

How the British Empire torpedoed Russia's 19th-century land-bridge

by William Jones

In 1892, with the appointment of Sergei Julevich Witte as Russian minister of finance, the final decision was taken by the Russian government to build the Trans-Siberian Railroad, extending some 5,800 miles from Moscow to Vladivostok on the Pacific Ocean, the greatest feat of railroad-building in history. More significant than a simple feat of transportation, such a railroad would serve as a land-bridge from Europe to Asia, and would, in the eyes of its designers, realize the idea of Henry Carey of a world-encompassing network of railroads.

The Carey tradition was already well established in Russia by the 1860s. At a speech in Moscow in honor of U.S. Assistant Secretary of the Navy Gustavus Vasa Fox (who had arrived in Moscow on the first transatlantic voyage of an ocean-going *Monitor*), a prominent merchant of Moscow named Shipov made a toast: "Russia, too, is beginning to understand that in strict protection of national labor, in connection with the full development of the resources of a country, lies the secret of national wealth. And by no one has this truth been so clearly and so convincingly put as by that highly respected American political economist Carey and by our esteemed guest, now for the second time in Moscow, General [Cassius] Clay."

Witte's own views on protectionism were informed by a detailed study of the Carey family's close ally and student, the German-American Friedrich List. In 1889, two years before the publication in Russian of List's primary economics text, *The National System of Political Economy*, Witte had already published a pamphlet, "On the Question of Nationalism—National Economy and Friedrich List," which consisted primarily of extensive passages from List's work of particular relevance for Russia.

Witte himself, whose father was a Dutch immigrant and whose mother was a member of the upper Russian nobility, was considerably American in outlook. In a biography of Witte published in 1915 in the magazine *Istoricheskii Vestnik* shortly after Witte's death, B.B. Glinski describes the great statesman: "Only democratic America knows of such breathtaking careers as that of our recently deceased prime minister, Count Sergei Julevich Witte. There, the woodsman, flat-boater and postal employee Lincoln reached the post of President of the United States by the sheer effort of his very

American energy and industry. Our Russian 'American,' employed as a clerk in a railroad office where he received a wage of 45 rubles a month, and working on a small provincial newspaper, was able to reach the prominent office of prime minister."

The strategy behind the Trans-Siberian Railroad

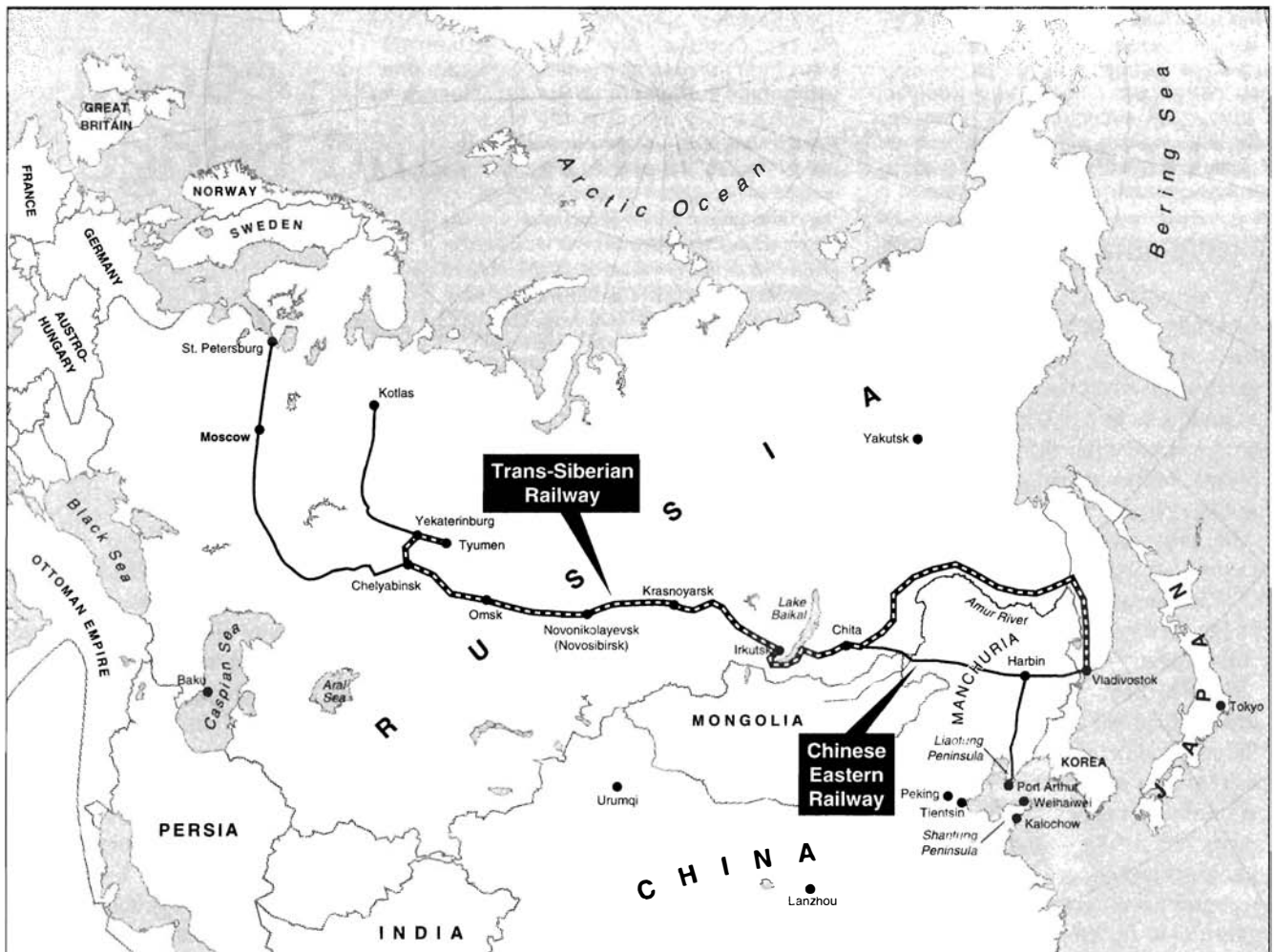
Witte's early work on the railroads in Odessa and in Kiev, as well as his experience as a boy, of the first coming of the railroad to his provincial city of Tiflis, taught him the importance of the railroad in transforming the culture of a country. Witte would later write that the railroad "exerts a civilizing influence, as a theoretical and practical school, where it does not so much adjust itself to the local conditions, but rather, where the local conditions adjust themselves to the needs of the railroad . . . ; even if it meets on its route an absolutely barbarous people, it will in a short time raise them to the necessary level of culture." For his policy of transforming a backward Russia just recently delivered from the blight of serfdom, the railroads would become all-important.

Although the abolition of serfdom by Tsar Alexander II preceded the abolition of slavery in the United States by only two years, the effects of the serf economy were still making themselves felt in the 1890s. One major economic bottleneck was still the lack of arable land for the liberated serf population. The opening up of the great Siberian expanses for colonization would offer almost unlimited opportunities for agriculture. Building the railroad to the Pacific would provide a means for the rapid transport of migrants to the Siberian lands.

Witte foresaw the tremendous development potential of the growing markets of the Far East. The markets of industrial Europe, for some time to come, would serve as an outlet for little more than Russian grain production. The products of Russian industry could hardly compete with the output of German, French, and American industries. But the populous areas of China and southeast Asia, relatively underdeveloped in comparison to Russia, would provide ideal markets for Russian industrial products—if an easy means could be provided for getting them there. A railroad designed to service

FIGURE 1

Route of the Trans-Siberian Railway and the Chinese Eastern Railway



this market, would provide the means of realizing that potential.

With this goal in mind, Witte envisioned building the final leg of the Trans-Siberian Railroad through Chinese Manchuria, rather than along the more tortuous route through Russia itself to Vladivostok, along the Amur River.

Uninterrupted rail communication between Europe and Asia would chart, in Witte's words, "a new path and new horizons not only for Russian but for world trade." It would rank "as one of those world events that usher in new epochs in the history of nations and not infrequently bring about the radical upheaval of established economic relations between states," and would, particularly in relation to the Asian nations, provide the basis for "recognition of tangible mutual interests in the field of the worldwide economic activity of mankind." Providing also the opportunity for "more direct relations with the North American States," as Carey and

others envisioned, the Siberian road would, Witte felt, disclose a "solidarity of political interests" between Russia and the United States.

There were also solid technical reasons for choosing the Manchurian route. It would cut the total length of the railroad by several hundred miles, a considerable saving for the tight financial resources of the Russian Treasury, and it would have the final stages of the railroad go through cities, rather than through the largely unpopulated forests of the Russian Amur region.

China, just recently opened to broad Western contact, had been primarily accessed by sea. By the 1850s, the British Empire had achieved a relative monopoly over the Chinese market. Until the end of the American Civil War, Britain was the leading maritime power in the world. Even China's maritime customs was controlled by an Englishman, Sir Robert Hart, a system which, according to one commentator

in the *National Review* in 1898, “fulfills the essential conditions of maintenance of the Imperial authority combined with the free employment of a foreign Executive.” (!) The British had also achieved a monopoly of the trade in the vital area along the Yangtze River, and had grabbed the island of Hongkong and Kowloon on the Chinese mainland, through two opium wars.

British maneuvers against China

The first defeats for the British monopoly in China were suffered on the field of diplomacy. In 1894, at the conclusion of the Sino-Japanese War, a war fought over Korea, the victorious Japanese demanded that China cede the island of Formosa, the Pescadores Islands, and the whole of the Liaotung Peninsula, including Port Arthur, as well as pay a heavy indemnity of 300 million taels. Hearing of this, Witte argued, “very emphatically,” that for a long time to come, it was in Russia’s interest to maintain the status quo in China, and that this required that Russia use its power to support the integrity of the Chinese Empire.

The cession of Liaotung, Witte feared, would lead to the breakup of the enfeebled Chinese Empire. He therefore proposed that the European powers present an ultimatum to Japan, that she give up her claims to the Liaotung Peninsula in exchange for a large indemnity. The Germans and the French agreed, but the British declined. Faced with such a tripartite alliance, prepared to back up their demands with force, the Japanese agreed to give back Liaotung to China.

Witte then negotiated with a group of French banking firms to float a loan to China, by means of which it could pay her indemnity to Japan. Again with French support, Witte established the Russo-Chinese Bank, which was to play a major role in financing the Manchurian rail line, as well as French railway projects in the south of China. In gratitude for the Russian mediation, the Chinese granted Russia concessions for building a railroad, called the Chinese Eastern Railroad, from the Russian border near Sretensk, through Manchuria to Vladivostok. A secret treaty was also negotiated, in which Russia promised military assistance if China were again to be attacked.

The territorial integrity of the feeble Chinese Empire, under the corrupt Manchu dynasty, was soon threatened from another direction. The British, seeking desperately for an ally against Russia’s growing influence in China, were egging on the erratic German Kaiser, in order to destabilize the situation. They gave a “green light” to the Kaiser when he, using the pretext of a recent murder of two German missionaries, ordered the German Navy in November 1897 to occupy the port of Kiaochow, on the Shantung Peninsula. Witte was furious, sending a telegram to the Kaiser urging him to call off the operation. Although maintaining strong relations with German industry and with the Kaiser personally, Witte urged that Russia, in accordance with her secret defense treaty with China, move to get the Germans out of Kiaochow—by force



Count Sergei Witte was compared by his contemporaries to Abraham Lincoln, and described as “our Russian ‘American.’ ”

if necessary. If Kiaochow were to remain in German hands, other countries would also demand their own ports, and the dismemberment of China would quickly follow.

Pressure was put on the weak-kneed Tsar Nicholas II by the enemies of Witte at the Russian court, to follow suit, which he did, subsequently ordering the Russian fleet to occupy Port Arthur, at the tip of the Liaotung Peninsula. Witte adamantly opposed this move, but his opposition was to no avail. Witte would comment later: “The seizure of Port Arthur was a fateful step. It resulted in the elimination of our influence in Korea to placate Japan. It led to the destruction for all time of our traditional relations with China.” The British quickly followed suit by occupying the port of Weihaiwei.

Witte feared that the precipitate actions of occupying Port Arthur had created doubts about Russian intentions. The British were working steadily to use these doubts to bring into their camp Japan, China, and the United States.

U.S.A. and Russia build the Manchurian Railroad

Faced with a coalition of France and Russia, with intermittent support from the vacillating Kaiser, the British were in desperate need of recruiting allies. One important target of this endeavor was the United States.

Aspersions were cast in the Wall Street press on the efforts of Russia to build the Siberian railroad. In January 1897, the *Journal of Commerce* wrote: “The truth is that the Siberian Railroad is a development, upon a stupendous scale, of the special racial idiosyncrasies which have for generations kept Russia in the rear of civilization. The Siberian Railroad is a

product of the dominant passion for territorial control and world-wide dictation. Unconsciously, it may be the ostensible scheme of commercial expansion is but a cloak for a bold ambition, an apology for a territorial intrusion. Russia would no doubt be glad to utilize the railroad enterprise for the beneficent ends she professes to have in view. But she cannot do it. . . . Commercially, her great railroad must prove a failure; but it may prove a strong temptation to aggressions that will injure other nations, if not promote destructive international strifes.”

But indeed, the United States at the time was in the process of becoming deeply involved in the construction of Witte’s Chinese Eastern Railroad. Writing to Secretary of State Richard Olney, in July 1896, U.S. industrialist John McCook told of his discussions with Russian Minister of Ways and Communications Prince Khilkov. Khilkov was born to a very prominent noble family, but, as Witte relates, “during the period following the liberation of the serfs, [Khilkov] had chosen to distribute most of his land to his peasants and, being of a liberal frame of mind, had left for America, virtually penniless, to work on the railroads.” He later became a machinist working for the Baldwin Locomotive Works.

Returning to Russia, Khilkov helped manage the burgeoning railroad system, being named by Witte as Minister of Ways and Communications. McCook recommended to Olney that Khilkov be brought together with the Chinese viceroy, Witte’s chief Chinese interlocutor, Li Hung Chang, in the United States, where Li was to be travelling. There, McCook explains, “there is reason to hope that they will conclude that the railways proposed to be built in Russia and China should be upon the American, rather than the European system.” Such a decision was never made, but the U.S. railroad industry would become the chief providers of the Chinese Eastern Railroad.

Within the newly elected McKinley administration, there were strong voices calling for cooperation with Russia on the Manchurian Railroad. In August 1897, President McKinley appointed Ethan Allan Hitchcock as U.S. ambassador to Russia. Hitchcock made it his prime task to help secure American contracts for the Russian railroad project. In a dispatch to Secretary of State John Sherman on Feb. 8, 1898, Hitchcock wrote: “Russian influence in China must necessarily be paramount not only because of existing territorial and neighborly conditions—but also in view of their present and prospective trade relations which will meet with rapid and enormous development upon the completion, within the next few years, of the Siberian Railway, and its Manchurian branch to Port Arthur, which, being one-third shorter in both time and distance than England’s most direct route, will make Russia a formidable competitor for the trade of China’s millions of buyers and sellers.” “Russian preferential friendship for our country,” Hitchcock added, “is not dependent upon pelagic [oceanic] argument, but is as sincere, and well worth cultivating, as it is traditional.”

A U.S. commercial agent in Manchuria, Sergei Friede, wrote in the *Railroad Gazette* in 1899: “Russia will soon be almost as near America as Germany now is, in fact, nearer to San Francisco, and with the friendly feeling that exists between the two governments it will doubtless be a common thing in the public schools of the United States before many years pass to teach Russian to the children of America, for the Russians and the Anglo-Saxons now encircle the globe in the Northern Hemisphere. . . . The Pacific is destined to become as great a ferry for ocean greyhounds as the Atlantic.”

By October 1898, it was clear that the United States had become the major supplier for the Manchurian Railroad. Russia had ordered 168 locomotives from the Baldwin works in Philadelphia, 1,900 tons of 20-foot bridge-girders from Carnegie Steel, 15,000 shovels from the Wyoming Shovel Works, a great number of scales from the Howe Scale Company, electrical equipment from General Electric, and millions of American tools. The Russian Railways had also signed a contract for \$3 million for equipping all its rolling stock with Westinghouse air-brakes.

The Boxer Rebellion

As Witte had feared, the rush for concessions and ports led to a lawful reaction by the Chinese, the Boxer Rebellion. In a desperate attempt to stave off a feared dismantling of the empire by foreign powers, Chinese Emperor Kuanghsu had tried to reform the corrupt Manchu Empire along Western lines. This effort was frustrated, however, by the Empress Dowager, supported by the conservative Manchu party at court. Li Hung Chang was also discredited, since his policy of cooperation with the foreign powers had led to such a threatening situation. An anti-foreigner rebellion, spurred by armed secret societies called the Society of Harmonious Fists, or Boxers, began in the north and spread to Peking, leading in June 1899 to a siege of the foreign legations by the Boxers.

An international intervention force was organized to liberate the embassies. Then, groups of Boxers began attacking the Manchurian Railroad. Russian Minister of War Alexis Kuropatkin wanted to use this as a pretext to occupy all of Manchuria. Witte objected, but was forced to agree to sending troops to Manchuria, in order to restore order. Witte assured the Chinese emperor that the measures were only temporary, and that Russian troops would be withdrawn as soon as the troubles were over.

Defending China’s national sovereignty

Witte was anxious that the troops be withdrawn as quickly as possible. If this were not done, it would quickly exacerbate relations with the Chinese, and would destroy the credibility that Witte had so carefully built up. In this, Witte found an ally in the McKinley administration. The United States had also sent troops to the relief of the U.S. legation, but McKinley

was concerned that these troops be withdrawn as soon as possible, and that the lawful Chinese authorities be quickly restored to power. Demands by the U.S. Navy and the commander of the U.S. forces in China, General Chaffee, to appropriate Samsa Bay on the Chinese coast as a coaling station, were rejected by McKinley, intent on maintaining the territorial and administrative integrity of China.

On Aug. 28, the United States received a diplomatic note from Russia, disclaiming territorial designs, and inviting the United States to follow her in withdrawing her troops and legation staff from Peking to the port of Tientsin. McKinley called a Cabinet meeting to consider the proposal. The U.S. government drafted a reply to the Russian initiative urging the withdrawal of all the foreign troops from China, but later, due to internal pressures, limited itself to sharply reducing the troop presence in Peking. The United States, also in collaboration with Russia, called for a reduction of the heavy indemnities which the other foreign powers demanded that China give in order to pay for the intervention.

Writing from St. Petersburg on Sept. 11, 1900, U.S. Chargé d'Affaires Herbert Peirce said of the newly appointed foreign minister, Count Vladimir Lamsdorff, a collaborator of Witte's, who succeeded the recently deceased Count Muraviev: "Count Mouravieff has been succeeded by a personality which, while thoughtful and intellectual, appears to be devoid in some measure of personal ambition and inferior in initiative and in force to that of Mr. Witte and whose very thoughtfulness of nature would be likely to make his mind open to the cogent arguments which the Minister of Finance is doubtless able to bring to bear against territorial expansion in Manchuria with its necessary cost in administration . . . it may reasonably be supposed that the new head of the Ministry of Foreign Affairs might be disposed to reverse any policy of expansion which his predecessor may have entertained." "Russia's vested interests in Manchuria," Peirce continued, and "the proximity of Manchuria to her frontier together with the recent attacks on that frontier by the Chinese perhaps give her a certain priority over the other Powers in any claim for territory so that in the face of Russia's declining to take advantage of the situation to annex any part of Manchuria it might be difficult for any other Power to maintain a claim for any part of Chinese territory." Peirce's message was flagged "To The President."

The British and the Germans were demanding the payment of heavy indemnities by the Chinese for the costs of the military expedition. They were also demanding the death penalty for the perpetrators of the Boxer Rebellion. Both measures were opposed by the United States and Russia.

Their objections were ignored by the other powers, but Britain's prime minister and King Edward VII began to see the joint action as a very dangerous U.S.-Russia cooperation that boded ill for continued British control over China. They were intent on breaking up that alliance as quickly as possible and destroying, once and for all, the Eurasian land-bridge.

The British imperial game

Fearful of this U.S.-Russian alliance, the British doubled their efforts to play the "Anglo-Saxon" strings. Anglo-American leagues and committees were organized in London and New York "to promote the unprecedented friendliness of Anglo-American relations," according to historian A. Whitney Griswold. Laudatory articles were written in the U.S. press about the great achievements of the "Anglo-Saxon race." Warnings of Russian motives in Manchuria proliferated in the U.S. newspapers, spread by British and Anglophile scribes.

A major battle was fought within the Republican Party, between the steel interests of Pennsylvania and Maryland, the real backers of the railroad agreements, and the southern cotton growers and their British-linked New England textile merchants. The latter were primarily interested in selling cotton goods cheaply in Manchuria, and were rallying around the war-cry of the "open door," specifically with an eye on eliminating the preferential railroad tariffs given to Russia for goods transported on the Chinese Eastern Railroad.

A British admiral, Sir Charles Beresford, came to the United States to plead the benefits of an Anglo-American alliance in support of the "open door." The British could play the "open door" to their hearts content—as long as their own little bailiwick, Hongkong and Kowloon, were excluded, which Anglophile Secretary of State John Hay so graciously made sure of, in penning his vaunted "open door notes." The cotton growers and textile merchants were supported by Standard Oil and other U.S. raw materials companies, interested in gaining a "level playing field" with the more accessible Russian Baku oil fields, for sale of kerosene in Manchuria. The assassination of President McKinley in 1901 finally put the nail in the coffin of U.S.-Russian collaboration in Asia, and swept to power the Anglophile Teddy Roosevelt. With the 1904 death of Ohio industrialist Mark Hanna, the protectionist steel and railroad interests in the Republican Party were routed.

By 1902, in spite of the personal efforts of Witte to craft an agreement with Japan's Prince Ito Hirobumi (a key adviser to Emperor Meiji, who felt that an agreement with the Russians was far superior to any British proposals), the British had also brought the Japanese into their camp. The Anglo-Japanese Treaty of 1902 was the first in a series of agreements that would secure Japanese cooperation in British imperial plans up until World War II. Great Britain quickly deployed growing Japanese military might against the Russians in the Russo-Japanese War of 1904-05, which ultimately led to the downfall of the Romanov dynasty and eliminated Russia as a major political force for the following 35 years. The British geopolitical encirclement of Germany then led to the tragedies of World War I and World War II. Railroads had been built, but the "land-bridge" was doomed to die a thousand deaths in the trenches of the "Great War," with the United States playing the unfortunate dupe in this British-orchestrated tragedy.