspectorate of Customs is a Chinese not a Foreign Service, and that, as such, it is the duty of each of its members to conduct himself towards Chinese, people as well as officials, in such a way to avoid all cause of offense and ill-feeling*”.²² The truth, however, was that “under Hart’s direction the Maritime Customs Service became China’s first Western-styled bureaucracy, staffed mostly by Englishmen; it became an effective arm of British informal

in China: *The Chinese Maritime Customs Service, 1854–1949*, London, New York 2012; CHIH YUN, Chang, *Government, Imperialism and Nationalism in China: The Maritime Customs Service and Its Chinese Staff*, London, New York 2013.

19 BRUNERO, p. 1.

20 Ibidem.

21 For more to Sir Robert Hart and his activities, see S. F. WRIGHT, *Hart and the Chinese Customs*, Belfast 1950; M. TIFFEN, *Friends of Sir Robert Hart: Three Generations of Carall Women in China*, London 2012; WILGUS, pp. 96–125.

22 BRUNERO, p. 14.

political and commercial control".²³ The fact was that although it was an institution formally subordinate to the Chinese government, for decades no Chinese had reached any of its higher positions, and in this regard it was the nationalist regime which was to change this situation, roughly subsequent to 1929. Under these circumstances, the Maritime Customs Service was generally regarded as above all a tool for promoting British interests.

The British began to worry about the increasing opportunity for a growth of inconvenient competitors from the 1880s. One of the first signals was the treaty of 1885, in which China de facto recognised special rights for France for trade between Tonkin, which was a part of French Indochina, and the southern Chinese provinces. Furthermore, France was promised that any railway constructions in the region would be entrusted to French companies. A similar signal was the foundation of Deutschasiatische Bank on the initiative of Berlin's Foreign Office on 12 February 1889.²⁴ This was a result of prior considerations since "at the height of the economic crisis in the mid-80s, the German government undertook the first steps towards the direct support of trade with China".²⁵ Thirteen leading German banks were involved in its foundation.²⁶ From its beginnings, the bank's activities were supported by the government as it was to become a tool for its economic infiltration in China,²⁷ de facto working as a tool of German state policy. It was involved in financing trade, railway construction, it took part in large loans to China, and beginning in 1906 it was even able to issue its own bank notes. The bank's headquarters were in Shanghai and it had branches in another seven Chinese cities, two in Japan, and others in Calcutta and Singapore.²⁸ The naming of the bank's president was subject to approval by the German Emperor. In view of Britain's interests, a similarly unfavourable fact was the founding of the Russo-Chinese Bank in 1895 and its operation in China.²⁹

The main problem was that Britain would be unable to stand up to its rivals. Its economic and financial power, even at the end of the 19th century, still created good

²³ WILGUS, p. 20.

²⁴ For more on the founding and objectives of Deutschasiatische Bank, see U. RATENHOF, *Die Chinapolitik des Deutschen Reiches 1871-1945: Wirtschaft — Rüstung — Militär*, Boppard am Rhein 1987, pp. 109ff.

²⁵ *Ibidem*, p. 109.

²⁶ These were Deutsche Bank, Disconto-Gesellschaft, Berliner Handelsgesellschaft, Darmstädter Bank, Preußische Seehandlung, M. A. von Rothschild & Söhne, Samuel Bleichröder, Norddeutsche Bank, Mendelssohn & Co., Robert Warschauer & Co., Salomon Oppenheim, Bayerische Hypotheken- und Wechselbank and Jacob S. H. Schiff.

²⁷ The German government was directly involved in the founding of Deutschasiatische Bank through Preußische Seehandlung, which was de facto the Prussian state bank. RATENHOF, pp. 108-109.

²⁸ As well as headquarters in Shanghai (Shanghai, founded in 1889) these were branches in Tientsin (Tianjin, 1890), Tsingtao (Qingdao, 1897), Hankow (Hankou, 1897), Hong Kong (Xianggang, 1900), Peking (Beijing, 1910), Canton (Guangzhou, 1910) and Tsinan (Jinan, 1914). In Japan, the bank had branches in Yokohama (1900) and Kōbe (1906). Its Calcutta branch was opened in 1895, and its Singapore branch in 1906.

²⁹ For the role and activities of the Russo-Chinese Bank, cf. R. K. I. QUESTED, *The Russo-Chinese Bank: A Multinational Finance Base of Tsarism in China*, Birmingham 1977.

conditions for success in competition. Reasons for worry were based on differences in approach. While the governments of the continental powers, Russia, France and Germany, provided ever greater official support to their financiers and traders, London was far from united in this regard. An organisation which, amongst other things, had the goal of gaining greater government support for the activities of British companies in China, was the China Association, founded in spring 1889 in London.³⁰ Members of this organisation set up explicitly to lobby included representatives of companies interested in the Far East, MPs, soldiers and diplomats. The beginning of its operation was eased by a financial donation from the Hong Kong and Shanghai Banking Corporation, and its first Chairman was Sir Alfred Dent, known for his successful businesses overseas and founder of the renowned British North Borneo Company. The China Association's visions differed significantly from the official policy in fundamental aspects. The Association, for example, repeatedly requested that the wealthy Yangtze River Valley be put under direct British control, in a similar manner to India or Egypt, something the official authorities consistently rejected because "*British policy in the late, as in the mid-Victorian period, preferred informal means of extending imperial supremacy rather than direct rule*".³¹ In other words, a marked difference was observed between British economic interests in China, particularly British trading interests, and the official policy promoted by the Foreign Ministry.³²

After the Sino-Japanese War of 1894-1895, the division of China into spheres of influence of separate powers who could assert exclusive rights and "close" their spheres to trade with other states, or at least give them poorer conditions, became a real possibility. The British were extremely worried about this, as it could represent a serious threat to its interests. "*We look upon it [China — A. S.] as the most hopeful place of the future for the commerce of our country and the commerce of the world at large, and the government was absolutely determined [...] if necessary, at the cost of war, that the door should not be shut against us,*" declared Chancellor of the Exchequer, Sir Michael Hicks Beach, in his famed speech in Swansea on 17 January 1898.³³ Such a grand declaration, however, could not hide the bitter truth — despite naval superiority, it was not realistic for an isolated Great Britain to consider achieving its objectives in the Far East through force.

It took the British government quite a while before it changed its approach towards the private interests of British companies. The Hong Kong and Shanghai Banking Corporation was the most important British financial institution operating in the Far East. Prior to 1895, it had twice asked for diplomatic support. In 1877 it had its request rejected when it strived to ensure Chinese authorities consented to customs duty guaranteed loans. When in 1884 Sir Harry Smith Parkes, British envoy in Peking (Beijing), supported the bank in its negotiations with provincial bodies in Canton, South China, he was sharply criticised by the Parliamentary Under-Secretary

30 For more on the China Association see N. PELCOVITS, *Old China Hands and the Foreign Office*, New York 1948, pp.157-189.

31 J. GALLAGHER — R. ROBINSON, *The Imperialism of Free Trade*, in: W. R. LOUIS (Ed.), *Imperialism: The Robinson and Gallagher Controversy*, New York 1976, p. 67.

32 LOWE, p. 228.

33 *Ibidem*, p. 227.

of State for Foreign Affairs.³⁴ The turning point came in the mid-1880s, and in 1885 “*Foreign Secretary Salisbury sanctioned diplomatic aid for British firms competing with French and Germans businesses in China*”.³⁵ Subsequent to this, diplomatic representatives in China were regularly and repeatedly entrusted with supporting the interests of British companies.

Following Gladstone’s departure in March 1894, the key influence on the development of Britain’s foreign policy was held by Liberal, the Earl of Rosebery, and the Conservative, the Marquess of Salisbury, who were heads of Her Majesty’s Government from 1894–1895 and 1895–1902 respectively. These politicians also controlled the Foreign Office over the whole of the 1890s, with the exception of March 1894 to June 1895 when the office was led by Liberal, John Wodehouse, 1st Earl of Kimberley, who had begun his career as Parliamentary Under-Secretary of State for Foreign Affairs in 1852, over time holding various government positions, his career reaching its peak in his position as Foreign Minister.³⁶

In the 1890s, Robert Arthur Talbot Gascoyne-Cecil, 3rd Marquess of Salisbury, in many ways the heir to Disraeli, had the greatest influence on Britain’s foreign policy. Like Disraeli, he was convinced that there was “enough space” in Asia for everyone and in contrast to many leading politicians, he did not judge British interests in the Far East to be threatened in any major way by the other great powers. In general, we can concur with the opinion that “*Salisbury was by natural inclination a loner, physically frail, pessimistic, somewhat neurotic, but nonetheless highly intelligent, circumspect and aristocratic [...] Despite his health and age, he was actually at the height of his political career*”.³⁷ He was not a strong supporter of imperialism or further expansion overseas, but he considered defence of the empire as the basic task of foreign policy. He was a realist and aware of Britain’s limits from a military perspective, but he nevertheless viewed its future prospects optimistically. He did, however, come to the conclusion that Britain could not stop Russian expansion in the Far East by force. This opinion was undoubtedly the main trigger for his attempts at reaching an agreement with St Petersburg, and this is why a number of historians consider him to be one of the few leading late Victorian politicians who were not markedly anti-Russian.³⁸ His approach is most important for understanding British policy at the time in China. For years, he was unwilling to tie Britain to a bilateral alliance agreement, and it wasn’t until the treaty with Japan in 1902 that he was forced to accept one, although in contrast to other politicians, whether Liberal Rosebery or Liberal Unionist Lansdowne, he was not in favour of the treaty because he considered Japan to be playing a secondary role. He intended to slow the expansion of Russia and France more by bilateral agreement than by rapprochement with Germany, whom he did not trust, and as such in the late 1890s inclinations towards rapprochement with Germany, or

³⁴ OTTE, pp. 5–6.

³⁵ WILGUS, pp. 30–31.

³⁶ Kimberley’s role was important in connection with the Sino-Japanese War of 1894–1895. Since his papers were inaccessible for many years, historians were only able to investigate and assess it at the end of the 20th century.

³⁷ WILGUS, p. 38.

³⁸ *Ibidem*, pp. 40–41.

the Triple Alliance, weakened markedly. While the British achieved success in their relations with France with an agreement in January 1896, the growing Russian pressure on the Far East was a much greater problem for London. At the end of the 1890s, Salisbury's health deteriorated, including as a consequence of the long illness and death of his wife in 1899, and as such he had to leave the practical day-to-day running of the Ministry of Foreign Affairs to his nephew, Arthur Balfour, and in November 1900 the Marquess of Lansdowne took over as head of the Foreign Office.³⁹

Salisbury's liberal counterpart, Archibald Philip Primrose, 5th Earl of Rosebery, was "*the most mysterious and least understandable of British Prime Ministers in the modern era*".⁴⁰ According to his own statements, this Scottish aristocrat had three wishes in his life — to win the Derby, to marry a rich wife, and to become Prime Minister. He achieved all of them. Although some historians claim that he was poorly equipped for high politics because they say he had insufficient stamina, ruthlessness and single-mindedness,⁴¹ his position in the Liberal Party was exceptional, although during his leadership it was far from united. In terms of basic principles, he did not agree with Gladstone's "Little England" concept; for him, and for the majority of leading Conservative politicians, imperial policy and securing the position of the British Empire was a matter of primary importance. This Liberal Imperialist,⁴² although he was described as "the Hamlet of politics"⁴³ showed a great deal of pragmatism over his premiership, which was extremely important due to Britain's changing position in international relations. Its estrangement with Germany forced it to find a solution in improving relations with Russia. It wasn't just in this respect that his perspective was close to Salisbury's. Kimberley, Foreign Minister in his government, along with other leading Liberal politicians, also didn't have much of a positive relationship with Germany, and this led him to the conviction that an appropriate solution would be maintaining good relations with Russia. As for China, Rosebery was convinced that there was an immediate threat it would be divided, and in contrast to Salisbury was in favour of the idea of rapprochement with Tokyo after Japan's victory over China.

Other people who exercised a marked influence on British policy in China and whose role for a long time was not appreciated by historians,⁴⁴ were Thomas Henry Sanderson, 1st Baron Sanderson, Permanent Under-Secretary of State for Foreign Affairs from 1894 to 1906, and Francis Bertie, 1st Viscount Bertie of Thame, who worked

39 Henry Charles Keith Petty-Fitzmaurice, 5th Marquess of Lansdowne, left the Liberal Party because of the Irish Question. He held a wide range of significant functions. He was Governor General of Canada (1883–1888), Viceroy of India (1888–1894), Secretary of State for War (1895–1900) and Secretary of State for Foreign Affairs (1900–1905).

40 OTTE, p. 12.

41 Ibidem, p. 13.

42 This is how a particular group of politicians in the Liberal Party were labelled who supported the idea of building up and consolidating the British Empire. Some of its major figures include, in addition to Rosebery, also Herbert Henry Asquith, Richard Burdon Haldane and Sir Edward Grey. For further information, see H. C. G. MATTHEW, *The Liberal Imperialists: The Ideas and Politics of a Post-Gladstonian Élite*, Oxford 1973, pp. 150ff.

43 OTTE, p. 13.

44 Cf. Z. S. STEINER, *The Last Years of Old Foreign Office, 1898–1905*, in: *Historical Journal*, Vol. 6, 1963, pp. 59–90.

in the Eastern Department. Both had many years' experience, with Sanderson beginning at the Foreign Ministry in 1859 and Bertie in 1863. Their relations with each other were somewhat problematic, since they often held the completely opposite opinions on the same matter.

Sanderson, like most leading British diplomats of the late Victorian era, had great distrust towards Russia and didn't share Salisbury's idea that London should secure its interests in China and other regions with a direct agreement with St Petersburg. This is also why he gave clear support to Lansdowne's efforts to enter into a treaty with Japan. In contrast, Bertie was closer to Salisbury and embodied the traditional idea of an aristocrat with high self-confidence, his influence on Chinese affairs growing following the founding of the Far Eastern Department in 1899.

It is somewhat surprising to learn just how cumbersome British foreign policy was in comparison to the practice of other major European countries. On the continent, it was common to name a career diplomat to the head of the Foreign Ministry who, with the exception of France of course, was not answerable to Parliament (Germany, Austria-Hungary, Russia). In Britain, foreign policy was perceived as a field of joint responsibility of all government members, of whom a number often had a different opinion to the head of the Foreign Office. Due to the requirement for cabinet unity in foreign policy affairs, the Foreign Minister had to strive to gain the approval of his colleagues, which sometimes almost paralysed decision-making.

One factor which influenced not just Britain's foreign policy at that time, but that of practically all great powers, was the fact that diplomats in important posts abroad often had a marked influence on their countries' foreign policies, but the nature and extent of their effect is sometimes extremely difficult to chart. Furthermore, Foreign Office officials often didn't have sufficient information because a large part of negotiations took place as personal private correspondence, of whose content they were unaware. A large section of important negotiations with Germany's Chancellor Bismarck, for example, were undertaken by the Marquess of Salisbury in private letters.⁴⁵

The post of envoy in Peking was certainly not a popular one amongst British diplomats, and it was common for them to explicitly avoid service in the Chinese capital. "*The Mission is so much disliked that no one will go who has a chance of anything else,*"⁴⁶ noted Salisbury bitterly in 1895. There were a total of four envoys who served in Britain's diplomatic mission in Peking during the 1890s.⁴⁷ Apart from exceptional cases, it can hardly be said that they represented any kind of feedback, or influenced Brit-

⁴⁵ This is far from an unusual phenomenon; the author of this study came across a similar situation when he researched the private correspondence of Austro-Hungarian Foreign Ministers, Aehrenthal and Berchtold.

⁴⁶ Salisbury in a private letter to Curzon 30th September 1895. OTTE, p. 24.

⁴⁷ The legation in Peking was headed consecutively by Sir John Walsham (June 15, 1885 — September 28, 1892), chargé d'affaires William Nelthrope Beauclerk (September 28, 1892 — November 19, 1892), Sir Nicholas Roderick O'Connor (November 19, 1892 — September 1895), chargé d'affaires William Nelthrope Beauclerk (September 1895 — April 24, 1896), Sir Claude Maxwell MacDonald (April 24, 1896 — October 25, 1900) and Sir Ernest Mason Satow (October 25, 1900 — 1906).

ish foreign policy in the way that a number of their colleagues serving in European capitals did. The first was Sir John Walsham, whom Salisbury unflatteringly termed “*incompetent and lazy*”.⁴⁸ After a short intermission when the mission was headed by William Beauclerk as *chargé d'affaires*, the office was taken on in November 1892 by Sir Nicholas Roderick O’Conor, the only career diplomat of the heads of the British mission during the 1890s, a man with huge experience of working in diplomacy, particularly in the Far East. He had been a diplomat since 1866 and was Secretary to the Peking legation which he had led for a short time as *chargé d'affaires* when the mission’s head, Sir Harry Parkes, died in 1885. O’Conor worked in Peking at a time when Britain’s position in China was beginning to be threatened by pressure from other great powers, particularly as a result of the Sino-Japanese War. He was often labelled an uncompromising old-school diplomat who, like most late Victorian diplomats, was strongly anti-Russian.

After Beauclerk’s second period from September 1895 until April 1896, Sir Claude MacDonald, formerly a soldier who took part in the Egyptian Expedition in 1882, took up the office. Although he was not always assessed positively in London — Balfour, for example, termed him “*very obstinate and not always intelligent*”,⁴⁹ he was a very capable diplomat who served in Peking at a period which presented great difficulties to the British, whether in terms of the great powers’ “scramble for concessions” and spheres of influence in 1897–1898, or the Boxer Uprising in 1899–1900. Like his predecessor, he behaved with great suspicion and wariness towards Russia, which is quite understandable what with the critical developments in China during the final years of the 19th century. There is no doubt that he devoted considerable “*energies to the maintenance of the open door and Britain’s informal empire of free trade in East Asia*”.⁵⁰

Sir Ernest Mason Satow, who entered the office in October 1900, was the last of the Victorian diplomats to serve in Peking.⁵¹ “*Peking is likely to be vacant soon as Sir Claude MacDonald’s health cannot be relied on. I should be very glad to appoint you there, as I am sure I could not leave it possibly in better hands,*” wired him Salisbury on 29 March 1900.⁵² Satow began his career in 1861 at the Consular Service in Japan, which he returned to after a four-year pause, serving for a total of thirteen years in Tokyo. He had an excellent reputation as an expert on the Far East and orientalist, although did not always ingratiate himself to his superiors in London — Salisbury did not consider him a top diplomat, and the influential Sanderson even labelled him confused. In any case, Satow was a great expert on the Far East and a capable diplomat. He also shared his predecessors’ fears of Russia, and on the eve of the Russo-Japanese War he predicted that China would be split up with unforeseeable consequences.

48 TNA, FO 228/1059, Consulates and Legation China, General Correspondence, Salisbury to Walsham, November 12, 1891.

49 TNA, Satow MSS, Public Record Office (PRO) 30/33/16/9, Satow Diary, Notice, April 19, 1906.

50 WILGUS, p. 4.

51 For more details about the personality of Sir Ernest Mason Satow see G. A. LENSEN (Ed.), *Korea and Manchuria between Russia and Japan 1895–1904: The Observations of Sir Ernest Satow, British Minister Plenipotentiary to Japan (1895–1900) and China (1900–1906)*, Tokio, Talahassee 1968, pp. 5–39.

52 *Ibidem*, p. 9.

Despite a number of unfavourable assessments by historians, I conclude that during the critical 1890s, Great Britain was represented in Peking by capable diplomats with a lot of experience and extensive knowledge of the Far East, especially China and Japan. It would seem then that for the main problems in the occasionally unfavourable development of Britain's position in China, particularly following the Sino-Japanese War, we must look elsewhere — in the British government's system of working, the certain volatility in official policy, Britain's weakening position in the world economy and international trade, the now wholly adverse effects of "Splendid Isolation", and in the general situation in the international arena, which was disadvantageous to Britain.

ABSTRACT

Of all foreign subjects operating in China, over the whole of the 19th century Great Britain had the most extensive economic interests, but during the 1890s these were put under serious threat. This was a result of the operation of a number of factors — the now markedly unfavourable effect of the policy of "Splendid Isolation" practised by London over the whole of the 19th century, changes to Britain's position in the world economy, the activities of other Great Powers in China, in particular Russia, Germany and France, the Sino-Japanese War in 1894–1895 and the generally unstable situation in China. The objective of this study is to present and evaluate how British policy contended with the new situation in China, or what options it had in this regard. In this respect, we have evaluated in particular the stance of both main parties, the difference in opinion between figures who had a deciding influence on determining the basic features of policy development towards China, the activities of institutions which significantly influenced this development, and given a presentation of the profiles and roles of diplomats who headed the British legation in Peking at the time.

KEYWORDS

Great Britain; China; Splendid Isolation; British trade; Great Powers' Interests in China; British Companies in China; Chinese Imperial Maritime Customs Service; China Association; Leading Statesmen' Attitude; British Diplomats in China

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