

Nr. 2.5.2.06

D. H. Mackintosh, Hongkong and Shanghai Banking Corporation (HSBC), Niederlassung Tianjin, an Ewen Cameron, HSBC, London, betr. die "falschen Freunde" Großbritanniens beim Eisenbahnbau im Norden Chinas, 21. Dezember 1899

Brief

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Formalia: 22 Blätter, handschriftlich einseitig beschrieben, Durchschrift, mit Unterschrift, in ein Kopierbuch eingebunden.

Regest:

Ausgelöst durch die Bemerkung des Vertreters der Hongkong and Shanghai Banking Corporation (HSBC) in London, Ewen Cameron, den Eisenbahninteressen des Hauses werde nicht genügend Aufmerksamkeit gewidmet, legt der Leiter der Niederlassung Tianjin, D. H. Mackintosh ihm am 21. Dezember 1899 ausführlich dar, warum es seiner Meinung nach zu Kursverlusten für eine von der Bank aufgelegte Anleihe für die Imperial Railways of North China gekommen ist und weiter kommt. Er macht unverantwortliches Verhalten britischer Politiker sowie der britischen Presse, einen ignoranten und schwachen britischen Gesandten in Peking, vor allem aber das Agieren „falscher Freunde“ Großbritanniens in China selbst dafür verantwortlich, unter ihnen vor allem der neu berufene Generaldirektor der Imperial Railways of North China, ZHANG Yi, und der aus Deutschland stammende, politisch einflussreiche Zollinspektor in Tianjin, Gustav Detring. Mackintosh ist davon überzeugt, dass diese „falschen Freunde“ gezielt versuchen, den britischen Einfluß im Norden Chinas zugunsten der Russen zurückzudrängen und dadurch das langjährige konstruktive Engagement der HSBC für die wirtschaftliche Erschließung Chinas durch den Bau von Eisenbahnlinien zunichte zu machen drohen.

[1. Blatt, 111]

[Briefkopfstempel mit Telegramm-Adresse, verwackelt und daher unleserlich]

[Briefkopfstempel mit Feld für Datumsangabe:] Hongkong and Shanghai Banking Corporation
Tientsin 21st Dec. 1899.

My dear Cameron

Yours of 8th ult which I have read with great interest has just come to hand.

You write "The importance of our Railway interests are not properly appreciated on this side." I think this goes a long way to explain a good deal of what has passed. If the Bondholders will only study their prospectuses and remember they have tangible security in a really valuable line which connects Peking with the great Northern Ports of China one of which is the second largest Port in China their fears should be allayed to a great extent. These unfortunate people must of necessity be a little bewildered with the various doctrines manufactured and propounded in London from all kinds of irresponsible people[2. Blatt, 112] and amateur politicians. For instance Mr R. A. Yerburch M. P. the China champion in the House doubtless studying the China Question from one of the armchairs of the junior Carlton Club and of course knowing all about it, as he professes to, advocates the exchange of our Railways for some wild Russian concessions for a Railway in Slawie[?] which

we know it would cost millions to build and would only be valuable for linking up some other lines.¹ It is against all this kind of thing that we have to contend.

Again there is the article in the Daily Mail headed

British friends in China

containing eulogies of Mr Gustav Detring & Chang Yi and a letter from the latter who I would here remark does not know a word of English. Corruption the vint of which is here is spreading after its nature. Whether it is the paper the “gentleman of high standing” who communicates it or some third party who has become infected, it is impossible to say. The broad fact remains that it is untrue & utterly misleading if we are [3. Blatt, 113] to judge these men by their past actions rather than their present time saving professions which they are manipulating the British press to advertise for them.

Our memories are not so short that we cannot recollect these two worthies attempts in the spring & autumn of 1895 to place the Railways under German control out of British hands. I enclose extract of a letter from Maitland the then agent of the Bank to Addis in Shanghai passing on Hillier’s advises of the action taken by Sir Nicholas O’Conor against them, these “British friends in China”.

In a letter of 8th February 1895, Maitland writes to Addis announcing that Li Hong Chang had appointed Detring as a director of the Railways. He wrote “This is not altogether pleasant news for us as Mr Detring has tried very hard to induce the Viceroy to transfer the Imperial Railway’s account from us to the German Bank.”

Fortunately for British interests we had a strong Minister in Peking in Sir Nicholas O’Conor

[4. Blatt, 114]

who knew exactly how to deal with these British friends in China. He very properly met the intrigue with a protest which proved quite effective, the Railways which were built by British as being kept in British hands and the German intriguer Detring being kept out.

As you are aware the first attempt was repeated in August 1895 which thoroughly aroused the wrath of the then British Minister who made the following communication to Hillier, part of which I copy from his letter to me of 17 Aug. 1895. “The Germans were simply jumping on our backs. That the H. & S. Bank was assisting them and that from this Sir N. O’Conor’s point of view it was a most short sighted policy in a great institution like ours dependent for its prosperity & success on the preponderance of British trade to be playing into their hands ...” if we consented to any arrangement detrimental to British interests for instance the suspension of Kinder by a German (Krupp’s man Baur was the man be referred to) he Sir N. O’Conor would consider it his duty to report this [5. Blatt, 115] matter home in a very strong manner.”

Compare carefully Sir N. O’Conor’s action with that of Sir C. MacDonald in December last year and you can appreciate the value of the experienced diplomat over the soldier.

The latter with a solemn warning in front of him about Chang, which means Detring, and his conflicting interests, he said of the protest which had been wired up from Shanghai “I positively decline to present it. I think he is the very man we want. Wait till he shows his teeth etc. etc.” I refer you to his letter copy of which was sent you by Hillier at the time.

There was this difference between Sir N. O’Conor’s action in protesting in the winter of 1895 & Sir Claude’s inaction in December 1898 that whereas in 1895 Sir Nicholas protested because the line had been built by

1 Das 1892 gegründete staatliche chinesische Eisenbahnamt führte seit 1897 den Namen Imperial Railways of North China, weil hier der Schwerpunkt der bereits gebauten und geplanten Strecken lag. Deren weiterer Ausbau in Richtung Norden war nach dem Ersten Chinesisch-Japanischen Krieg (1904–1905) vor allem mit finanzieller Unterstützung der British and Chinese Corporation vorangetrieben worden, hinter der u.a. die Hongkong and Shanghai Banking Corporation (HSBC) stand. Doch dies lief russischen Interessen zuwider, die ihren eigenen Einfluss auf den Norden Chinas ausdehnen wollten, um ein Gegengewicht zur wachsender Präsenz der Japanern zu schaffen. Um die Imperial Railways of North China entbrannte ein heftiger Machtkampf, bei dem nicht nur die Besetzung von Leitungspositionen zur Debatte stand, sondern auch der Verkauf von Strecken an Russland vorgeschlagen wurde, was von deutscher Seite politisch unterstützt wurde, um den britischen Einfluss in der Region zurückzudrängen.

British engineers (the Bank's advances being a little over 1 lac taels in December 1898) in Dec. 1898 a formal Loan agreement had been signed between the Bank and Hu Yun Mei in Peking on 10th October previous, which had been duly sanctioned by Imperial Edict,² whilst the advances [6. Blatt, 116] made by the Bank these were over Tls 1.200.000 (12 lacs taels). The reasons for a protest were thus increased ten fold or more in view of the unsuitability of the man and the conflicting interests he served.

Let us now see some of the important effects of Sir Claude's inaction.

(1st) The dismissal of Hu Yun Mei one of the most honest officials in China and a staunch friend of the British & the Banks. Chang & he being assured enemies. Hu stuck to the British in spite of Russian vestures under the mistaken notion that the former would stand by him. The false charges made by Chang against him were all categorically refuted by the Commission's Prince Ching, Wang Wen Shao, & Chao Shu Chiao whose report was translated & published in the Peking & Tientsin Times of 13 May, sent you with mine of the 17th May last.

(2nd) A Memorial addressed to the Throne by the "British friend" Chang dated 3rd Jan 1899. denouncing Hu in which is contained the following "friendly" reference to our Bank & Kinder.

"In fine Hu's ideas all come from [7. Blatt, 117] his underhand connections with the Hongkong & Shanghai Bank and Kinder and so it comes to pass that the Russian Minister has a handle to raise objections and blame us for employing Englishmen and borrowing English money. This is all the doing of Hu. His assertions that he brings in England to resist Russia are not to be believed he has other deep designs which have brought about these distasteful complications." In the same Memorial he proposed extending the line to Moukden with the money for the Newchang line which he proposed to scamp. Same would be in effect the breaking of the agreement through unsufficiency of funds.

(3rd) The appointment of Hsü Ching Cheng as Director General to the Railways in place of Hu Yun Mei. Hsü was and is Director of the Russian Chinese Railways and is also an official of the Russo Chinese Bank receiving from them Tls 12,000 per annum. He is a Russian in sympathies heart & soul. I wrote to you on the 28th Jan. about his appointment stating that I thought it would never be permitted [8. Blatt, 118] in which I was entirely mistaken no exception having been taken to the appointment.

I sent you in the same letter copy of my letter to Hillier of the previous day reporting that the ever busy & meddling intriguer Detring had paid me a long visit with regard to Hsüs appointment begging me to wire to you asking you to back the appointment in consideration for which he Detring guaranteed that Chang Yi would counterbalance Hsü Russian sympathies. Please refer to the letters.

Hillier writes to Jackson of Hsü on 24th last "Hsü Ching Cheng is Russian to the tips of his fingers and as false as he is Russian, he would not hesitate to sell the lines to the Russians tomorrow if he could.

(4th) The appointment of Dease by the German meddler Detring according to his, Dease's, own statement to Bruce, when he informed him at the same time that Detring was co-administrator with Chang. Dease told Bruce that he was told something might happen to Kinder. This had no other meaning [9. Blatt, 119] than that Detring & Chang made sure of getting rid of Kinder against whom these two good "British friends" have been working for years.

These are some of the consequences of our Minister's neglect of the solemn warnings given to him in the first place by Hillier, and immediately when we heard of it, by Kinder, Cousins of Jardines & myself. I command the four points which I have written about to your careful attention. Insult was added to the injury of our interests & the injury to the Bank's name and the grave injustice to the Engineer in Chief Kinder all through the direct influence of the "British friends in China". The above are the net results plus a depreciation of the value of the Bonds of a quarter of a million sterling.

It is needless to point out that had Sir N. O'Connor been in Peking, or anyone remotely like him, this condition of affairs would never have existed. In proof of this statement I refer you his prompt action in the letters, one copy of which I send you the other of which you have.

2 Das am 10. Oktober 1898 formell zwischen Großbritannien und China vereinbarte Shanhaikwan-Newchwang Railway Loan Agreement ist abgedruckt in: *MacMurray, Treaties and Agreements*, Bd. 1, Nr. 1898/20, S. 173–180.

[10. Blatt, 120]

This deplorable failure to protect our interests not only injured us and everyone we concerned but has proved a grave injury to Chinese credit generally.

It is all the more remarkable because it happened at a time when European Powers had made an were making outrageous claims on China.

Now all the above would be but the unprofitable flogging of a dead horse but for the fact that the whole position is unchanged. The disastrous effects proceeding from the causes in the constitution of the Railway Board may still develope and have far reaching results. There are dangers & rocks ahead well within sight which we will do well to steer clear of & in British interests and the Bank#s, the latter depending largely on the former.

You write "The importance of our Railway interests are not properly appreciated on this side." The absolute truth of this one can see in comments in the home press & other utterances[11. Blatt, 121] from irresponsible politicians such as Yerburch (who by the way is one of Dettrings friends). I have read such remarks as "a fuss about a few miles of railways".

Now this is altogether and entirely misleading. The 555 ½ miles which will form one Railway system, 429 of which are now built & on which trains are running, connect the two great Northern Ports of Tientsin & Newchang. Through these ports the trade of Northern China flows out and in. This trade has been increasing by leaps & bounds of late years and the Customs dues of the trade are hypothecated to the foreign Bondholders. For this one reason the Railways cannot be called unimportant.

Their chief importance however lies in the fact that the Railways lead to the capital, Peking. They are in fact the keys to that capital as well as the keys of Northern China.

The underlying idea with Hu, whose patriotism was on a par with his honesty was to give the Loan to Britain which[12. Blatt, 122] country he trusted with a view to keeping out the Russians. A staunch friend of the Bank#s he came to us for Loans always giving us the preference over the Russian Bank who were always pestering him to take Loans.

On page 7, you will see that Chang memorialized "His (Hu#s) assertions that he brings in England to resist Russia are not to be believed he has other deep designs." Hu being a constant visitor here I speak of what I know. The keys were thus placed in our hands in solemn trust and to sell the Railways will be in effect to betray that trust and not only that but to sell a great British interest, the result of sixteen years work against foreign intrigue the one bright spot which looms out large amidst the political defeats in Northern China which we have suffered.

The rocks ahead within sight of which I wrote are

1st Dettring, Chang YI & Hsu Ching Chang.

2nd The greedy portion of the Bondholders.

3rd The little group of treacherous

[Die folgenden zwei Blätter wurden vom Autor nachträglich verworfen und beginnend auf dem 15. Blatt nezu gefasst.]

[13. Blatt, 123]

[Das ganze Blatt wurde nachträglich mit einem grünen Stift durchgestrichen und am Rand als „cancelled“ markiert.]

and the ignorant Englishmen in London who are through the medium of the British press booming Dettring & Chang and misleading people at home & possibly the Government. The rocks are real not imaginary ones as I proceed to show.

About two weeks ago Chang Yi told the British consul here that the earnings of the Railway were insufficient to pay the interest. The British consul, Mr. Carles, repeated this before Hawkins, who has been here, and myself. I referred this to Bruce who told me that it was absolutely untrue as the receipts which are coming in are quite ample for paying the interest. For the last two months they are as follows according to Bruce.

7th Moon³ Gross Receipts Tls 158000.

8th Moon⁴ Gross Receipts Tls 171000.

Against this Bruce puts down

Salaries about Tls 8000. per month

Wages about Tls 6000. per month

Maintenance coal etc Tls 56.000 per month

Total outgoing 70000[14. Blatt, 124][Das ganze Blatt wurde nachträglich mit einem grünen Stift durchgestrichen und am Rand als „cancelled“ markiert.]

To this Tls 70.000 ad Tls 70.000 for payment of interest on Loan and we find a surplus of Tls 18.000 for the 7th Moon⁵ and a surplus of Tls 31.000 for the 8th Moon,⁶ together amounting to Tls 49.000.

Bruce & I are both of opinion that Chang must have had some object in conveying this information to the British Consul which we both put down to part of an organized attempt to depress the Bond and alarm the Bondholders in London. We have no doubt but that there is some influence at work in London depressing the Bonds as there is a wide disparity between the Indemnity Loans & the Railway Loan the security for the latter being tangible & really better.

Of Hsü. I refer you to Hillier's remarks to Jackson of him on page 8. "He is Russian to the tips of his fingers and as false as he is Russian."

Of Detring. He is the other & worse half of Chang Yi and the backer of Hsü vide page 8. Nominally Commissioner of Customs at Ching Wan Tao but resident

[15. Blatt, 125]

[Hier folgt die Neufassung der vorausgegangenen zwei Blätter, zu lesen als nahtlose Fortsetzung vonm 12. Blatt.]

Englishmen in London, who either through ignorance or actuated by motives of personal gain, are through the medium of the British press, booming Detring & Chang and misleading people at home, hence possibly the British Government. As I will proceed to show, these rocks are real, not imaginary and if we are not careful we shall go to pieces on them.

For instance about two weeks ago Chang Yi told the British consul here that the earnings of the Railway were insufficient to pay the interest on the Loan. The British consul Mr Carles repeated this before Hawkins who has recently been in the North on a visit, and myself. Now this statement of Chang's is absolutely false. I referred the matter to Bruce and he said it is quite untrue. Bruce informs me that the gross receipts for the last two Chinese months are as follows

7th Moon ⁷ Gross Receipts Tls 158.000.

8th Moon⁸ Gross Receipts Tls 171.000.

These receipts he says have been quite[16. Blatt, 126] ample to pay all the outgoings in maintenance salaries & wages & interest.

Bruce & I are both of opinion that Chang had some motive in view in attempting to mislead no less an authority than the British consul. It appears to us more than probable that his statement was repeated through his London confederates and that whole thing is probably part of an organized attempt to depress the Bonds and alarm the Bondholders into selling the Railway to the Russians. Mr van Grot the Russian agent who has been absent for some four or five months has returned here again and is staying with Detring. He stayed with him when he

3 Diese Angabe bezieht sich auf den chinesischen Mondkalender.

4 Diese Angabe bezieht sich auf den chinesischen Mondkalender.

5 Diese Angabe bezieht sich auf den chinesischen Mondkalender.

6 Diese Angabe bezieht sich auf den chinesischen Mondkalender.

7 Diese Angabe bezieht sich auf den chinesischen Mondkalender.

8 Diese Angabe bezieht sich auf den chinesischen Mondkalender.

was here before. The friendship between him & Detring cannot be said to be altogether wanting in significance [nachträglich ergänzter Halbsatz: taken in connection with other circumstances referred to in this letter].

That some secret influence is at work in London depressing the Bonds appears strongly probable. Otherwise how is there the wide disparity between the better secured Railway Loans having tangible security & modified British[17. Blatt, 127] Gov. guarantee [nachträglich ergänzt: & the two war indemnity Loans].

Hsü Ching Cheng the administrator General as you will have seen from page 8 is entirely Russian and as Hillier says would sell the Railways tomorrow if he could.

Detring as you are aware has been Hsü's backer. Nominally, Commissioner of Customs at Ching Wan Tao (the so called new Port which is an uninhabited waste of sand backed by a mountainous country & marked Shallow Bay in admiralty charts which I wrote to you about 18 months ago) he is resident in Tientsin & has been & is interfering in our Railway matter in the most unwarrantable manner. He is in fact the fount & origin of all the trouble. He is the curse of this & Peking agency as Hillier Maitland & myself have found to our cost. Through the mouth of MacDona[ld] M. P. he is advertized to the world as the foreign advisor of Chang Yi in a home newspaper. With him Chang, he poses as the "British friends in China". He the man who is now virtually the Chief[18. Blatt, 128] Director tried to smash the Loan before it was signed with Hu Yun Mei on 10th Oct. last. Hillier writing on 4th Oct said that "Chang Yen Mow & Detring are making a determined effort through Li to upset our negotiations"

I reported to you in 1897 the way in which he was running down Kinder to the Bank & to the Legature. So much did he influence the latter that when Hu Yun Mei proposed to memorialize the Theme for the Peking Hankow line going to Kinder for technical advice Cockburn who was running the Legature in the temporary absence of Sir Claude MacDonald in the sound[?] said "that if Sir C. McD. knew about HU & Kinders action he would be very angry. I refer you to Bruce's letter containing this advice in April or end March, 1897. Instead of backing their own man Kinder they were listening to this German running Kinder down. The 90 miles of line towards Hankow which Kinder built has now been handed over to the Belgians.

The foregoing contains a history of the[19. Blatt, 129] Imperial Railways during the last five years with an account of the troubled waters through which they have passed, safely navigated in British hands. We may feel devoutly thankful that we had a Minister like Sir N. O'Connor in Peking in 1895 when the two bold attempts were made by our "British friends in China" to wrest them from us for the German Syndicate at that time.

Had these attempts been made both a very different story I am afraid would have been told today. The Railway might have gone the same way as the other graceful concessions of our rights under Treaty in North China.

I think I have effectually stripped the sheep's clothing from off the back's of the wolves "the British friends in China", Chang & Detring & shown them up in their true colours.

With the full knowledge that it was these men who were stirring up trouble, conclusively proved in Chang's memorial & elsewhere against the [20. Blatt, 130] Engineer in Chief Kinder, a bold & to my mind most ignoble attempt has been made to put the blame on Kinder's shoulders for stirring up trouble.

After the [...(?)] of the above I think you can draw your own conclusions as in whom it is we have to thank for all our troubles.

The Russians will perhaps again make overtures to us and attempt to get the line. The Railway Directorate as their friends. The position is wrong, wholly, absolutely wrong. The inexperienced Sir Claude MacDonald is returning to Peking. As a trusted and far seeing Britisher in Peking in very close touch with the Chinese Govt lately told me, we are again rapidly approaching a fresh parting of the ways.

With all the force of which I am capable I strongly recommend holding on to the Railway like grim death, fulfilling the contract in the letter and spirit in which the late Chinese Government through the trusted Hu Yun Mie[21. Blatt, 131] handed the keys of their country into our possession. The line is most valuable commercially & politically. The best proof of it's value is all the foreign intrigue which has been on foot to recue it. Baron Heyking lately advised Brussel that we should give up the line to Russia, does this not help & prove that they must be valuable. Kinder is a stronghold in himself and he is our Engineer in Chief. Sir C. MacDonald's talk about his being an impossible man is pure nonsense, which the work of his lifetime has proved.

Let us not forsake the substance here for the shadow of the Yangtze Valley. That is the last place the Chinese will give up and in the keeping of which they will concentrate all their forces, with Russian encouragement. They have already started the nucleus of a force numbering 12000 men the arms for which have been lately contracted for here by German firms.⁹

I honestly commend this letter to your reading & study. The sole interest[22. Blatt, 132] which I claim for it is that it is a record of established facts each one interlocking with the other, however poorly I may have set them together.

Yours very truly
D Mackintosh

Ewen Cameron Esq
London.

I should have added that I confirm every word which I have written about the Railways previous to this letter of about points not mentioned in the present letter.

DM.

9 Mit der Truppenausbildung hatte LI Hongzhang u. a. Constantin von Hanneken beauftragt, der sich in praktischer Hinsicht vor allem auf HU Yufen stützte. Constantin von Hanneken war nicht nur Deutscher, sondern zudem ein Schwiegersohn Gustav Dettrings. Vgl. *Baur*, China um 1900, S. 729 und passim.