

**THE CHEKIANG GENTRY-MERCHANTS VS.
THE PEKING COURT OFFICIALS:
CHINA'S STRUGGLE FOR RECOVERY OF THE BRITISH
SOOCHOW-HANGCHOW-NINGPO RAILWAY CONCESSION,
1905-1911***

EN-HAN LEE [李恩涵]

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One of the strongest forces in the twentieth-century China has been nationalism. This is especially evident during the period 1904-1911 when a form of modern nationalism appeared in the élite groups of China began to adopt a dynamic approach toward their domestic and international problems. The mood of the period has been succinctly summarized by Mary C. Wright as "anti-imperialism, China for the Chinese, modernization and anti-Manchuism". ① Chinese officials as well

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① Mary C. Wright, ed. *China in Revolution: The First Phase, 1900-1911* (New Haven, & London, 1968), pp. 4-7.

as the local gentry-merchants who were familiar with the political position of China, made strenuous efforts to achieve national integrity. Co-ordinated actions by these different groups became increasingly evident. The influence exercised traditionally by the gentry class in the provinces was further strengthened by their alliance with the expanding bourgeois élites. At the same time, the voice of students from the rapidly-expanding modern-style schools was also being heard. They concurrently embarked various ambitious programs to achieve their nationalistic goals. However, since China was still too weak and had just been totally humiliated by an allied force of eight nations only a few years before, they had no choice but to direct their major efforts at some limited goals. Attention was especially focussed on the recovery of various lost economic rights such as the reclamation of some railway and mining concessions which had been conceded to foreign powers before 1904.^②

In railway affairs, this nationalistic movement had its origin in the recovery of the American Canton-Hankow railway concession by the gentry-merchants of Hunan, Hupeh and Kwangtung provinces in 1904-1905. ^③ The final settlement of this Sino-American controversy greatly

② E-tu Zen Sun, *Chinese Railways and British Interests, 1898-1911* (New York, 1954), pp. 21-4, 63, 76-84, 137-41; En-Han Lee, "China's Response to Foreign Investment in Her Mining Industry, 1902-1911," *Journal of Asian Studies*, XXV111: 1 (Nov. 1968), 55-76; En-Han Lee, "Lun Ch'ing-chi Chung-kuo te Min-tzu-chu-i" (On the Chinese Nationalism of the Late Ch'ing Period), *Ssu yu yen* (Thought and Words), 5: 6 (March 1968), pp. 24-32.

③ The Sino-American controversy over the Canton-Hankow railway concession in 1898-1905 has been extensively studied in En-han Lee, "Chung-Mei Yueh-Han lu-ch'uan chiao-she" (Sino-American Negotiations over the Canton-Hankow Railway Concession), *Bulletin of the Institute of Modern History, Academia Sinica*, Vol. 1 (Aug. 1969), pp. 149-216; See also William Braisted, "The United States and the American China Development Company," *Far Eastern Quarterly*, XI: II (Feb. 1952), pp. 142-65; 内田直作, 粵漢鐵路風潮の經過 辛亥革命の一断面 (The story of the Canton-Hankow Railway Controversy: A Study of one Aspect of the Revolution of 1911), *Hitotsubashi Ronso* 一橋論叢 (Annals of the Hitotsubashi University), Vol. 32, No. 4 (1954), 43-59.

encouraged people of other provinces to follow suit. A movement covering almost all of the concerned provinces came into being. The guiding slogan was *Wen-ming pai-wai* (civilized antforeignism) which emphasized the use of peaceful coercion and non-violent tactics to achieve the goals.^④

However, when the movement proceeded further, the cooperation between Chinese governmental and non-governmental elements at both the central and provincial levels was interrupted. The passive policy taken by the Peking court in interpreting the provisions of certain Sino-foreign railway agreements did not satisfy the demand of the local groups. As a consequence, serious clashes followed between the central government and the gentry-merchants, and some Sino-foreign controversies turned into confrontations between the two groups. The efforts of the provincial élites of Chekiang and Kiangsu in pursuing recovery of the British Soochow-Hangchow-Ningpo railway concession was one of the typical cases.^⑤ It reflected some distinctive features of China's railway-rights-recovering efforts of the period.

④ See En-han Lee, "Chung-Mei Yueh-Han lu-chüan chiao-she", 198-9.

⑤ Problems concerning Sino-British negotiations over the Soochow-Hangchow-Ningpo railway concession have been treated in E-tu Zen Sun, "The Shanghai-Hangchow-Ningpo Railway of 1908", *Far Eastern Quarterly*, Vol. X, No. 2 (Feb. 1951), pp. 136-50; Chao Chin-yu, "Su-Hang-Yung t'ieh-lu chieh-lu chieh-k'uan ho Kiang-Che jen-min te chu-k'uan yun-tung" 蘇杭甬鐵路 借款和江浙人民的拒款運動 (The Soochow-Hangchow-Ningpo Railway Loan and the Anti-Loan Movement in Kiangsu and Chekiang Provinces), *Li-shih Yen-chiu* 歷史研究 (Journal of Historical Studies), 1959: 9 (Sept. 1959), 51-60; Fujita Masao, "Shinmatsu Koseki ni okeru tetzuro-mondal to burujowasei-ryoku no ichidamen" (The Railway Problems in Kiangsu and Chekiang and the Analysis of the Influence of the Bourgeoisie During the Late Ch'ing period), *Rekishigaku Kenkyu* 歷史學研究 (Historical Studies), No. 183 (1958), pp. 22-30. But my study aims to present a much more detailed and complete picture of the subject with different emphasis of research as well as with recently available materials.

① Origin of the British Soochow-Hangchow-Ningpo Railway Concession

The British preliminary possession of the Soochow-Hangchow-Ningpo railway concession in 1898 was its partial achievement in the "battle of concessions". During the period, a network of railways controlled by a foreign power itself in China was considered the most convenient and effective means to consolidate and expand its interest and influence there. That is why the British competed vigorously with the Russo-French group under the "compensation" policy.^⑥ Between 1895 and 1911, the British were assigned a total railway loans of £18,660,000, in contrast to Germany's share of £9,500,000, France's and Belgium's £5,000,000 and £6,000,000 respectively, as Japan's £2,000,000.^⑦ In term of the length of mileage, the British won a total of 2,800 miles, Russia 1,530 miles, Germany 720 miles and Belgium 650 miles.^⑧ Foreign domination of Chinese railways was so firm that, in 1911, 93 percent of all existing railways was controlled or owned by them.^⑨ In contrast to Russia's political-oriented railway

⑥ W. W. Willoughby, *Foreign Rights and Interests in China* (Baltimore, 1927), Vol. 1, pp. 133-4; Philip Joseph, *Foreign Diplomacy in China: A Study in Political and Economic Relations with China* (London, 1928), pp. 416-8; Mongton Chih Hsu, *Railway Problems in China* (New York, 1915), 28, 44, 62; Concerning Anglo-Russian rivalry of railway concessions in China, see also Arthur L. Rosenbaum, "Chinese Railway Policy and the Response to Imperialism: The Peking-Mukden Railway, 1895-1911," *Ch'ing-shih wen-ti* (Bulletin of the Society for Ch'ing Studies, USA), II: I (Oct. 1969), 50-4.

⑦ A. J. Sargent, *Anglo-Chinese Commerce and Diplomacy* (Oxford, 1907), pp. 243; Hsu I-sheng, ed. *Chung-kuo Chin-tai wai-chai-shih t'ung-chi tse-liao* (Statistical Materials Concerning the Foreign Debts of Modern China), (Peking, 1962), pp. 22; See also E-tu Zen Sun, *Chinese Railway & British Interests*, p. 10.

⑧ Sargent, *op. cit.* 243.

⑨ Hou Chi-ming, *Foreign Investment and Economic Development in China, 1840-1937* (Cambridge, Mass.), p. 127.

rights in Manchuria, Germany's in Shantung and France's in Yunnan, The Soochow-Hangchow-Ningpo railway was categorized as one of the commercial-oriented lines among the British possessions.

The projected 200-oddmile railway would link three important cities in the lower Yangtze valley and traverse China's agriculturally most prosperous region. As early as 1865, British interest had been aroused in the construction of a railway connecting some major cities to Shanghai where the British had played a dominant role in China's foreign trade.^⑩ But they were not provided an opportunity to do so after the Chinese redemption of a British-constructed short-distanced railway in suburban Shanghai in 1876.^⑪ The end of the Sino-Japanese war in 1895 witnessed the British engaging busily in the acquisition of two important lines: the Shanghai-Nanking and the Chinese Northern (Tientsin-Newchwang) railways. Under the diplomatic support of the British minister to China, Sir Claude M. MacDonald, the first-mentioned line's preliminary contract was signed in May 1898. A similiar arrangement was made in the following month for the second route. At the same time, the British also competed hard for an extended line from Soochow on the Shanghai-Nanking railway southward to Hangchow. Infuriated with a setback when the nominally Belgian Soci'ete d'Etudes des Chemins de Fer en Chine won the signing of a formal loan agreement for the Peking-Hankow railway in June 1898, MacDonald sternly pressed the Chinese government for a "compensatory" deal of five railway concessions. Included were a trunk line from Tientsin to Chinkiang; a line from the Shansi-Honan

^⑩ P. H. Kent, *Railway Enterprise in China* (London, 1907), pp. 5-6, 9.

^⑪ *Ibid.*, pp. 14-5; Lee Kuo-ch'i, *Chung-Kuo tso-ch'i te t'ieh-lu chiung-yung*, (Early History of Chinese Railway Development), (Taipei, 1961), pp. 37-45.

border to a city on the northern bank of the Yangtze near Nanking; a line from Kowloon to Canton; a line from Pukow on the opposite river-bank of Nanking to Sinyang on the Peking-Hankow railway in Honan; and the Soochow-Hangchow'-Ningpo railway line. The Tsungli Yamen was unable to resist the pressure and, except some reservations over the first-mentioned line, agreed completely to what Britain had demanded.^⑫

On October 15, 1898, Sheng Hsüan-huai, the director-general of the Imperial Chinese Railway Administration, signed a preliminary contract under the authority of the Tsungli-Yamen for the Soochow-Hangchow-Ningpo line with Jardine, Matheson & Co. This contract included the following main points:

1. Similar terms were adopted from the preliminary agreement of the Shanghai-Nanking railway concession for the construction and working of this line;
2. This railway's final contract would be identical with the terms in the final agreement of the Shanghai-Nanking railway;
3. After the signing of this preliminary contract, Jardine, Matheson, & Co. would take prompt steps for the survey of the probable route and Sheng would make necessary arrangement for protection of the surveyors of the British corporation;
4. In case there should arise local difficulties, Sheng should consult with the governor of Chekiang to make necessary arrangement.^⑬

⑫ Kent, *Railway Enterprise in China*, 93, 100-1

⑬ British Foreign Office, *Confidential Print, China*, (Microfilm F. O. 405), (hereafter referred to as *F. O. Confidential Print*), Roll 166, No. 72 (166/72), Inclosure 5; *Chiao-t'ung-shih: Lu-cheng-p'ien* (Section of Railways & Motor Roads, History of Communications in China), (Nanking, 1930), pp. 3660. Professor E-tu Zen-Sun also made an English translation of this preliminary Soochow-Hangchow-Ningpo railway agreement herself based on its Chinese text; See her article "The Shanghai-Hangchow-Ningpo Railway Loan of 1908" in the *Far Eastern Quarterly*, Vol. X, No. 2 (Feb. 1951). It is somewhat different in content with this original English text, especially in the article 4.

Since the preliminary agreement of the Shanghai-Nanking line had stipulated that the issuing price of its British loan would be 90% of the nominal value at an interest of 5% per annum, that the security would be the whole property and revenues of the railway, that in case of default the railway would be subject to the control and management of the creditors, and that the British engineer-in-chief would actually control the line under the nominal supervision of the Board of Directors which was composed of three British participants among its five members; so, the administration of the Soochow-Hangchow-Ningpo line in the future would follow the same pattern. In addition, the British would also receive a 20% net-profit from the railway's future revenues, and a 5% commission would be charged by the British in purchasing all materials for the undertaking.^⑭

Although a rough survey of the line's projected route was made by a British engineer, P. T. Somerville Large, in 1898, British undertaking of construction of it had not commenced before 1905. It was first interrupted by the Boer war in 1899, and subsequently the investment in construction of the Chinese Northern and the Shanghai Nanking railways had absorbed much of the interested capitalists' fund. The idea of annulling the preliminary agreement of the Soochow-Hangchow-Ningpo railway was first raised by Sheng Hsüan-huai in May 1903, when the Sino-British negotiations over the formal agreement of the Shanghai-Nanking railway came to its final stage. In his notice to Byron Brenan, the British consul-general in Shanghai who was acting also as agent of the British and Chinese Corporation, Sheng informed that "unless within six months from the date of this letter surveys are made, estimates prepared, and final agreement concluded", the Soochow-Hangchow-

^⑭ G. V. A. MacMurray, *Treaties and Agreements with and Concerning China* (Washington: D. C. 1929), Vol. I, 402-4; Joseph, *op. cit.*, 330-1,

Ningpo railway concession would be withdrawn by China and its existing preliminary contract would be cancelled. But Brenan refused to comply. He pointed out that the line had already been surveyed and that the Chinese arbitrary fixing of a six-month term to conclude the final contract for railway concession was unreasonable since any successful negotiations for such an agreement would depend in a large measure on the Chinese side.^⑮ Anyway, the British corporation had never proceeded with any plan to construct the railway before 1905. When the Chinese enthusiasm for a native-financed railway system was greatly stimulated by the nationalistic wave originating from the impact of the Russo-Japanese war, the gentry-merchants of the Chekiang and Kiangsu provinces felt that they should have the right to annul this British concession in order to undertake their own railway program.

② The Organization of the Chekiang Railway Company

The gentry-merchants of the Chekiang played a particularly important role in the whole process of agitation. In comparison, the local groups of Kiangsu where a small part of the projected line would traverse, were only playing a minor role. As early as 1897, a group of Chekiang gentry had already become interested in the construction of a railway, linking Hangchow to a near-by town on the Ch'ien-t'ang River.^⑯ But this suggestion had never been materialized since the Soochow-Hangchow-Ningpo line was soon earmarked as a British concession in 1898. When Sheng

^⑮ *F. O. Confidential Print*, 405/166, No. 78, Satow to Grey (March 17, 1906), and Enclosures 3 and 4.

^⑯ Yu-Ch'uan-Pu, ed. *Kuei-cheng chi-yao tse-pien* (Second Collection of Documents Concerning China's Railway Affairs), (Peking), Vol. 2, pp. 62-3; E-tu Zen Sun, *Chinese Railways and British Interests*, p. 59.

Hsüan-huai's debate with the British over abrogation of this British concession within a six-month period came to a deadlock in 1903, a group of merchants in Hangchow under the leadership of Li Hou-ku revived the idea of constructing a short-distance railway in the Hangchow area.⁽¹⁷⁾ At the same time, another Chekiang gentry also proposed to build a similiar line with a Japanese loan.⁽¹⁸⁾ Both proposals fell on deaf ears, and the Peking government refrained from taking any action over the matter.

When the provincial reclamation of the American Canton-Hankow railway concession came to its height in early 1905, a loud demands for recovery of the British Shanghai-Nanking railway rights was also voiced in Kiangsu.⁽¹⁹⁾ For a time Sheng became the target of popular resentment, and was severely criticized by his fellow-provincials. Chinese opposition to foreign railway investment developed rapidly into a national enthusiasm, and almost every province began to undertake a separate railway construction program.⁽²⁰⁾ Chekiang, a province well-known for its nurture of brilliant intellectuals and energetic traders, was no exception. In July 1905, various meetings were held by the Chekiang officials in Peking, to discuss concrete steps for the construction of a railway linking Chekiang and Kiangsu. Besides raising opposition to an informal American demand for a railway scheme in their native province, they also voiced strong disagreement to any British extension of their extravagantly-constructed

⁽¹⁷⁾ *Tung-fang tsa-chih* (Eastern Miscellany), (hereafter referred to as *TFTC*), 5: 1, Communications, 12-7.

⁽¹⁸⁾ *Ibid.*

⁽¹⁹⁾ Sheng Hsüan-huai, *Yu-chai tsün-kao* (Collected works of Sheng Hsüan-huai), telegraphs, 45: 25; memorials, 12: 20; *North China Herald*, Nov. 24, 1905, 428; Dec. 1, 1905, 513-4;

⁽²⁰⁾ See Yu-chüan-pu, ed. *Kuei-cheng chi-yao chu-pien*, "Laws and by-laws," *passim*.

Shanghai-Nanking railway beyond its existing confines.²¹ This meant that any British plan for materializing their preliminarily-concluded Soochow-Hangchow-Ningpo concession should be rejected. Meantime, the Chekiang gentry-merchants also met in Shanghai and Hangchow, and decided to organize a provincial railway company. They telegraphed a petition to the Board of Foreign Affairs in Peking, requesting refusal of any foreign railway investment in the province. These petitioners included 160 prominent Chekiang-born people composed of certain wealthiest and most influential merchants and officials in Shanghai such as Shen Tun-ho, the Chinese director of the Shanghai-Nanking railway; Shen Neng-hu, director of the China Merchant Steamship Navigation Co.; Yü Ya-ching, comrade of the Dutch Bank; Chu Pao-ching, president of the Shanghai Silk Guild; Yen Hsin-hou, chief-director of the Customs Bank; Chang Mei-yi, acting chancellor of the Nanyang College; Chang Yüan-chi, a noted reformer in 1898; Wang K'ang-nien, manager and editor of the widely-circulated *Shih-wu-pao* (Journal of Current Affairs), and a student representative who just returned from Japan for that particular cause.²² The Chekiang officials in Peking under the leadership of Huang Shao-ch'i, a sub-chancellor at the Hanlin Academy, also petitioned for the establishment of a commercial railway corporation in the province.²³ These proposals were supported by certain high-ranking Chekiang officials at the court including Wang Wen-shao, an influential and prestigious grand

²¹ Archives of Chinese Foreign Office, *Shou-fa tien-pu* (Book of Collected Telegraphs), (deposited at the Institute of Modern History, Academia Sinica), telegraph from some Chinese scholars and merchants in Japan, received, 21, 5th Month, 31st year of the Kuanghsu period.

²² *Ibid.* telegraph of the Chekiang gentry, received, 24, 6th month, 31st Kuang-hsu period; *North China Herald*, July 28, 1905, 213.

²³ *TFTC*, 3: 1, memorial of the Board of Commerce.

councillor; Ko Pao-hua, minister of the Board of Punishment; Chen Pang-jui, vice-minister of the Board of Revenues; Shen Chia-pen and Hu Chu-fen, two vice-ministers of the Board of Punishment.²⁴ Through the energetic sponsorship of Tsai Chen, minister of the Commerce Board who was then actively promoting a native-financed railway system, the formation of the Chekiang Railway Company was quickly approved by the imperial court on August 26, 1905.²⁵

Actually, this imperial approval of the Chekiang company committed an administrative mistake because the privileges assigned to the company constituted a direct contradiction with the British Soochow-Hangchow-Ningpo railway concession. The Sino-British dispute originated from both the monopolistic character of the provincial company's charter and its schedule to build a railway between Shanghai, Hangchow and Ningpo.²⁶ The projected route was mostly a duplication of the fixed British line. There is the possibility that both the Chekiang gentry-merchants of the provincial corporation and Tsai Chen were purposely intended a direct confrontation with the British interests so that the latter's privileges could be recovered by China as Chang Chih-tung and the gentry of Hunan, Hupeh and Kwangtung had done during the Sino-American dispute over the Canton-Hankow railway concession in 1905.

Following the establishment of the Chekiang Railway Company, the first objective of the local gentry-merchants was to legalize internation-

²⁴ *Ibid.*

²⁵ *F. O. Confidential Print*, 405/168, No. 25, Carnegie to Grey (Aug. 23, 1906); 405/168, No. 54, Conversation between T'ang Shao-yi & C. W. Campbell (Aug. 25, 1905).

²⁶ T'ang Wen-chih, *Ju-ching-t'ang wen-chi* (Collected Works of T'ang Wen-chih), Articles, 2: 3-4; *TFTC*, 3: 3, communications, 76-85.

ally their construction plan vis-a-vis the British right. This was supported by the Board of Commerce because it believed that a Chinese-financed Shanghai-Hangchow-Ningpo railway would surely obstruct further expansion of British interest beyond the Shanghai-Nanking railway in the lower Yangtze valley.²⁷ In September 1905, a Chekiang-born censor, Chu Hsi-en, memorialized the throne, requesting an outright abrogation of the British Soochow-Hangchow-Ningpo concession. He reasoned that since the Sino-British agreement concerning the line was only a preliminary one which had been signed seven years earlier, China should have the right to declare it void according to generally-accepted legal practice in the West concerning a temporary contract.²⁸ At the same time, the gentry in Chekiang under the leadership of Fan Kung-hsu, a former compiler at the Hanlin Academy, also petitioned for the annulment of the foreign right. They contended that the fund subscribed for the provincial company was now large enough to construct all scheduled lines in the province, thus they would oppose any foreign railway investment.²⁹ Several meetings were to be held in Shanghai, and the Board of Foreign Affairs in Peking was petitioned for the same purpose.³⁰ As a consequence, the throne decreed on September 23, 1905, that Sheng Hsüan-huai should be responsible to negotiate with the British for such a settlement.³¹

²⁷ Sheng Hsüan-huai, *Yu-chai tsun-kao*, telegraphs, 38: 32.

²⁸ T'ang Wen-chih, *Yu-ching-t'ang wen-chi*, 2: 3-4, 20-1; *TFTC*, 3: 7, communications, 150-3.

²⁹ *TFTC*, 3: 7, communications, 150-3; *Yu-chai tsun-kao*, memorials, 12: 28.

³⁰ *North China Herald*, July 28, 1905, 213; Archives of Chinese Foreign Office, *Shou-fa tien-pu*, received, 24, 6th month, 31st year of the Kuanghsu period; *TFTC*, 5: 1, communications, 12-7.

³¹ *Yu-chai ts'un-kao*, telegraphs, 45: 26-27.

③ **Sheng Hsüan-huai's Stand over the Issue**

During this period Sheng was in a politically troublesome situation. Since the spring of 1905, he had been repeatedly charged by the gentry-merchants of Hunan, Hupeh, Kwangtung and Kiangsu for his supposed mismanagement of Chinese railway affairs.^{③②} Certain influential officials in these provinces were hostile toward him. Worst of all, in addition to his old feud with Yüan Shih-kai, the powerful governor-general of Chihli, he had recently incurred the animosity with Chang Chih-tung over the annulment of the American Canton-Hankow railway concession.^{③③} His transaction of the Belgian Peking-Hankow railway was also bitterly attacked by various censors, and the Board of Commerce in Peking was ordered by the throne to make an intensive investigation of his financial file. The result followed was quite unfavorable to his cause. Although he was not personally charged by the court, his closest subordinates of railway affairs were severely charged with corrupt activities.^{③④} Sheng was soon ordered to transfer management of the Shanghai-Nanking and Peking-Hankow railways to T'ang Shao-yi, the newly-appointed vice-minister of commerce who was a protege of Yüan Shih-kai for many years. Sheng's directorship of the Imperial Chinese Railway Administration was also taken over by T'ang in November 1905.^{③⑤}

③② *Yu-chai ts'un-kao*, telegrams, 45: 25, 26; 46: 26; *North China Herald*, Dec. 1, 1905, 513-4.

③③ En-han Lee, "Chung-Mei Yueh-Han lu-ch'uan chiao-she"; *Su-Hang-Yung t'ieh-lu shih mu-chi* (The story of the Soochow-Hangchow-Ningpo Railway Controversy), (No date of publication and publication place, deposited at the East Asian Institute library, Columbia Univ.), chap. 3, pp. 8-9.

③④ *TFTC*, 3: 2, miscellanies, 19; P. H. Kent, *The Passing of the Manchus* (London, 1912), 49.

③⑤ *Ibid.*

With series of political troubles at hand, Sheng took an ambiguous stand over the local demand concerning the British concession in Chekiang and Kiangsu. Apparently, he had a personal, hidden motive in fostering an international dispute which would involve his successor in railway affairs in trouble. Thus, rather than complying with the imperial decree to “negotiate” with the British concessionaires for the cancellation of the preliminary contract of the Soochow-Hangchow-Ningpo railway concession, he formally notified the British and Chinese Corporation in September 1905 that its draft contract signed in 1898 should be annulled.³⁶ Yet through the intermediary of his deputy director-general, Lord Li Ching-fang, a stepson of Li Hung-chang, the foreign concessionaires were confidentially informed that the Peking government and Sheng intended actually to keep the status quo but needed a pretext to decline the local demand.³⁷ At the same time, Sheng posed publicly as champion of provincial rights. He took various actions to instigate the nullification movement and tried to convince local gentry-merchants that the concession should be cancelled according to reasonable interpretation of the former agreement. ³⁸ He belatedly transmitted all of his correspondences with the British concerning the case to the Board of Foreign Affairs in January 1906. ³⁹ Yet he had never informed the provincial groups of the

³⁶ *Yu-chai-ts'un-kao*, telegrams, 45: 26-7.

³⁷ *F. O. Confidential Print*, 405, 157/4, The British & Chinese Corporation to Foreign Office, Oct. 6, 1905; 157/132, Satow to Lansdowne, Oct. 30, 1905; 157/133, Satow to Lansdowne, Nov. 1, 1905.

³⁸ J. O. P. Bland, *Recent Events and the Present Politics in China* (London, 1912), 239; E-tu Zen Sun, “The Shanghai-Hangchow-Ningpo Railway Loan of 1908”, *Far Eastern Quarterly*, X: 2 (Feb. 1951), 140; *The Times* (London), Dec. 6, 1907, 7; *TFTC*, 5: 1, communications, 12-7.

³⁹ *TFTC*, 7: 8, events, 108-11.

important fact that his notification of abrogation of the preliminary agreement in 1903 had been bluntly rejected by the British corporation. He even failed to mention this in a memorial formally submitted to the throne in 1906.^⑩

But, in carrying on the direction of the imperial decree, Sheng did not hesitate to request the Foreign Affairs Board in Peking that the latter should be responsible to instruct the British minister to comply with the Chinese demand.^⑪ This move was explicitly motivated by the expectation that the Peking government should take the major burden of responsibility for the pending Sino-British negotiations. However, Sheng's arguments for the abrogation cause were soon shifted to the provision of the original agreement in which the British had contended that the concession's terms could be modified if "there should arise local difficulties". He also mentioned repeatedly to the gentry-merchants of the two provinces about the possible intervention of the British minister into the case.^⑫ For a time Sheng was quite successful in transferring the local complaints to the Peking government in the early stage of the Sino-British controversy. But, eventually, his unscrupulous maneuvering would never be escaped fierce criticism by the provincial elements.

Sheng's misinformation also strengthened the supporting stand of Nieh Chi-kui, governor of Chekiang, on the local cause. A son-in-law of Tseng Kuo-fan and a former taotai of Shanghai, Nieh reasoned that the people of the provinces should have the right of priority to construct

^⑩ *Ibid*, 3: 7, communications, 150-3; *ibid*, 5: 1, communications, 12-7.

^⑪ *Yu-chai ts'un-kao*, telegrams, 45: 26-7.

^⑫ *TFTC*, 3: 7, communications, 150-3; *ibid*, 7: 8, events, 108-11; *Kuo-feng Pao* (Journal of Public Opinions), 1: 20, 108-10.

such a railway themselves. Indeed, he pointed out, the British had delayed their provisionally assigned right for seven years without commencing negotiations for a formal contract.^{④③} The provincial governor was anxious to join Sheng Hsüan-huai for the forthcoming negotiations with the British. ^{④④}

With Nieh's sponsorship, the Chekiang Railway Company from the beginning of its formation, appeared as a well-run corporation under the director-generalship of T'ang Shou-ch'ien. T'ang, a celebrated constitutionalist and a former salt commissioner of Lianghuai in Kiangsu with a very close relationship with Chang Chih-tung, energetically launched a construction program.^{④⑤} The company's charter also provided a sound basis for a comparatively efficient organization by stipulating the rights and obligations of its shareholders, as well as for a balanced division of responsibility between the offices of the director-general, the deputy director-general, accountants, auditors as well as the boards of directors and supervisors. It bluntly forbade any foreigner to subscribe to its bonds. The monopolizing privilege of the company in constructing all railways in the province was also asserted, and any grant of railway right to any individual or corporation had to be first agreed to by the company. ^{④⑥} The capital of the firm was registered at Ch \$40,000,000, but it set Ch

④③ Archives of Chinese Foreign Office, *Shou-fa tien-pu* Sept. 6, & Sept. 8, 31st Kuanghsu period (received) .

④④ *Su-Hang-Yung t'ieh-lu shih-mu-chi*, 3: 12-3.

④⑤ "The Biography of T'ang Shou-ch'ien", *Kuo-shih-kuan kuan-kán* (Journal of the Academia Historica) , 1: 2, 80-2.

④⑥ Sun, "The Shanghai-Hangchow-Ningpo Railway Loan of 1908", *Far Eastern Quarterly*, X: 2, 140, 143-4; Yu-chuan-pu, ed. *Kuei-cheng chi-yao tse-pien* (Second Collection of Documents Concerning Railway Affairs), (Peking), 3: 54-5, 65, 77-81, 82-4.

\$5,000,000 only as its preliminary objective in the early stage. ④ This sum was quickly reached, and the company's bonds were widely bought by the Chinese investors in Chekiang, Shanghai, Kwangtung and Szechwan. Some rich oversea Chinese traders in Southeast Asia also invested in it. ⑤ The company convened its first general meeting of shareholders in Hangchow in October 1906, and the commencement of construction work of a line between Hangchow and Chiahsiang, a city near the Chekiang-Kiangsu border, was announced on November 14. ⑥ In the following year, T'ang even expanded the regular activities of the enterprise by establishing a railway bank, opening several technical training schools, and beginning to prospect a coal mine in the province in order to supply the railway's daily necessities. ⑦

④ The British Stand in the Early Stage of the Negotiations

But the most urgent need of the Chekiang gentry-merchants was still to legalize internationally their denunciation of the British right over the railway concession. As they were intensifying their efforts in that direction, the local group increasingly suspected Sheng's part in fomenting the British intransigence in the case. Coinciding with Sheng's warning beforehand, the British corporation maintained that the issue was a diplomatic issue

④ TFTC, 3: 3, communications, 76-85.

⑤ *Kwei-cheng chi-yao tsz-pien*, 3: 54-5, 65, 85-6; TFTC, communications, 76-85; *North China Herald*, Sept. 2, 1910, 554-5.

⑥ Mongton C. Hsu, *Railway Problems in China* (New York, 1915), 96; Tai Chih-li, ed. *Szechwan pao-lu yun-tung shih-liao* (Historical Materials on Szechwan's Railway Preservation Movement), (Peking, 1959), 239-41.

⑦ *Ibid.*

between China and Britain and that any modification of the preliminary agreement must be made through normal government channels. It also declined to discuss the matter with Sheng on the pretext that following an imperial decree Sheng's Imperial Chinese Railway Administration would soon be dissolved.⁵¹ Thus, Sheng was quite successful in releasing himself from immediate involvement in the thorny dispute.

Anyway, the stand of the British concern was not so staunch as to reject any conciliatory settlement. In the winter of 1905, it proposed to Chang Tsun-i, the newly-appointed governor of Chekiang who succeeded Nieh, that this railway concession could be either turned into a Sino-British joint concern or be cancelled by the Chinese authorities by paying a "compensation" fund of 900,000 taels to the British corporation.⁵² Both of these suggestions were rejected because Chang maintained that the concession's nature was but a temporary one which had never been submitted to the Peking government for ratification. The prolonged British delay of seven years in negotiating a formal contract, Chang argued, also justified nullification of the preliminary agreement.⁵³ The governor of Kiangsu concurred in these points. He memorialized the court, requesting that Sheng who was then championing the abrogation cause, should be ordered to assume sole responsibility for the forthcoming negotiations with the foreign concessionaires.⁵⁴

⁵¹ *F. O. Confidential Print*, 405, 157/4, The British & Chinese Corporation to Foreign Office, Oct. 6, 1905; *North China Herald*, Feb. 8, 1907, 278.

⁵² *Chiang-Che t'ieh-lu feng-chao* (Railway Recovery Movement in Kiangsu & Chekiang), (Taipei, reprinted, 1968), 61, 66.

⁵³ *North China Herald*, Feb. 9, 1906, 346; Feb. 23, 1906, 407.

⁵⁴ *Ibid.* Nov. 30, 1906, 491.

The provincial governors' argument spoke directly to their opponent's points. Neither the British consul in Hangchow, J. L. Smith, nor the agent of the British corporation, J. O. P. Bland, would comply with such an outright denunciation. They maintained their earlier stand. Smith, in discussing with the governor of Chekiang, pointed out that since there was no provision in the concession's preliminary agreement to oblige the British corporation to undertake the construction within a time limit, all of the arguments raised by the local officials and gentry-merchants were actually inapplicable to the case.⁵⁵ Bland also refused to discuss the matter with either Sheng or the local people.⁵⁶ However, The British were still inclined to a conciliatory settlement on condition that their basic rights over the line should not be severely affected.⁵⁷ During this period, there were rumors that Belgian capitalists had been invited to undertake the construction of the projected provincial Shanghai-Hangchow-Ningpo railway. The China Association, a British pressure group of public opinion headquartered in Shanghai, was greatly alarmed. It sent petition urgently to the Foreign Office in London, asking the British government to take strong action in order to annul the monopolizing privilege of the Chekiang company.⁵⁸ The *North China Herald*, a semi-official British weekly printed in Shanghai, also warned that "if the concession is recklessly violated, the British government will naturally insist upon full

⁵⁵ *F. O. Confidential Print*, 405, 156/98, Satow to Lansdowne, Sept. 21, 1905; *Su-Hang-Yung t'ieh-lu shih-mu-chi*, 3: 12-3.

⁵⁶ *Su-Hang-Yung t'ieh-lu shih-mu-chi*, 3: 18; *TFTC*, 5: 1, communications, 12-7.

⁵⁷ *Ibid.*

⁵⁸ *F. O. Confidential Print*, 405, 165/110, China Association to F.O. Feb. 22, 1906; E-tu Zen Sun, "The Shanghai-Hangchow-Ningpo Railway Loan of 1908", *Far Eastern Quarterly*, X: 2, 149.

compensation and will be in a position to enforce her demands".^{⑤⑩} The China League of London also submitted a report to Sir Edward Grey, the Foreign Secretary, charging the Chinese denunciation of the British concession as part of an over-all antiforeign manifestations in the nation. It urged the British government to persuade all concerned powers to take concerted action in defence of their common interests in China.^⑥

In Peking, the British minister, Sir Ernest Satow, took a defiant attitude toward the local abrogation movement. He refused to discuss the issue with Sheng Hsüan-huai and ordered the British consul in Hangchow to negotiate it with the provincial governor. After the early contact failed, Satow lodged a strong protest with the Peking government. He claimed the latter had internally weakened its control over the Chekiang gentry-merchants in violation of China's diplomatic commitment, and announced that Britain would hold the Chinese central government responsible for any blunder committed by the local groups. He repeated some of the similar argument made by the British and Chinese Corporation and insisted that China recognize the validity of the former draft agreement for the railway concession, although he was ready to modify some of its provisions.^{⑥①} All of these steps followed the direction given by Grey from London.^{⑥②}

^{⑤⑩} *North China Herald*, Feb. 8, 1907, 278.

^⑥ *F. O. Confidential Print*, 405, 165/83, China League to Grey, Feb. 13, 1906.

^{⑥①} *Ibid.*, 405, 163/152, Satow to Grey, April 10, 1906; 405, 166/158, Satow to Grey, April 16, 1906; *North China Herald*, Feb. 8, 1907, 278. E-tu Zun Sun, "The Shanghai-Hangchow-Ningpo Railway Loan of 1908", 140-1.

^{⑥②} *F. O. Confidential Print*, 405, 167/65, F. O. to China, July 31, 1906; Edward Grey, in a confidential despatch sent to John N. Jordan, the British minister to China, on Aug. 31, 1906, describing Britain's general China policy as follows: "The time has gone by

The Chekiang gentry-merchants were infuriated by the British argument because any confirmation of the Sino-British preliminary contract would repudiate their imperially-approved monopoly right of railway construction in the province. They launched a campaign to urge the Peking government to keep firm under the British pressure. A petition submitted to the Board of Foreign Affairs by two hundred and seventy-three gentry members, maintained that the preliminary agreement for the Soochow-Hangchow-Ningpo line was a provisionally one only. It was concluded at a time, they pointed out, when Chinese capital was not available for railway construction; but the situation had changed and the Chekiang company had successfully amassed a large amount of funds for that purpose. Thus, this provisional contract should be automatically void. ⑧ T'ang Shou-chien and Liu Chin-t'ang, director-

when this policy [of extorting concessions in China by pressure & force] could any longer be made effective, & the time is probably approaching when such a policy might be disastrous,Apart from these considerations, I feel that a policy of force can only be defended with regard to a nation which is incapable of responding to any conciliatory methods of keeping its engagements or of taking part in the development of its own resources,His Majesty's Government will also expect China to fulfill in substance all binding engagements with regard to concessions which she was previously undertaken; though in some of these modifications may be introduced to secure good-will & smooth working, or to overcome inevitable difficulties with provincial officials. But if these be frankly recognized by China, & her obligations with regards to customs, and previous concessions loyally observed, His Majesty's Gov't will not press the Chinese gov't to grant new concessions on terms which are embarrassing to China, & will, on the contrary, encourage and welcome her efforts to develop the resources of the country under her own auspices, & on terms which will give her the help of foreign capital and experience when required, without being derogatory to her sovereignty or her independence (*F. O. Confidential Print*, 405, 167/106, Grey to Jordan, Aug. 31, 1906)"

⑧ *Su-Hang-Yung t'ieh-lu shih-mu-chi*, 3: 8-9.

general and deputy director-general of the company respectively, also cabled the same Board, requesting its public denunciation of any foreign privileges in the Soochow-Hangchow-Ningpo line.^{⑥④} Although they correctly pointed out that this Sino-British preliminary contract had never been considered final by both sides, the telegraph included the inaccurate statement that the British failure to answer Sheng's notice in 1903 had demonstrated the former's acquiescence in the legality of Chinese action. The two local leaders even tried to show that Sheng's signing of the preliminary agreement in 1898 only represented the act of an individual and that the Imperial Chinese Railway Administration he headed was only a regular, commercial firm. ^{⑥⑤}

This sort of faulty arguments made by many influential gentry-merchants in the two provinces. A joint petition headed by Chu Tsu-mu, a former vice-minister of Rites and then one of the leading gentry in Hangchow, even suggested to the governor of Chekiang that if the British should force the local people into accepting such a foreign railway concession, there would be a popular riot against them. ^{⑥⑥}

⑤ Wang Ta-hsieh's Negotiations With the British

The development of the Sino-British dispute aroused great concern at the Peking court. It was the imperial approval of the Chekiang company possessing monopoly right to construct all railways in the province that had made the conflict unavoidable. In fact, such a conflict was the intended objective of the Commerce Board in Peking which was motivated

⑥④ *Ibid.*

⑥⑤ *Ibid.*

⑥⑥ *Ibid.*, 3: 19-20, 23; *TFTC*, 3: 2, miscellanies, 19; Kent, *The Passing of the Manchus*, 49.

by a desire to recover the British-designated Soochow-Hangchow-Ningpo line. Thus, officials in that Board were not worried about the British protest. They expected to use the local grievances as a pretext for compelling the British to accept a settlement through either outright abrogation or redemption of the concession. ⁶⁷

As the debate between the foreign concessionaires and the local people grew more uncompromising, the Board of Commerce gave its support openly to the latter. It telegraphed Sheng in June 1906 to uphold China's indigenous right in the province by refuting the provisionally legal status of the British corporation over the concession.⁶⁸ In an effort to strengthen the local position in the dispute, the Board submitted the charter of the Chekiang company to the throne. It was quickly approved.⁶⁹ Apparently the imperial court under the influence of Prince Ch'ing had for a time decided to support the local cause as he had done one year earlier in the Sino-American controversy over the Canton-Hankow railway. ⁷⁰

⁶⁷ See En-Han Lee, *Wan-Ch'ing ti shou-hui k'uang-ch'uan yun-tung* (The Late Ch'ing Movement for the Restoration of Mining Rights), (Taipei, 1963), 96-102, 129-30; and the same author's "China's Response to Foreign Investment in Her Mining Industry, 1902-1911", *Journal of Asian Studies*, XXVIII: 1 (Nov. 1968), 62-5; *North China Herald*, Oct. 27, 1907, 246.

⁶⁸ *Su-Hang-Yung t'ieh-lu shih-mu-chi*, 3: 29; *F. O. Confidential Print*, 405, 168/25, Carnegie to Grey, Aug. 23, 1906.

⁶⁹ *Ibid*; Institute of Modern History, Academia Sinica, ed. *Hai-fang-tang* (Archives of the Maritime Defence), (Taipei, 1957), 593.

⁷⁰ *Su-Hang-Yung t'ieh-lu shih-mu-chi*, 3: 31. Regarding the imperial approval of the Chekiang Railway Company's monopolizing railway construction right in the province, Yuan Shih-Kái disclosed in a conversation with John N. Jordan that Prince Ch'ing should be personally responsible for its final decision. He reasoned that "Prince Ch'ing was charged with so many duties that he had overlooked the consequences of such a decree." (*F. O. Confidential Print*, 405, 188/27, Jordan to Grey, Dec. 24, 1907).

But the officials of the Board of Foreign Affairs took a different view. Perhaps they knew more than either those of the Commerce Board or the Chekiang local groups did about the real origin of the concession. Yet they could not afford to oppose an imperial approval despite their awareness of the pertinent, diplomatic complications. Thus, soon after the conflict appeared, the Foreign Affairs Board notified governor of Chekiang to negotiate with the British to make some modifications of the original agreement instead of an outright denunciation of it. It based its reason on the exact provision of that agreement, indicating that China was permitted to do so if in the local situation there should arise difficulties to carry out the terms.^① In another despatch, the Board also advised the governor that he should try to persuade the provincial company to commence its construction program with a line other than the British-earmarked route, so that an imminent clash with the British could be avoided.^② Unfortunately, all these advises were totally ignored because both the provincial governor and the gentry-merchants were agitated in defiance of the British interests which, they mistakenly believed, had been declared void in 1903 by their original negotiator, Sheng Hsüan-huai. They preferred a frontal attack on the British position.

From the very beginning of the Sino-British negotiations, the Foreign Board failed to transfer the burden of diplomacy from the central government to the local elements as it did for the Canton-Hankow railway issue in mid-1905. In addition, the allegation of a modified agreement for the Soochow-Hangchow-Ningpo line under the changed situation of the provinces was quickly changed to a frank admission by the Foreign

^① *Su-Hang-Yung t'ieh-lu shih-mu-chi*, 3: 31.

^② *Ibid.*, 3: 5.

Board that the whole controversy actually originated from either a political manœuvre of Sheng's or a miscomprehension of the complexity of the issue by Prince Ch'ing. ⁷³ In a formal discussion with the British envoy in Peking, Ch'u Hung-chi and Na-t'ung, two ministers of the Foreign Board, even confided that the central government could not forcibly override the local feeling in the provinces. ⁷⁴ Therefore, the Chinese central government first intended to redeem this concession, and then proposed to change it into a Sino-British concern.⁷⁵ After these suggestions were rejected, the Foreign Board proposed division of the line into two sections which would be constructed by the Chekiang and the British companies respectively. ⁷⁶ Prince Ch'ing even envisioned two competing parallel routes as a solution to the dispute. ⁷⁷ But none of these suggestions were acceptable by the British.

After the court's approval of the monopolistic charter of the Chekiang company, Satow tightened his pressure on China. Elaborate efforts were made to show the Chinese government's obligations in the conclusion of the preliminary contract for the Soochow-Hangchow-Ningpo concession.⁷⁸ At the same time, Sir Walter Runciman, the British Secretary of Treasury, also announced in London, that the British corporation would

⁷³ *F. O. Confidential Print*, 405, 188/27, Jordan to Grey, Dec. 24, 1907; 157/99, Satow to Landowne, Oct. 5, 1905; 1905; 157/110, Satow to Landowne, Oct. 18, 1905; 157/132, Satow to Landowne, Oct. 30, 1905.

⁷⁴ *Ibid.* 405, 166/152, Satow to Grey, April 10, 1906.

⁷⁵ *Ibid.* 405, No. 179, "Detailed Memo on Railways in China"; *North China Herald*, Dec. 21, 1906, 688.

⁷⁶ *Ibid.* "Detailed Memo on railways in China"; 405, 168/13, Jordan to Grey, Oct. 4, 1906.

⁷⁷ *Ibid.*, 405, 168/79, Carnegie to Grey, Sept. 9, 1906.

⁷⁸ Sun, "The Shanghai-Hangchow-Ningpo Railway Loan of 1908", 142.

not relinquish the privileges it had already acquired.⁷⁹ The London government showed deep concern over the prevalent rights-recovery movement in China, believing it would hurt British prestige there.⁸⁰

The Board of Foreign Affairs in Peking was compelled to make a hard decision. In fact, the Manchu government had been so weak since the disastrous Boxer uprising, that it apparently dared not defy the British claim which was based on its approval of the preliminary agreement. On the other hand, it could not deny the claim of the Chekiang gentry-merchants whose position was also based on an imperial decree and represented a patriotic cause. The Board had no choice but to take a position of compromise between these two contradictory demands. Principally, it had to admit the validity of a British loan for railway construction; but it maintained that the railway should be constructed by the Chekiang company according to the throne's decision. Prince Ch'ing told Satow on February 20, 1906 that the Chinese government could not afford to hinder a popular, patriotic and well-coordinated movement in the provinces, because any negative action taken by the central government would probably lead to a ferocious response from the local groups.⁸¹ Therefore, the Board's first objective was to delay as long as possible for formal negotiation with the British until the dust had somewhat settled down. T'ang Shao-yi urged repeatedly that the British be patient toward the xenophobic expression of the provincial people.⁸²

⁷⁹ *Ibid.* 141-2.

⁸⁰ *Ibid.*; *F. O. Confidential Print*, 405, 166/158, Satow to Grey, April 6, 1906; 167/78, Grey to Jordan, Aug. 7, 1906; 167/106, Grey to Jordan, Aug. 31, 1906.

⁸¹ *Ibid.* 166/152, Satow to Grey, April 10, 1906; 167/121, Garnegie to Grey, Sept. 10, 1906; *Su-Hang-Yung tieh-lu shih-mu-chi*, 3: 26.

⁸² *Su-Hang-Yung t'ieh-lu shih-mu-chi*, 3: 28-9; J. O. P. Bland, *Recent Events and Present Politics in China* (London, 1912), 239-40.

Satow agreed to be conciliatory in the implementation of the draft agreement. Bland also announced in the summer of 1906 that his corporation would be glad to delay discussion of the issue on the conditions that the Chinese government would commit itself again to the "indisputable" right of the British, and that any modifications of the preliminary terms would not affect the content of any other British railway concessions. ⁶³ Both sides concurred that the matter be postponed for further consideration until the conclusion of a formal agreement for a Sino-British Canton-Kowloon railway loan.

After the signature of a formal Canton-Kowloon contract in March 1907, Sir John N. Jordan who had succeeded Satow as British minister in Peking, notified the Chinese government to meet its former pledge. Prince Ch'ing sent the newly-appointed vice-minister of Foreign Affairs, Wang Ta-hsieh who was the former Chinese minister to England and a native Chekiang man, to the parley. The negotiations commenced on August 1, 1907. Following the fundamental lines of T'ang Shao-yi's railway policy, Wang was sympathetic toward a re-evaluation of the British right in the concession, although he maintained that foreign control of that railway's management and finance had to be either annulled or reduced. ⁶⁴ He envisaged no serious trouble which would hinder a solution of the controversy; especially in view of the fact that T'ang had been very successful in controlling the Cantonese opposition to the formal Canton-Kowloon agreement. All of the advantageous terms provisionally concluded in the

⁶³ *Ibid.*; *F. O. Confidential Print*, 405, 166/120, The British and Chinese Corporation to Foreign Office, May 18, 1906.

⁶⁴ *Hai-fang-tang*, railways, 582-3; Min Erh-ch'ang, ed. *Pei-chuan chi pu* (Supplementary Collection of Biographies), (Peking, 1923), "The Biography of Wang K'ang-nien".

Anglo-German Tientsin-Chinkiang railway loan were upheld. They included China's complete control of the railway's administrative and financial matters during and after the railway construction, but left considerable financial profit for making the loan to the British concessionaires.⁸⁵ This was coincident with the expressed stand of the Foreign Board but was very different from what the local gentry-merchants wanted.

In the actual negotiations with E. G. Hillier, another agent of the British and Chinese Corporation in Peking, Wang reduced the nominal amount of the loan to £1,500,000 rather than the sum of £1,650,000 proposed by A. H. Collinson, the British engineer-in-chief of the Shanghai-Nanking railway.⁸⁶ The creditor's revenues of 20% of the railway's net-profit as well as 5% commission of all expenditures for purchasing the rolling stock and other materials was reduced to 6% for the former and 2.5% for the latter, with a combined cash rebate of £127,000.⁸⁷ A draft agreement was soon concluded by both sides. It consisted of eight terms, stating in part that while the British corporation would supply a loan of £1,500,000 for the railway construction beyond the available funds raised by the gentry-merchants of the Chekiang company, it would refrain from intervening in the Chinese control and management of the line; that the management of the enterprise would solely be assigned to the Chekiang and Kiangsu companies within their respective, provincial boundaries, although a British chief-engineer should be appointed; that the loan's per annum interest would be 5% with a *bona fide* payment of

⁸⁵ *TFTC*, 5: 1, "Memorial of the Foreign Affairs Board on Railways in China"; *North China Herald*, Oct. 25, 1907, 224.

⁸⁶ *F. O. Confidential Print*, 405, 181/50, Jordan to Grey, Sept. 3, 1907.

⁸⁷ *Ibid.*

93% of its nominal amount; and that the railway's property would not be mortgaged to the concessionaires. ⑧ Generally speaking, the content of this newly-concluded draft contract for the Soochow-Hangchow-Ningpo railway followed the proposed terms for the Anglo-German Tientsin-Chinkiang railway loan which was then in the final stage of negotiations under the supervision of Yüan Shih-kái and Chang Chih-tung.

⑥ **Response of the Local interest Groups**

The conciliatory attitude of the central government toward the British concession aroused fierce protest from the Chekiang-born officials in Peking and the gentry-merchants in Hangchow and Shanghai. Even the man-in-the-street in the two concerned provinces felt that their interests had been sold out to foreigners and joined the opposition movement. The basic point of their concern was that any admittance of a British loan for the railway concession would destroy the original program of the Chekiang Railway Company to construct the line with China's own capital and engineering skill, a scheme which had been fully endorsed and ratified by the imperial decree at an earlier time. Furthermore, recent introduction of the idea of a provincial representative government provided a strong, theoretical basis for the native people to defend their indigenous rights. They viewed the settlement agreed by the central government as impairing their legitimate monopoly privilege of railway construction in the province. Such a sentiment was quite prevalent among the Chekiang people in and out of the province.

⑧ *Ibid.*, 405, 181/50, Inclosure 2, Hillier's terms (Aug. 26, 1907); 181/57, Jordan to Grey, Sept. 19, 1907; *TFTC*, 5: 1, communications, 7-12; 5: 2, communications, 39-40; Mongton C. Hsu, *Railway Problems in China*, 96-7; *Hai-fang-tang*, railways, 582-3.

Since the beginning of the Sino-British negotiations, the Chekiang officials who served at the imperial court had kept constant vigilance over their possibly unfavorable result. Led by a junior minister of the Imperial Instruction Supervisorate (*Chan-shih fu*), Sun Pao-ch'i who later became a prime minister in the early Republican years, they petitioned the Board of Commerce in May 1906, asking to stand firm under British pressure. ⑧ Later, when the appeasement policy of the Foreign Board became known in the autumn of 1907, they began a coordinated campaign to obstruct the imperial approval of such a deal. Chu Fu-hsien, chancellor of the Hanlin Academy, memorialized the throne in November 1907, requesting the government not to revive a "closed" case. He suggested that the issue could be better solved by submitting to the Permanent Court of Arbitration at the Hague for a just settlement. ⑨ Hsu Ting-yüan, a censor, followed suit in condemning acceptance of any British loan for the line. This was repeated by two other censors, pleading with the court to conciliate public sentiment in the two provinces of Chekiang and Kiangsu by vetoing the preliminary settlement reached by Wang. ⑩ Under the leadership of Huang Sze-yung, a noted compiler of Kiangsu origin at the Hanlin Academy, these officials collectively petitioned the Censorate and, through it, the throne, demanding reconsideration of the case. ⑪ A big meeting attended by many Chekiang officials in Peking was also

⑧ *Su-Hang-Yung t'ieh-lu shih-mu-chi*, 3: 28.

⑨ *TFTC*, 5: 1, communications, 7-12, "Memorial of the Foreign Affairs Board".

⑩ *Ibid.*; *Chung-chih kuan-pao* (Official Gazette of Political Affairs), Nov. 5, 1907.

⑪ Wu I-cheng, et al, *Po Wang-shih-lang Su-Hang-Yung lu-an shuo-t'ieh* (A Refutation of Wang Ta-hsieh's Memorandum for the Settlement of the Soochow-Hangchow-Ningpo Railway Dispute), (No date of publication and place, deposited at the East Asian Library, Columbia University), 2: 3-4.

held to condemn such a solution of the dispute. ⑧③

The strong response, however, came from the local scene in Chekiang. The gentry-merchants were much infuriated by the conciliatory position of Wang Ta-hsieh in the parley. Wang was widely denounced by his fellow-provincials for "acting against the public opinion of the people" and "having played a traitor's role in promoting the British interest". He was also severely condemned for "having misled the good intention of the throne".⑧④ For a time, the local sentiment became so emotional that Wang's life was openly threatened; and some fanatics warned that his ancestral tombs would be desecrated if his program should be approved by the court. ⑧⑤

The opposition movement soon widened in scale and scope. It first centered in Hangchow and then moved its major activities to Shanghai. On November 10, 1907, a mass meeting of the Chekiang natives was held in the city. The rally decided to launch a peaceful boycott campaign against the making of any British loan for the railway. ⑧⑥ Some leading gentry-merchants who attended it argued that foreign annexation of the two provinces would be followed with the loss of this railway right (*lu-wang kuo-wang*). ⑧⑦ These bourgeois viewed the controversy a cause of

⑧③ *Chiang-Che t'ieh-lu feng-ch'ao* (Railway Agitations in Kiangsu and Chekiang), (Taipei, reprinted, 1968), 113.

⑧④ *Ibid.* 57, 63, 65; Wu I-cheng, et al, *op. cit.*, 172; *North China Herald*, Oct. 25, 1907, 224; Nov. 1, 1907, 288.

⑧⑤ *Ibid.*

⑧⑥ Shen Tung-sheng, ed. *Kuang-hsu chung-yao* (Major Events of the Kuanghsu Period), 33: 63, Wang Wen-shao's memorial. See also *F. O. Confidential Print*, 405, 181/77, Jordan to Grey, Dec. 9, 1907.

⑧⑦ *North China Herald*, Nov. 15, 1907, 390, 394, 407, 408; *F. O. Confidential Print*, 405, 181/85, Jordan to Grey, Oct. 30, 1907.

patriotism. Some proposed a general strike against British commerce in the port.⁹⁸ The president of the Chinese Chamber of Commerce warned the compradore of the Hongkong and Shanghai Banking Corporation that a boycott against the bank and the Jardine, Matheson & Co. was imminent if this issue would be concluded contrary to the will of the local people.⁹⁹ A certain Yin, manager of a native-financed Sing Yi Saving Bank, distributed placards in the streets, appealing the people to refuse circulation of British banknotes.¹⁰⁰ In an attempt to coordinate the anti-loan activities, a Society of People's Resistance of Railway Loans (*kuo-min chü-küan-hui*) was set up in Shanghai,¹⁰¹ Other major cities in the region such as Hangchow, Soochow, Ningpo and Kiahsiung followed suit. With the impact of patriotic agitations, both the Chekiang and Kiangsu railway companies took drastic measures to subscribe more capital. Liu Chin-t'ang, deputy director-general of the first-mentioned corporation, invested personally in the enterprise as did many of his relatives and friends to an amount of Ch\$1,000,000.¹⁰² More than 53,000 people rushed to purchase the railway bonds in Chekiang in order to express their patriotic support to the Chinese-managed corporation.¹⁰³ These new shareholders also include some wealthy overseas Chinese traders as well as certain noted gentry-

⁹⁸ *Ibid.*

⁹⁹ *F. O. Confidential*, 405, 181/92, Jordan to Grey, Dec. 28, 1907.

¹⁰⁰ *Hai-fang-tang*, railways 549; *Yu-chai ts'un-kao*, telegram, 50: 4; *North China Herald*, Jan. 17, 1908, 139-40.

¹⁰¹ Kuo Ting-i, *Chin-tai Chung-kuo shih-shih jih-chi* (Chronological Events of Modern China), (Taipei, 1963), Vol. 2, p. 1291.

¹⁰² Wang Kang-nien, *Wang Hsiang-ch'ing i-chi* (Collected Works of Wang Kang-nien), (n. p. prefaced 1920), 6: 4-5; *Chiang-Che tieh-lu feng-chao*, 113-4, 117-8, 119-26, 132-3, 134, 135-6.

¹⁰³ *Kuang-hsu chung-yao*, 33: 63; Wang Wen-shao's memorial.

merchants of Kwangtung, Szechwan and other provinces. Furthermore, there was a large number of low-income laborers, farmers, small peddlers, sedan-chair bearers, drama actors and actresses, and even the poorest beggars and prostitutes. ⑩ Through the payment of railway bonds, by four even installments, the Chekiang company had reportedly raised a nominal fund of more than Ch\$27,000,000. ⑪

The wrath of the local interest groups turned increasingly to the central government. The *Tung-fang tsa-chih* (Eastern Miscellany) of Shanghai gave repeated report on the development of the anti-loan movement in Chekiang and Kiangsu, and provided advice in its editorials to the local peoples' railway construction plan. ⑫ The *Wai-chiao Pao* (Herald of Foreign Affairs), a weekly journal, warned that if China should accept the British rights established over this case based solely on a preliminary agreement as a *fait accompli*, many similiar, questionable concessions in railway, mining, and other matters would be revived. ⑬ The *Hsin-wen Pao* (Daily News) suggested that the two provinces should join together to block the government's appeasement policy. It advised that the local people should not rely on the Peking government to protect their interests. A boycott movement of British goods in the lower Yangtze region was strongly urged. The newspaper even warned that if the Peking authorities should enforce the provinces to accept the British loan against the people's will, the people had to use some radical methods,

⑩ *North China Herald*, Sept. 2, 1910, 555; Tai Chih-i, ed. *Szechwan Pao-lu-yun-tung shih-liao* (Historical Materials on Szechwan Railway Preservation Movement), (Peking, 1959), 241.

⑪ *Kuang-hsu chung-yao*, 33: 63, Wan-wen-shao's memorial.

⑫ *TFTC*, 3: 11, communications, 226; *Ibid*, 6: 3, events, 25.

⑬ *Ibid*, 4: 10, communications, 205-7.

including "iron and blood" to preserve their established privilege.^⑧ *The Chung-wai jih-pao* (Sino-foreign Daily), in an article written by a Chinese student in Japan, defended strongly the people's rights and denounced the Foreign Board in Peking as subservient to foreign pressure. It requested holding a national convention attended by representatives of all-level officials and people to dispose the knotty questions concerning foreign railway and mining concessions.^⑨ There was also a suggestion to stop payment of all taxes if the Peking government failed to meet the local demand.^⑩

It is noteworthy that the students studying in the Western style schools both in Chekiang and Kiangsu played an important role in the dual anti-foreign and anti-Peking movement. They were actually the most nationalistic-minded element to advocate forceful measures either against the British or the Peking government. They held demonstrations in Shanghai, Hangchow, Soochow and other smaller cities, distributing anti-loan handbills.^⑪ The Chekiang students in Tokyo attend a mass meeting to discuss the matter. On December 1, 1907, about 1,000 Chinese students in the Japanese capital met again to organize an anti-loan association. They denounced finding any compromise plan to settle the dispute.^⑫ In a petition to the central and provincial authorities, the Chinese students in the United States analyzed the question from the viewpoint of intern-

⑧ *Chiang-Che tieh-lu feng-ch'an*, 211-3, 215.

⑨ *TFTC*, 3: 5, communications, 119.

⑩ Huang Min, ed. *Lieh-shih hsün-lu chi* (The Martyrs for the Soochow-Hangchow-Ningpo Railway), (Shanghai, 1907), 2-3, *North China Herald*, Jan. 3, 1908, 22; *Chiang-Che tieh-lu feng-ch'ao*, 471.

⑪ *Chiang-Che tieh-lu feng-ch'ao*, 239; Kuo Ting-i, *op. cit.* 1293.

⑫ Kuo Ting-i, *op. cit.*, 1292, 1294.

ational law and advised the Peking government to take a determined stand for the abrogation of this preliminary British agreement. ⑩ For a time both the Chinese constitutionalists and revolutionaries in Japan expressed their blame of Peking in the negotiations. Liang Ch'i-ch'ao, the undeniable leader of the former group, intensified his severe critique of the Manchu regime. ⑪ The latter group even proposed to use part of the subscribed railway fund of Ch\$10,000,000 raised in Chekiang for purchasing military weapons for overthrowing the Peking government. ⑫

The sentiment of local opposition was high-lighted by the suicide of a young student in the Chekiang Railway School. ⑬ In a few days a young engineer working at the railway construction followed suit. ⑭ The situation became so critical that imminent revolt seemed probable. This aroused great concern from one of the most influential gentry members in Chekiang, Wang Wen-shao, who had played a prominent role in the court either as a powerful grand councillor or as a prestigious grand secretary before his retirement in 1906. He came out to memorialize the Empress Dowager and the Emperor Kuang-hsu, pleading for some adjustments to the conciliatory policy. ⑮ Lu Yüan-ting, another noted gentry

⑩ Huang Min, ed. *Lieh-shih hsün-lu chi* (The Martyrs for the Soochow-Hangchow-Ningpo Railway), 2-3; *TFTC*, 3: 5, communications, 119-20; 4: 10, communications, 205-7; 5: 2, communications, 39-40.

⑪ *North China Herald*, Jan. 3, 1908, 21-2; Jan. 24, 1908, 220.

⑫ Ting Wen-ch'iang, ed. *Liang jen-kung hsien-sheng nien-p'u ch'ang-pien ch'u-kao* (Draft of the Chronological Events Concerning Liang Ch'i-cho), (Taipei, 1958), 256.

⑬ Huang Min, ed. *op. cit.* 2-3.

⑭ *Ibid.* 2-14. A local newspaper, the *Universal Gazette*, even went so far as to print such flamboyant words that a Sino-British conciliatory settlement of the Soochow-Hangchow-Ningpo railway issue would possibly lead to a change of the Manchu emperorship (*F. O. Confidential Print*, 405, 187/27, Jordan to Grey, Dec, 24, 1907.)

⑮ *Kuang-hsu chung-yao*, 33: 63, Wang Wen-shao's memorial; *TFTC*, 4: 1, "Major Events"

in Hangchow who had served as governor of Hunan and Kiangsu before, also appealed to the court for the same action. ⑱

⑦ The Final Settlement

In September 1907, Wang Ta-hsieh left his post as a negotiator and travelled to England for a mission of investigation of the constitutional governments in Europe. The acting vice-minister of the Foreign Board, Liang Tun-yen, assumed the leading role in the Sino-British negotiations. Before mid-October of 1907, all the major terms were agreed upon. Wang's original program of conciliation was re-confirmed and new items in it were added. It was decided that the British loan should still be set at the amount of £1,500,000 at the *bona fide* payment of 93% with an interest of 5% per annum. The British were to be rewarded £35,000 for their services in purchasing railway materials, together with an annual payment of £67,000 as their advance share of the railway's net-profits, rather than £90,000 as provided in Wang's terms. ⑲ It was also agreed that no fund of the Chekiang province should be required to be mortgaged for this loan, and the appointment of a British chief engineer for the railway would be decided solely by the Chekiang Railway Company. Furthermore, in contrast to the original Sino-British preliminary agreement, the terminus of the route in Kiangsu was changed from Soochow to Shanghai. ⑳

As the pressure coming from the local gentry-merchants intensified,

⑱ *Pei-chuan chi pu*, 15, "Biography of Lu Yuan-ting".

⑲ *TFTC*, 5: 1, communications, 7-12; 5: 2, communications, 39-40; *Hai-fang-tang*, railways, 582-3.

⑳ *Ibid.*

members of the Grand Council, the highest decision-making organ of the Peking government, held contradictory opinions on the issue. Chang Chih-tung urged that negotiations be re-opened in order to meet the local demands. ⁽¹²⁷⁾ But another powerful official, Yüan Shih-k'ai, maintained that the major terms reached by the Chinese negotiators should be sustained. His basic view was that China had to stand firm in her former diplomatic commitments in a tumultuous period of international conflict in the Far East, and the authority of the central government in managing the nation's diplomatic affairs such as this railway case should not be disturbed by the local interest groups. ⁽¹²⁸⁾ Actually, Yüan's position on this Sino-British dispute represented part of his overall railway policy in the period. As clearly shown in the bargainings supervised with the German and British concessionaires over the Tientsin-Chinkingang railway concession, he firmly believed that China needed to take an active policy in accepting foreign investment in railway construction, because she could not effectively control her railway rights from foreign usurpation. ⁽¹²⁹⁾ Hence, T'ang Shao-yi's realistic approach to Chinese railway problem emphasizing annulment of the foreign management and control clause of the so-called commercial foreign concessions rather than an arbitrary cancellation of them which Yüan supported. In an attempt to avoid a

⁽¹²⁷⁾ Huang Min, *op. cit.*, 2; William R. Braisted, "The United States & the American China Development Company", *Far Eastern Quarterly*, XI: 2 (Feb. 1952), ; *North China Herald*, Jan. 3, 1908, 33; Jan. 24, 1908, 219; Jan. 31, 1908, 249.

⁽¹²⁸⁾ Huang Min, ed. *op. cit.* 2; Chang I-wen, *Hsin-t'ai-p'ing-shih chi* (Collected Works of Chang I-wen), (n. p. 1947), 8: 40; Hsu Tung-tse, ed. *Chang Wen-hsiang-kung nien-p'u* (Chronological Events of Chang Chih-tung), (Shanghai, 1945), 228; *North China Herald*, Nov. 29, 1907, 533.

⁽¹²⁹⁾ *Chiang-Che t'ieh-lu feng-ch'ao*, 222-3; *North China Herald*, Nov. 29, 1907, 533; Feb. 21, 1906, 423.

head-on conflict with the local groups, proposals were made to transfer the loan to the use of construction of another railway line, the administrative reformation of Manchuria, or the impending payment for the redemption of the Belgian Peking-Hankow railway.^⑫ But these were all rejected by the British. In a memorandum presented to the Chinese minister in London on November 20, 1907, Sir Edward Grey stated that although the British had “no wish to place any obstacles in the way of the development of China by her own resources, and they fully sympathise with the progressive movement which is manifesting itself in China, but at the same time they have the right to expect both the strict fulfillment of her [China’s] treaty obligations and the carrying out of such agreements as have, after full discussion, been definitely concluded”.^⑬ Jordan also insisted all engagements of China over the issue must be fulfilled, although he championed an unostentatious support of Yüan’s moderate policy.^⑭ The suggestion made by the British consul-general in Shanghai

^⑫ *F. O. Confidential Print*, 405, 188/27, Jordan to Grey, Dec. 24, 1907; 188/9, Jordan to Grey, Nov. 26, 1907; *North China Herald*, Dec. 27, 1907, 771-2; Jan. 3, 1908, 22.

^⑬ *F. O. Confidential Print*, 405, 181/68, Inclosure, Grey’s memo to Chinese minister, Nov. 20, 1907.

^⑭ *Ibid.*, 405, 181/77, Jordan to Grey, Dec. 9, 1907. John Jordan proposed to take a firm policy in supporting Yuan Shih-Kái’s conciliatory solution of the Sino-British dispute. In a diplomatic despatch, he informed Grey that “On policy in China it should be directed for the present at least, towards supporting as quietly and unostentatively as possible Yüan Shih-Kái and those who are working with him. So far, it is true, their efforts have produced little visible improvement in the general administration of the country, and it is by no means certain that they will be able to maintain even their present position; but with the example of Morrocco, Korea, and other countries, be chary of encouraging a policy of active foreign interference until our interests are seriously threatened or it becomes morally certain that the regeneration of China can be effected by the Chinese themselves”. (*Confidential Print*, 405, 182/46, Jan. 21, 1908).

to despatch a gunboat to a seaport of Chekiang was vetoed by him. ⑭ At the height of the triangular crisis, the Empress Dowager intervened personally. For the purpose of winning local support for a conciliatory settlement of the case, she even intended to confer a baronetcy on both T'ang Shou-chien and Chang Chien, the director-general of the Chekiang company and the deputy director-general of the Kiangsu company respectively. ⑮

In December 1907, a compromise plan was proposed by Liang Shih-i, director of the General Railway Bureau (*t'ieh-lu tsung-chu*) of the Board of Posts and Communications. His plan would nominally transfer the British loan to the Board, and then the borrowed fund be loaned to the Chekiang company. Thus a direct connection between the British loan and the Chekiang company could be avoided. ⑯ Under Yüan Shih-kai's management, representatives of the gentry-merchants of Chekiang and Kiangsu were summoned to Peking for face-to-face consultations with the court officials. ⑰ At the same time, Sheng was also ordered to the capital from Shanghai. Rather than assuming an ambiguous stand toward the reclamation movement, Sheng now openly admitted that he had never succeeded in committing the British to the cancellation of their preliminary contract in 1903. He tried to persuade E. G. Hillier, the agent of the British and Chinese Corporation in Peking, to abandon the loan and

⑭ *Ibid.*, 181/67, Jordan to Grey, Nov. 17, 1907.

⑮ Chao Chin-Yu, "Su-Hang-Yung t'ieh-lu chieh-kúan ho Kiang-Che jen-min te chu-kuan yun-tung" (The Soochow-Hangchow-Ningpo Railway Loan and the Anti-loan Movement in Kiangsu and Chekiang Provinces), *Li-shih yen-chiu* (Journal of Historical Studies), 1959: 9 (Sept. 1959), 51-60.

⑯ *Yu-chai tsün-kao*, telegrams, 50: 4.

⑰ *TFTC*, 4: 12, miscellaneous,

content himself with some others commercial orders such as the purchase of several gunboats for Chinese authorities. But this was firmly declined by Jordan. ②

The provincial representatives in Peking were permitted to access official documents concerned at the Board of Foreign Affairs. They found that the preliminary agreement of the concession had never been deemed void by the British as Sheng had told them before. They could not help but accept a compromise proposed by Liang Shih-i and agreed to a conciliatory agreement made by the Foreign Board and the British in December 1907. However, they were successful in making some minor improvements in that draft contract. On March 6, 1908, a formal agreement was signed by the Chinese government on one side and the British corporation on the other. ③ It was the result of an understanding between three parties: the central government officials, the local gentry merchants' representatives, and the British concessionaires. It is to be noted that in the final stage of Sino-British negotiations over the case, neither the Peking government officials nor the provincial delegates pressed the British hard in order to achieve more favorable terms than they had obtained in the Anglo-German Tientsin-Pukow railway loan. Apparently, Chinese authorities lost the best opportunity to apply pressure of a forceful mass movement to pursue their diplomatic goal.

But the anti-loan movement in Chekiang refused to yield. The main-

② F. O. Confidential Print, 405, 188/27, Jordan to Grey, Dec. 24, 1907.

③ TFTC, 5: 6, communications, 95-6; G. V. A. MacMurray, ed. *Treaties & Agreements with and Concerning China* (Washington D. C., 1929), 1: 702-9; Sun, *Chinese Railways and British Interests*, 66-7.

stream of the provincial gentry-merchant forces would not content themselves with such a solution. They first cabled the central government denying the authority of their representatives in Peking to agree these terms.¹⁸⁴ Later, an Association for Preservation of the Railway Right of Chekiang (*Chekiang Pao-lu-hui*) was organized, championing continued struggle for abrogation of the British concession.¹⁸⁵ On April 5, 1908, a general assembly of shareholders of the Chekiang Railway Co. met in Hangchow, voted their support for a sabotage of the British railway loan.¹⁸⁶ But they did not challenge the validity of the newly-concluded Sino-British loan agreement. They simply sought to ignore the existence of the formal Sino-British loan agreement for the Shanghai-Hangchow-Ningpo railway by withholding their adherence to it. They refused to borrow the fund from the Board of Posts and Communications when the latter obtained it from the British loan. But such a tactical measure failed to function well because there was a difference of opinions among the shareholders of the Chekiang company. On the other hand, the Board of Posts and Communications also defaulted in paying the loan to the local company as stipulated in the mutually-agreed time schedule.¹⁸⁷

In the following two years, the conflict between the Chekiang gentry-merchants and the Peking central government officials continued to deepen. The local people complained bitterly of Sheng Hsüan-huai's obstruction of the reclamation movement and viewed him as a hypocrite who had sold out their interest to the foreigners. But the Manchu court,

¹⁸⁴ *TFTC*, 5: 1 miscellanies, 1.

¹⁸⁵ *Ibid.*, 5: 4, miscellanies, 11.

¹⁸⁶ *Ibid.*

¹⁸⁷ *Ibid.*, 7: 10, supplementary events, 78-9; Hsu, *Railway Problems in China*, 98.

contrary to the will of the provincial people, held Sheng in high esteem and relied heavily on him in the negotiations of several large foreign loans to strengthen the court's centralized financial power. He was first appointed a vice-minister of the Board of Posts and Communications, and then its minister. ⑳ The picture of a notoriously corrupt official and an ineffective government was thus complete. In a fiery impeachment of Sheng presented to the Grand Council on August 22, 1910, T'ang Shou-chien charged Sheng Hsüan-huai of being fraudulent towards the local right-reclamation movement in Chekiang and Kiangsu and corrupt in his management of Chinese railway programs. He was also openly condemned by T'ang as "a criminal who originally arranged the British loan for the Soochow-Hangchow-Ningpo railway and a traitor who sold out Chinese interests during the critical moment of Chinese confrontation with the British". ㉑ Since the imperial court decided to support Sheng's cause, T'ang was arbitrarily dismissed from his director-generalship of the Chekiang company. ㉒

The dismissal of T'ang aroused fierce protest from the local groups. Members of the Chekiang Provincial Assembly (*tzu-i-chu*) which was organized in October 1909 as the first concrete step for the establishment of a constitutional government at the provincial level, staged protests in chorus. They attacked the illegality of the court's decision over T'ang's case as a violation of the corporation law promulgated by the court itself in 1904. ㉓ It became apparent that the provincial movement for recovering

⑳ Kuo Ting-i, *op. cit.* 1365, 1370, 1377.

㉑ *TFTC*, 7: 8, 108-11; *ibid.*, 7: 9, 67-8.

㉒ Kuo Ting-i, *op. cit.* 1365.

㉓ *TFTC*, 7: 10, events, 126; supplementary events, 75-9; Chang P'eng-Yüan, "The Constitutionalists," in Mary C. Wright, ed. *China in Revolution*, 145-52, 160-73.

the British Soochow-Hangchow-Ningpo railway concession had changed to anti-Manchu agitations. The gentry-merchants of Chekiang were quite ready to join the rapidly-spreading anti-Manchu revolt initiated by their fellow-members of the Szechwan province over another railway loan dispute with the imperial court in mid-1911. They announced the establishment of a revolutionary provincial government in November 1911 and elected T'ang Shou-chien, the deposed director-general of the Chekiang Railway Company, to be the military governor of the temporarily independent province. ⁽¹²⁾

⑧ Concluding Remarks

In an evaluation of this historical episode of Chinese efforts to reclaim the British Soochow-Hangchow-Ningpo railway concession, it is appropriate to point out that it represents part of an overall nationalistic movement of the period in China. It was a new form of China's resistance to foreign penetration after repeated failures before. The most emphatic goal of Chinese efforts was to reclaim the existing foreign economic concessions as well as to check further expansion of the foreign railway and mining concessions. It also endeavored, but failed, to recover the administrative power over the foreign-controlled Chinese Maritime Customs Services and the Post Service.⁽¹³⁾ Abrogation of the extraterritoriality enjoyed by foreigners in China was also occasionally urged. Nevertheless, the whole movement did not direct itself seriously to defy the unequal structure of the Sino-foreign relations. It stressed only a piecemeal

⁽¹²⁾ Mary C. Rankin, "The Revolutionary Movement in Chekiang: A Study in the Tenacity of Tradition", in Mary C. Wright, ed. *op. cit.*, 359, 379.

⁽¹³⁾ Mary C. Wright, ed. *ibid.*

improvement of Chinese position vis-a-vis foreign influence in the economic realm. It is one of the typical forms of defensive-oriented economic nationalism. ⑭

Generally speaking, this whole railway-rights recovery movement can be divided into three successive stages: the initial, the developmental, and the declining phases. The provincial efforts to reclaim the British Soochow-Hangchow-Ningpo railway was a representative case in the second stage. Viewed from the nation's domestic environment, the Manchu court was apparently too weak to launch a forceful challenge to British interests in the railway line. The court's failure to stand on its former decree which had assigned the Chekiang Railway Company the right to possess monopoly construction privilege in the province, put it in an annoying predicament. Under the strong, diplomatic pressure of the British government, the Manchu court was compelled to meet halfway the patriotic demand of the local gentry-merchants of Chekiang and Kiangsu. From the beginning of the Sino-British controversy, the Chinese central government failed to change the negotiations to a non-governmental basis. It even failed to transform the dispute on a favorably-negotiated plane as a local affair as it did successfully in the Sino-American negotiations for the Canton-Hankow railway in 1905. ⑮ Furthermore, Chinese diplomats of the Board of Foreign Affairs were also unsuccessful in pressing the British hard enough through the application of the provincial patriotic activities.

⑭ En-Han Lee, "Lun Ch'ing chi Chung-Kuo te min-tsu-chu-i," (On Chinese Nationalism of the Late Ch'ing Period), *Su-Yu-Yen* (Thought and Words), 5: 6, 24-32.

⑮ See En-Han Lee, "Chung-Mei Yueh-Han lu-chuan chiao-she" (Sino-American Negotiations over the Canton-Hankow Railway concession), *Bulletin of the Institute of Modern History, Academia Sinica*, I: 149-215.

The deteriorated relations between the central government and the gentry-merchant groups of Chekiang and the gentry-merchant groups of Chekiang and Kiangsu could be better understood as a result of the domestic policy of the Manchu court. Although the Manchu government announced formally its intention of carrying out constitutional reform program in 1907, its sincerity in the implementation of such program was very doubtful. It was generally supposed that the major objective of the aging Empress Dowager and those influential Manchu nobles was aimed solely at the establishment of a centrally consolidated government in which they could control the real power.^⑩ This policy alienated Chinese officials at both the central and provincial government levels as well as the provincial gentry-merchant groups. It is also contrary to the traditional, balanced ruling policy of a Manchu-Chinese dyarchy which provided a balanced social mobility for the talented people of both nationalities who wanted to enter the civil services.^⑪ The death of the Empress Dowager in 1908 sped this ominous process.

In respect to China's railway development, the Peking government pursued the same strategy in consolidating its absolute control. Soon after the establishment of the Board of Posts and Communications in September 1906, it changed gradually from the mercantile policy pursued by the Board of Commerce which emphasized government promotion and

^⑩ *The Times* (London), Feb. 11, 1910, 5; Feb. 8, 1910, 5; *North China Herald*, Nov. 21, 1908, 443, 461; John G. Reid, *The Manchu Abdication and the Powers, 1908-1912* (Berkeley, 1935), 64, 71-2; Meredith E. Cameron, *The Reform Movement in China, 1898-1912* (New York, reprinted, 1963), 122-3; Chang P'eng-yuan, *Li-hsien-p'ai yu Hsin-hai-koming* (The Constitutionals and the 1911 Revolution), (Taipei, 1969), 4-5, 12-5.

^⑪ John K. Fairbank, "Synarchy under the Treaties" in John K. Fairbank, (ed.), *Chinese Thought and Institutions* (Chicago, 1957), 208-12.

stimulation of the commercial railway enterprises to a new policy which stressed on government's own role in railway management and investment.^⑧ Viewed from the financial situation of the nation of the period, the central government was apparently unable to amass the necessary funds for any massive government-financed railway scheme. The only method to achieve the objective of such a policy was to rely on foreign loans. This greatly infuriated the nationalistic-minded gentry-merchant-student groups in the provinces. They viewed this revived foreign loan policy implemented by the Peking government as treacherous and contrary to the interest of the nation. These alienated provincial élite groups took an increasingly hostile attitude toward the Peking government. They, for the most part, vanguards of the constitutionalist movement with strong pro-Manchu sentiment in the early stage, began to change their political orientation in 1907-1908. Their nationalist proclivity for anti-imperialism in reclaiming Chinese economic rights turned gradually to anti-Manch-uism because the central government failed to support their cause. The clash between the gentry-merchants of the Chekiang Railway Company and the Peking authorities after 1907 was part of the changing process in Chinese politics.

^⑧ *TFTC*, 5: 9, laws and regulations, 70-1: Chen Pi, *Wang-lui-t'ang tso-kao* (Collected Works of Ch'en Pi), (n. p.), 8: 7-8. T'ang Wen-chih, *Ju-ching-t'ang wen-chi* (Collected Works of T'ang Wen-chih), (n. p. d.), 4th Vol., 6: 179.