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# Liang Shih-i and the Communications Clique

STEPHEN R. MACKINNON

IT is generally realized that Yüan Shih-k'ai (1859-1916) rose to power during the revolution of 1911-12 because he was believed to have enjoyed the support of military commanders in North China, many of whom had been his subordinates and had become prominent through his influence in Peking from 1901 to 1909. It is seldom recognized that Yüan also owed his success to a group of civil officials, who, with Yüan's patronage, had developed into a strong vested interest around a concerted effort by the Ch'ing government between 1906 and 1911 to centralize railway administration. Just as the Peiyang clique of generals gave Yüan military backing, this group of bureaucrats, known in the Republican period as the Communications Clique (*Chiao-t'ung hsi*), provided Yüan with financial support as well as indispensable administrative personnel.

The man who created and led the Communications Clique was Liang Shih-i (1869-1933). Liang was a Cantonese scholar-official who had won the *chin-shih* degree in 1894. Through the patronage of Yüan Shih-k'ai and his principal diplomatic and financial adviser, T'ang Shao-i (1860-1938), Liang joined the Ministry of Posts and Communications (*Yu-ch'uan pu*). This ministry was established in 1906 to administer all modern means of communications, including railways, shipping, postal services, telegraph and telephone. Between 1907 and 1911, Liang was the head of the ministry's General Railway Bureau (*T'ieh-lu tsung-chü*), the chief agency for administering the government's railways. Liang worked hard to redeem control of the railways from foreign concessionaires and to centralize their administration. At the same time, Liang, who was a man of great manipulative if not entrepreneurial capacity, created a network of bureaucratic and financial power; this was the Communications Clique in embryo. Liang's early career is relevant to the history of late Ch'ing administrative reform; but it is also the history of the formation of a major bureaucratic interest-group based on Yüan Shih-k'ai's influence in Peking, on effective administrative performance, and on bureaucratic manipulation and corruption within the Ministry of Posts and Communications.

The Communications Clique, under Liang's leadership, was one of the most important of the new "modernized" vested bureaucratic interests in twentieth century China. Initially, their power was veiled by a relationship of mutual depen-

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Abbreviations used in notes:

LCP *Lu-cheng pien* [Section on railways and motor roads], in *Chiao-t'ung shih* [History of Communications in China], compiled by the Ministry of Communications and Railways (Nanking, 1930 ff.), 17 vols.

YCPTI *Yu-ch'uan pu tsou-i lei-pien hsi-pien*

[Compendium of Memorials from the Ministry of Posts and Communications], compiled by the Ministry of Posts and Communications and Ministry of Communications (Peking, 1909-15; Taipei reprint, with pagination added, 1967), 5 vols.

SSLNP *San-shui Liang Yen-sun hsien-sheng nien p'u* [Chronological Biography of Liang Shih-i], editors under the name of Feng-kang (1939), 2 vols.

dence with Yüan Shih-k'ai. After Yüan's death in 1916, however, Liang and the clique demonstrated clearly that they wielded considerable power of their own. They survived the vicissitudes of changing governments in Peking during the warlord era and remained a major force supporting, and receiving the support of, many a president and premier. Liang himself was premier of the Chinese Republic in 1921–22, when Peking was dominated by the Manchurian warlord, Chang Tso-lin. Until the triumph of the Kuomintang in 1927, the principal Chinese railways were controlled by members of the Communications Clique, several of whom served at different times in Peking as cabinet ministers.

This article concentrates on Liang Shih-i's career before 1912, and particularly on the years between 1906 and 1912. By emphasizing this earlier period, one can document the origins of Liang's network of bureaucratic and financial influence and stress the continuity of nonmilitary power between the late Ch'ing and early Republican periods.

### I. The Scholar as Railway Administrator: The Rise of Liang Shih-i

Born in 1869, Liang Shih-i began modestly. His family were minor gentry from San-shui, Kwangtung. As a primary school teacher with a prefectural *hsiu-ts'ai* degree, Liang's father, Liang Chih-chien, had been the family's most successful member. The father administered with severity the first seventeen years of his son's education, and the boy proved an excellent student. He received a *hsiu-ts'ai* degree in 1886, a *chü-jen* degree in 1889, and, on the third try, a *chin-shih* degree in 1894 with the distinction of membership in the Hanlin academy.<sup>1</sup>

Academic success brought Liang the patronage of influential officials. Foremost among his early patrons was Li Tuan-fen, a reform-minded official and later brother-in-law of Liang Ch'ü-ch'ao. Taking the examination for a *chü-jen* degree in 1889, Liang Shih-i attracted the attention of Li, then a vice-president of the Board of Punishments (*Hsing-pu*) and administrator of the examination. Thereafter, Li helped Liang through the examination system. But a growing estrangement from Li after 1895 over reform issues and politics left Liang patronless. This may partially explain why Liang's official career idled in Peking around the compiler (*pien-hsiu*) level between 1895 and 1903.<sup>2</sup>

In 1903, a curious twist of fate produced the break on which Liang's later career was founded. In July of that year, Liang sat in Peking for a "special examination in public administration" (*ching-chi t'e-k'o*), a nationwide examination given by tradition only rarely and designed to reach beyond the standard examination system for young men of unusual administrative talent. The examination was held at the same time as the trial in Shanghai of Chang Ping-lin and Tsou Jung, reporters for the *Su-pao* newspaper (then being suppressed by the government). In Peking anti-revolutionary phobia reached a peak on July 19, 1903, when an arrested newspaperman, Shen Chin, was fatally beaten. On the following day, it was announced that Liang had written the best paper of the "special examination." This caused a furor at court. Grand Councilor Ch'ü Hung-chi allegedly informed the Empress Dowager that Liang Shih-i was a Cantonese with the same surname as Liang Ch'ü-

<sup>1</sup> SSLNP, I, 1–19.

<sup>2</sup> SSLNP, I, 12–42; biography of Li Tuan-fen in

*Ch'ing-shih* [History of the Ch'ing], (Taipei: Kuo-fang yen-chiu yüan, 1961), 8 vols., VII, 5050.

ch'ao and that the last character of his given name was the same as that of the given name of K'ang Yu-wei (K'ang Tsu-i); thus, Ch'ü deduced, having the head of Liang Ch'i-ch'ao and the tail of K'ang Yu-wei, Liang Shih-i must be related to both men and must be their agent in Peking. Considering that at the time witch-hunts for subversives were convulsing the court and that Liang was acquainted with K'ang Yu-wei and Liang Ch'i-ch'ao, it is understandable that there were suspicions of Liang's loyalties, aside from Ch'ü Hung-chi's ludicrous accusations. In any case, the examination results alarmed the Empress Dowager. She ordered a re-examination on July 22, of candidates whose backgrounds had been more carefully screened. Although Liang's life seemed in danger, he would not be intimidated. He denied the charges against him and refused to leave Peking or to try to compete in the second examination.<sup>3</sup>

Liang's predicament brought him to the attention of Yüan Shih-k'ai and his Cantonese deputy, T'ang Shao-i. At that time Yüan was governor-general of Chihli province and Commissioner for the Northern Ports (*Pei-yang ta-ch'en*). Along with Chang Chih-tung and Prince Ch'ing, Yüan was one of the most influential men at the Empress Dowager's court in Peking. Yüan used his influence to channel personnel and funds into Chihli where he effected the most modernized military and civil bureaucratic order in the empire. T'ang Shao-i, who had attended Columbia University, had been associated with Yüan since the latter's tour as "Resident" in Korea from 1885 to 1894. In 1903, as Customs Taotai (*hai-kuan tao*) of Tientsin in Chihli, T'ang was Yüan's chief deputy, particularly in fiscal and diplomatic matters. With T'ang acting as liaison, Yüan recruited Liang in November 1903, to serve as editor in chief of a series of military textbooks entitled *Pei-yang ping-shu*.<sup>4</sup>

Induction into the entourage of Yüan Shih-k'ai was crucial to Liang's career. It brought him in personal contact with Yüan and T'ang Shao-i who, as his new patrons, secured for him appointments first as a diplomat and then as a railway administrator.

Liang started his diplomatic career by accompanying T'ang Shao-i to India in 1905, on a special mission to deal with the threat to Chinese sovereignty posed by Britain's Younghusband Expedition into Tibet in 1904. Returning to Peking late in 1905, Liang helped T'ang and Yüan negotiate with the Japanese the post-Russo-Japanese war agreements over the status of Manchuria. In 1906, the Manchu court awarded Liang the title and office of Expectant Councilor and Secretary (*ch'eng ts'an shang-hsing-tsou*) in the Ministry of Foreign Affairs of which T'ang was made junior vice-president. Liang carried with him these initial experiences of face-to-face confrontation with imperialism, of both the Western and Japanese varieties, when he became a railway administrator.<sup>5</sup>

<sup>3</sup> Fang Tu Lien-che, "Ching-chi t'e-k'o" (Special Examination on Political Economy), *Chung-kuo hsien-tai shih tsung-pien* (Selected Articles on Contemporary History of China), ed. Wu Hsiang-hsiang (Taipei, 1961), III, 1-44; *SSLNP*, I, 41-43. On the *Su-pao* affair see Y. C. Wang, "The *Su-pao* Case: A Study of Foreign Pressure, Intellectual Fermentation, and Dynastic Decline", in *Monumenta Serica*, XXIV (1965), 84-129.

<sup>4</sup> *SSLNP*, I, 43-44.

<sup>5</sup> *SSLNP*, I, 45-55. Teng Chih-ch'eng has insisted, without documentation, that Liang Shih-i was Yüan Shih-k'ai's most dependable contact with the Japanese—Teng Chih-ch'eng, "Review" of *SSLNP*, *Yen-Ching hsüeh-pao* (Yenching Journal of Chinese Studies), no. 33 (1947), p. 294.

Liang's career in railway administration originated with Yüan Shih-k'ai. Yüan had exerted influence in railway affairs since 1898, when he assumed and retained the leadership of the Imperial Railways of North China (*Kuan-nei-wai t'ieh-lu tsung-chü*), the agency which managed what was later called the Peking-Mukden Railway.<sup>6</sup> Between 1898 and 1900, T'ang Shao-i was managing director (*tsung-pan*) of the railway's liaison office with foreigners.<sup>7</sup> In 1905, Yüan began to apply his power at court to extend his sphere of influence over railway affairs. The court appointed T'ang Shao-i commissioner (*ta-ch'en*) of the Peking-Hankow and Shanghai-Nanking Railways, which had formerly been administered by Sheng Hsuan-huai through the Imperial Railway Administration (*T'ieh-lu tsung-kung-ssu*).<sup>8</sup> Liang was appointed T'ang's principal secretary (*tsung wen-an*). Together they maneuvered the dissolution of the Imperial Railway Administration.<sup>9</sup> By 1906 strategic bureaucratic positioning of T'ang and associates such as Liang, indirectly made Yüan the most important single man in the railway affairs of the empire.

Late in 1906, the establishment of a Ministry of Posts and Communications reinforced the balance of railway power favorable to Yüan and enabled Liang to become the central government's pre-eminent railway administrator. As part of a general administrative reform which created eleven "modern" ministries, railways were grouped along with other modern means of communications into this one new agency. Until 1911, presidents of the ministry were allies of Yüan. T'ang Shao-i, for example, was senior vice-president from November 1906 to March 1907, and president of the ministry from October 1910 to January 1911. The term of the one president, Ts'en Ch'un-hsuan, who was a political opponent of Yüan, lasted only three and one-half weeks (in May, 1907). Moreover, from 1906 to 1911 the presidency changed hands ten times; the senior and junior vice-presidencies eight times.<sup>10</sup> Leadership in flux at the president and vice-president levels and, more important, its consistent alignment with Yüan Shih-k'ai, provided Liang with opportunities to exercise extraordinary influence within the ministry. After 1906, Liang headed the ministry's Inspectorate (*T'i-tiao ch'ü*) that managed the government's railways; this agency was reorganized in 1907 as the General Railway Bureau (*T'ieh-lu tsung-chü*).<sup>11</sup> From this position, Liang played a vital part in increasing Peking's control over railways while building a powerful bureaucratic clique around his own authority over railway affairs.

## II. Liang and Peking's Increasing Control of Railways

Despite its weaknesses, the central government in Peking wielded considerable influence in railway affairs at the turn of the century because it controlled the principal means of financing railway construction: foreign loans. Other means had failed to build a major line. Private capitalists did not have the resources needed to make significant investments in railways; public apathy doomed domestic loan schemes; and even new forms of taxation could not provide enough capital. Foreign

<sup>6</sup> LCP, VII, 145.

<sup>7</sup> LCP, VII, 171.

<sup>8</sup> LCP, VIII, 863; XI, 3080.

<sup>9</sup> SSLNP, I, 53-54; Albert Feuerwerker, *China's Early Industrialization* (Cambridge, Mass., 1958), pp. 77-78.

<sup>10</sup> "Pu-yüan ta-ch'en nien-piao" [Tables of

Chronological Succession of Presidents and Vice-Presidents in the Six Boards], Tables 9 and 10, *Ch'ing-shih*, IV, 2832-45; Ts'en Ch'un-hsüan, *Lo-chai man-ch'i* [Autobiographical Notes], (Taipei reprint, 1962).

<sup>11</sup> LCP, I, 109, III-14.

loans supplied over eighty percent of the capital invested in railway construction between 1895 and 1911.<sup>12</sup>

Imperial authority over railways, however, was decentralized. The late Ch'ing practice was for provincial officials to oversee state-sponsored business enterprises. Railways fitted into this category and tended to be administered in the same way. Officials like Chang Chih-tung in the Hupei area assumed dominant authority over sections of trunk lines that ran through their provinces. Moreover, separate foreign loans were negotiated for each railway. Loan agreements were with different countries and had different terms. The result was that foreign loans accelerated a process which created individual administrative systems with differing definitions of governmental authority.<sup>13</sup>

The establishment of a Ministry of Posts and Communications in 1906 was part of an effort by the central government to centralize and increase its railway authority. In 1906, Peking had the nominal authority to administer directly six railways—five of which were actually in foreign hands. In 1911, Peking on paper administered eleven railways—four of which were really controlled by foreigners. Thus, between 1906 and 1911, Peking had succeeded in expanding real administrative control from one (Peking-Kalgan) to six (adding Peking-Hankow, Peking-Mukden, Kirin-Changchun, Canton-Kowloon, and Tientsin-Pukou) railways and centralizing that control in the Ministry of Posts and Communications.<sup>14</sup> As head of the Inspectorate or the General Railway Bureau which administered the ministry's railways during this period, Liang was an instrument and personally a beneficiary of Peking's railway policy.

Recovery of the Peking-Hankow Railway was the central government's greatest triumph and was most significant from the point of view of Liang's bureaucratic career. The eight hundred and fourteen mile line from Peking to Hankow formally opened in November 1905, having been bonded to a Belgian syndicate by virtue of a 1897 construction loan. Its immediate financial success and the recognition of its strategic military value set memorialists to agitating at court for redemption of the Belgian loan.<sup>15</sup> By March 1908, the Ministry of Posts and Communications was starting to implement the following plan of Liang for the recovery of the railway: first, adjust the loan agreement with the Belgians to include a redemption loan on

<sup>12</sup> E-tu Zen Sun, "The Pattern of Railway Development in China", *Far Eastern Quarterly*, XIV (1954-55), 179-99; figures on capital investment in Chang Chia-ao, *China's Struggle for Railroad Development* (New York, 1943), pp. 23-46 and H. T. Bell and H. G. W. Woodhead ed., *China Yearbook, 1912* (London, 1912), pp. 163-92.

<sup>13</sup> E-tu Zen Sun, *op. cit.*, p. 185 and *Chinese Railways and British Interests, 1898-1911* (New York, 1954).

<sup>14</sup> The British controlled the Nanking-Shanghai and Taokouchen-Ch'inghua railways; see Sun, *Chinese Railways and British Interests*, pp. 9, 39-60, 70-72 and *LCP*, XIII, 4773-80, 4837. The French controlled the Chengting-Taiyuan and Kaifeng-Loyang railways; see *China Yearbook, 1912*, pp. 175-76 and Chang Chia-ao, *op. cit.*, p. 28. A railway over which control was nominally with the

ministry but actually lay in Chinese hands other than the ministry's was the Pinghsiang-Chuchow line. Chang Chih-tung and Sheng Hsuan-huai retained control of this railway through Pi Hung-nien, who was their appointee as its managing director from 1903 to 1912; see Sun, *Chinese Railways and British Interests*, chapters III, IV and *LCP*, XI, 3474.

<sup>15</sup> R. Tisler, "Le Chemin de Fer Pekin-Hankéou", *Questions Diplomatiques Et Coloniales*, 1909, p. 39; *LCP*, VIII, 660-67; and Sun, *Chinese Railways and British Interests*, p. 138. Sheng Hsuan-huai and T'ang Shao-i submitted the first memorial about redemption of the railway in Nov., 1905—Sheng Hsuan-huai, *Yü-chai ts'un kao* [Collected Papers of Sheng Hsuan-huai], (Wuchin, 1939), *chüan* 12: 10-12.

more liberal terms; or, if this did not work, negotiate a separate loan for seventy-five percent of the required amount, and raise the remaining twenty-five percent from public bonds, merchant subscriptions, and the Chinese share of the profits from the railways.<sup>16</sup> In conjunction with this plan, Liang had already proposed that the ministry establish a modern national bank, the Bank of Communications (*Chiao-t'ung yin-hang*) to handle domestic and foreign funds for the redemption of the railway instead of foreign banks.<sup>17</sup>

A Bank of Communications was established on December 8, 1907. Profits from the Peking-Mukden Railway, Peking-Hankow Railway, and the Imperial Chinese Telegraph Administration (*Tien-pao tsung-chü*) provided the ministry's share (two-fifths of the total) of the initial capital investment in the bank. The new bank handled the business transactions of the ministry, including all funds for the redemption of the Peking-Hankow Railway.<sup>18</sup>

The Belgians characterized the Chinese government as implacable in its determination to recover the railway.<sup>19</sup> Negotiations with the Belgians for redemption of construction loans were not fruitful. But a loan agreement, the terms of which compare well with others of the period, was signed on October 8, 1908, with a British and French bank for five million pounds sterling or about seventy-five percent of the required amount.<sup>20</sup> The ministry tried to raise twenty-five percent of the redemption money, amounting to approximately seventeen million taels, from domestic sources. The public sale of bonds, modeled after a Yüan Shih-k'ai experiment in Chihli in 1905, was intended to provide the larger part—ten million taels—of the Chinese contribution. However, the bond scheme failed for want of public interest; the ten million taels were eventually obtained through additional foreign loans.<sup>21</sup> Five million taels lent by the Ministry of Finance (*Tu-chih pu*), one million taels invested by the merchant community, and one million taels drawn from the Chinese share of the Peking-Hankow Railway's previous profits were the domestic contributions toward redemption of the railway.<sup>22</sup> Finally, on December 28, 1908, the Chinese Ambassador to Belgium, Li Sheng-i, repaid in full his government's debt to the Belgian company, thus recovering managerial rights to the Peking-Hankow Railway.<sup>23</sup>

The Peking-Hankow Railway became strategically the most important and, with the Peking-Mukden line, the most profitable railway under Chinese management.<sup>24</sup> Its recovery was as much a nationalistic affirmation as it was a substantial step toward increasing the central government's railway power. Contemporary opinion, domestic and foreign, considered the redemption loan agreement and the recovery of the railway as a victory for China and for the central government.<sup>25</sup> Indeed, when the railway had been just recovered, an overzealous Ministry of Posts and Communications issued orders, soon retracted, to dismiss all foreign employees of the railway.<sup>26</sup>

<sup>16</sup> SSLNP, I, 74-78; LCP, VIII, 667.

<sup>17</sup> SSLNP, I, 65-67.

<sup>18</sup> YCPTI, I, 147-62; LCP, VIII, 668-70.

<sup>19</sup> J. M. Frochisse, *La Belgique et la Chine: relations diplomatique et économique, 1839-1909* (Bruxelles, 1936), pp. 307-11 and R. Tisler, *op. cit.*, pp. 41-42.

<sup>20</sup> LCP, VIII, 672-84 and Sun, *Chinese Railways*

and *British Interests*, pp. 138-41. The banks were Hong Kong and Shanghai Banking Corporation and Banque de L'Indo-Chine.

<sup>21</sup> *Times* (London), Dec. 16, 1908, p. 7 and Dec. 29, pp. 3-4 and Sun, *Chinese Railways and British Interests*, pp. 140-41.

<sup>22</sup> LCP, VIII, 668-70.

The establishment of the Bank of Communications added financial influence to the growing power of the Ministry of Posts and Communications. It rivaled the Ministry of Finance's Hu Pu Bank, which had monopolized modern national banking in China and which became the Ta Ch'ing Bank in 1908. In the past when other boards and ministries requested permission from the court to organize a bank, they had been refused. The court granted such permission only to the Ministry of Posts and Communications, perhaps because of the size and importance of its revenues (mostly derived from railways).<sup>27</sup> At any rate, the Bank of Communications was immediately oversubscribed, causing the initial investment to be raised from five million to ten million taels. By the Republican period, China was under a twin national bank system; the Bank of Communications being as important as the Hu Pu or the Ta Ch'ing Bank's successor, the Bank of China.<sup>28</sup>

The recovery of the Peking-Hankow Railway and the success of the Bank of Communications demonstrated Liang's brilliance as a railway and financial administrator. Not only did Liang plan the funding, he supervised the negotiations for the recovery of the railway.<sup>29</sup> He was one of the two directors of the Public Bond Office (*Kung-chai ch'u*) which had tried to sell bonds.<sup>30</sup> It was he whom the ministry despatched on January 1, 1909, to recover the railway's records, accounts, funds, and materials from the Belgian company, and it was under his direction as head of the General Railway Bureau that the new administration of the railway was placed.<sup>31</sup> The Bank of Communications was Liang's idea. As head of the General Railway Bureau, Liang served as associate vice-president (*pang-li*) on the bank's governing Board of Control (*Tsung-kuan-li ch'u*) with a president (*tsung-li*) and vice-president (*hsieh-li*). Moreover, Liang, by special order, oversaw establishment of the bank's branches.<sup>32</sup>

These achievements brought Liang formal recognition from the Empress Dowager, promotions, wealth, and the opportunity to cultivate an interest group of officials around him. In April 1908, at the suggestion of the then Grand Councilor and President of the Ministry of Foreign Affairs, Yüan Shih-k'ai, and the Ministry of Posts and Communications president, Ch'en Pi, the Empress Dowager commended Liang for his "exceptional talent as a statesman."<sup>33</sup> Soon thereafter Liang was allowed an audience with the Emperor and Empress Dowager.<sup>34</sup> He also received repeated promotions.<sup>35</sup> In 1909, Liang was accused, probably justly, of

<sup>23</sup> LCP, VIII, 685-86.

<sup>24</sup> As a money maker, the Peking-Hankow Railway matched the Peking-Mukden Railway—LCP, V, 3405-09.

<sup>25</sup> *Tung-fang tsa-chih* (The Eastern Miscellany), Jan.-Feb., 1909 (Hsuan-t'ung 1/1), "Ta shih-chi" [Important Events], pp. 3-4; *Kuo-feng pao*, vol. 1, no. 29, p. 85; *Times* (London), Dec. 1, 1908, p. 6 and Dec. 16, p. 7; Chang Hsin-ch'eng, *Chung-kuo hsien-tai chiao-t'ung shih* (A History of Modern Communications in China), (Shanghai, 1931), p. 57.

<sup>26</sup> *Chinese Public Opinion* (Peking), Jan. 14, 1909, p. 4; J. O. P. Bland in *Recent Events and Present Policies in China* (London, 1912) frequently cited the patriotism of the Cantonese bureaucrats in the Ministry of Posts and Communications.

<sup>27</sup> R. O. Hall, *Chapters and Documents on Chinese National Banking* (Shanghai, 1920), p. 19, 49.

Discussion of the size and importance of the ministry's revenues is forthcoming.

<sup>28</sup> *North-China Herald*, May 1, 1908, p. 282; Tan Yu-tso, *Chung-kuo Chung-yao yin-hang fa-chan shih* [History of the Development of Important Banks in China], (Taipei, 1961), pp. 227-30; and R. O. Hall, *op. cit.*, chapter V.

<sup>29</sup> SSLNP, I, 78.

<sup>30</sup> SSLNP, I, 80.

<sup>31</sup> YCPTI, III, 1087-91.

<sup>32</sup> YCPTI, I, 167, 207.

<sup>33</sup> SSLNP, I, 73; YCPTI, I, 210-11.

<sup>34</sup> SSLNP, I, 73.

<sup>35</sup> SSLNP, I, 58, 68-69, 85; Tso Shun-sheng, *Chung-kuo hsien-tai ming-jen i-shih* [Anecdotes About Famous Modern Chinese], (Hong Kong, 1959), p. 76.



making a fortune through corruption out of the recovery of the Peking-Hankow Railway and the establishment of a Bank of Communications, a subject which will be discussed at length later. Finally, success as a railway administrator and protection at court from Yüan Shih-k'ai enabled Liang to form a bureaucratic clique from among the young officials working under him in the Ministry of Posts and Communications.

### III. Liang Shih-i's Bureaucratic Maneuvers: The Genesis of the Communications Clique

While serving Peking's interest in gradually centralizing and increasing control of railways, Liang Shih-i was extending his personal influence in railway affairs as leader of a bureaucratic clique: a bureaucratic clique being an informal grouping of officials who, by supporting one another for mutual protection and benefit, pool administrative talents and exercise more bureaucratic power collectively than they do individually.<sup>36</sup>

Between 1907 and 1911, the basic structure of the Ministry of Posts and Communications was as follows: a president and two vice-presidents directed a Council (*Ch'eng-cheng t'ing*) and a Secretarial Office (*Ts'an-i t'ing*), which in turn supervised five departments (*Ssu*)—Navigation (*Ch'uan-cheng*), Land Communications (*Lu-cheng*), Telegraphs (*Tien-cheng*), Posts (*Yu-cheng*), and General Affairs (*Shu-wu*). The Department of Land Communications oversaw all railway matters. The General Railway Bureau was the branch of this department concerned with those lines which were subsidized with foreign loans.<sup>37</sup> In practice, this made the General Railway Bureau the principal railway agency of the ministry. Moreover, because railways were the main administrative responsibility of the ministry (the General Railway Bureau supplied annually over ninety-five percent of the ministry's revenues), the General Railway Bureau became the most important bureaucratic body in the ministry.<sup>38</sup> Liang was head of the General Railway Bureau and, after July, 1909, the senior secretary (*tso ts'an-i*) of the ministry.<sup>39</sup> Excepting the president and vice-presidents, he became the highest ranking railway official in the ministry.

Thus Liang was increasingly in a position to place men loyal to him in key posts, both within the bureaucracy of the ministry in Peking and that of the railways themselves. Most important of these men were Yeh Kung-ch'o, Kuan Keng-lin, Kuan Mien-chün, and Chao Ch'ing-hua, who became pillars of the bureaucratic clique led by Liang, known during the Republican period as the Communications Clique.

Yeh Kung-ch'o (born in 1881) was from a gentry family in Pan-yü *hsien*, Kwangtung. His grandfather, a *chin-shih* degree holder, had been a secretary in the Grand Councilors' office; his father had a *chü-jen* degree and was a *hsien*

<sup>36</sup> This definition roughly follows Herbert A. Simon, *Administrative Behavior* (New York, 1949), p. 161 and Fred W. Riggs, *Administration in Developing Countries* (Boston, 1964), pp. 170-71, 275.

<sup>37</sup> *Tung-hua hsü-lu, Kuang-hsü* [Continuation of the Tung-hua Records, Kuang-hsü Reign], (Shanghai, 1909), *chüan* 207:14b-15b; Chang Hsin-ch'eng, *op. cit.*, p. 50; H. S. Brunnert and V. V. Hagel-

strom, *Present Day Political Organization of China* (Shanghai, 1912), pp. 157-60; *LCP*, I, 111-22. Department of General Affairs was abolished in 1909.

<sup>38</sup> Sheng Hsuan-huai, *op. cit.*, *chüan* 16:22-23; revenue reports in *YCPTI*, III, 1241-55 and IV, 1363-74, 1409-23.

<sup>39</sup> *SSLNP*, I, 85.

magistrate. The Yeh family had been closely associated with Wen T'ing-shih, an important literary figure and progressive official of the 1890's. After 1903, Yeh Kung-ch'ò taught in "modern" schools in Hupei, was a regular contributor to a number of periodicals and newspapers, including the *Shanghai Times* (*Shih-pao*), and established a reputation as a poet. The first Ministry of Posts and Communications president, Chang Po-hsi, had administered Yeh's successful *chü-jen* examination in 1898, and so he recruited Yeh into the ministry when he took office in 1906. Yeh served as a liaison between Liang Shih-i and the president's office and soon became Liang's most important aide in the General Railway Bureau. When Liang supervised the loan negotiations for the redemption of the Peking-Hankow Railway, it was actually Yeh who conducted these negotiations. After 1908, Yeh continued to work closely with Liang, holding concurrent appointments in the offices of the Council and General Railway Bureau.<sup>40</sup>

Kuan Keng-lin (born in 1880), also a Cantonese, had received a *chin-shih* degree in 1904, at the age of twenty-four. After a year of study in Japan and a year traveling around the world attached to the Imperial Constitutional Commission, Kuan joined the Ministry of War, and then late in 1906, transferred to the Ministry of Posts and Communications. At this point, Kuan's principal patrons appear to have been Prince Ch'ing and P'u-lun, who were allies at court of Yüan Shih-k'ai. Thereafter, holding a variety of appointments within the General Railway Bureau, Council, and Secretarial Office, Kuan became second only to Yeh Kung-ch'ò as Liang Shih-i's chief deputy.<sup>41</sup>

Kuan Mien-chün (born in 1870), a native of Kwangsi province, and Liang Shih-i were old and close friends. Both were 1894 *chin-shih* degree winners and had shared in Peking similar career patterns until 1903. Kuan joined the Ministry of Posts and Communications in 1906 and, in 1907, was appointed assistant managing director (*hui-pan*) of the Peking-Kalgan Railway, becoming its managing director in 1911.<sup>42</sup>

Chao Ch'ing-hua (born in 1879) was from Chekiang province. He graduated from the Diocesan Boys School in Hong Kong and from a school of telegraphy in Canton. By 1896, Chao was director of the telegraph bureau for the Kwangtung region. He joined the administration of the Peking-Mukden Railway in 1897, where he made contact with T'ang Shao-i and Yüan Shih-k'ai. He remained with the Peking-Mukden Railway until 1905-06, when he moved with T'ang to the Ministry of Posts and Communications. Chao first knew Liang Shih-i when both were secretaries to T'ang Shao-i. After T'ang left the Ministry of Posts and Communications in 1907, Chao worked under Liang in the General Railway Bureau. Between 1910 and 1911, Chao was managing director of the Canton-Kowloon Railway.<sup>43</sup>

Liang Shih-i's position in the ministry's railway administration became the power

<sup>40</sup> Yeh Chia-yen *hsien-sheng nien p'u* [Chronological Biography of Yeh Kung-ch'ò], compiled by followers (*men-sheng*), (1936), pp. 1-14; Yeh Kung-ch'ò, *Chia-yen hung-kao* [Collected Papers of Yeh Kung-ch'ò], (Nanking, 1930), pp. 67-80; LCP, VIII, 670, 686.

<sup>41</sup> *Who's Who in China*, published by *The China Weekly Review*, (Shanghai, 1926), pp. 422-23; Yeh

*Chia-yen hsien-sheng nien p'u*, pp. 9-14; YCPTI, I, 22, 337-40 and II, 675.

<sup>42</sup> Fan Yin-nan, *Tang-tai chung-kuo ming-jen lu* [Who's Who of Contemporary China], (Shanghai, 1931), pp. 449-50; SSLNP, I, 18, 22, 33; LCP, IX, 1569, 1622; YCPTI, I, 22.

<sup>43</sup> *Who's Who in China* (1920 ed.), 278-79; SSLNP, I, 53; LCP, I, 115 and XII, 4607.

base of the clique. As officials of the key executive agencies in Peking which dealt with railways (Council, Secretarial Office, Department of Land Communications, and General Railway Bureau), Liang, Yeh, and Kuan Keng-lin proved able administrators, and grew more influential with each promotion. Administrative control of individual railways accumulated through appointments of aides and allies. By 1911, of the six railways which Peking actually managed, the clique was influential in the administration of five: the Peking-Hankow, Peking-Kalgan, Kirin-Changchun, Peking-Mukden, and Canton-Kowloon Railways.<sup>44</sup> Liang Shih-i had been involved in the administration of the Peking-Hankow Railway since 1905, when T'ang Shao-i replaced Sheng Hsuan-huai as the railway's commissioner. Liang's role in the recovery of managerial rights to the railway has been discussed. Cheng Ching-chien, an official with the railway whom T'ang and Liang had promoted regularly after 1905, was appointed managing director of the railway's new administration in 1909.<sup>45</sup> The Peking-Kalgan Railway had been a favorite project of Yüan Shih-k'ai since 1902, and Yüan retained his influence over the railway's management when it was turned over to the Ministry of Posts and Communications in 1906. As Yüan's protégé, Liang maneuvered the appointment in 1907 of his old friend, Kuan Mien-chün, as the railway's assistant managing director.<sup>46</sup> In 1908, Liang negotiated the loan agreement with Japan which financed the construction of the short line in Manchuria from Kirin to Changchun. Completed in 1911, the railway was operated as a branch of the Southern Manchurian Railway, a Japanese concession; but it was administered by Liang's General Railway Bureau. From 1908 to 1911 its managing director was Fu Liang-tso, a Japanese educated officer in Yüan Shih-k'ai's Peiyang army, who doubtless had been an acquaintance of Liang Shih-i before 1908.<sup>47</sup> After 1898, bureaucratic control of the Peking-Mukden Railway accumulated in the hands of Liang's patrons, Yüan Shih-k'ai and T'ang Shao-i, as we have seen. In 1907, at Yüan's bidding, the administration of this railway by the Imperial Railways of North China was integrated without significant personnel changes into the bureaucratic apparatus of the Ministry of Posts and Communications and was placed under the jurisdiction of Liang's General Railway Bureau. Liang negotiated issues concerning the railway with the Japanese in 1907, and again in 1909. Its leadership changed repeatedly, but was always in the hands of Yüan Shih-k'ai's protégés or allies.<sup>48</sup> To the south in Kwangtung province, Chang Chih-tung and provincial officials controlled the Canton-Kowloon Railway at least through 1909. Liang Shih-i traveled to Canton on behalf of the railway early in 1910. Later that year, Chao Ch'ing-hua left the General Railway Bureau to be its managing director and exercised control.<sup>49</sup>

<sup>44</sup> The one railway over which the clique accumulated little influence was the Tientsin-Pukou line. This railway, begun in 1907 on the initiative of Yüan Shih-k'ai and completed in 1911, was administered by the ministry but was separate jurisdictionally from the General Railway Bureau and Liang Shih-i. First Lü Hai-huan and then Hsü Shih-ch'ang, who both outranked Liang, directed the railway's construction as controller-general (*tu-pan ta-ch'en*) of an Office for Railways (*T'ieh-lu kung-so*) which was administratively independent of the General Railway Bureau and dealt solely with the

Tientsin-Pukou line. *LCP*, X, 2306, 2384 and Sun, *Chinese Railways and British Interests*, pp. 129-37.

<sup>45</sup> *LCP*, VIII, 863, 868-69; *YCPTI*, III, 1091-92.

<sup>46</sup> *LCP*, IX, 1569, 1622.

<sup>47</sup> *SSLNP*, I, 80; Chang Chia-ao, *op. cit.*, p. 58; *YCPTI*, IV, 1683-93; *LCP*, XII, 4254; *Who's Who in China* (1925 ed.), pp. 264-65.

<sup>48</sup> *YCPTI*, II, 431-32; *LCP*, VII, 83, 171-72; *SSLNP*, I, 80, 87-88.

<sup>49</sup> Sun, *Chinese Railways and British Interests*, p. 86; *YCPTI*, V, 1819; *LCP*, XII, 4607.

Despite his abrupt retirement in 1909, Yüan Shih-k'ai protected Liang Shih-i and the young clique of railway administrators at court from 1906 to 1911. Liang, Yeh Kung-ch'ö, Kuan Keng-lin, Kuan Mien-chün, and Chao Ch'ing-hua all were ushered into the Ministry of Posts and Communications by patrons who were linked politically to Yüan. When the death of the Empress Dowager on November 15, 1908, threatened Yüan's power at court, it also threatened the existence of the embryonic clique. The Empress Dowager's successor, Prince regent Tsai-feng, had been hostile to Yüan since Yüan's alleged betrayal of the Kuang-hsü emperor in 1898. On January 2, 1909, Tsai-feng forced Yüan's retirement from public office. An attempt was made to purge Yüan's sympathizers in the Ministry of Posts and Communications. Censors attacked Liang, Yeh, the two Kuans, and Chao as favorites of the ministry's president, Ch'en Pi, who was aligned with Yüan. Ch'en Pi and others of his subordinates were dismissed. Liang and his cohorts survived, evidently because they were indispensable to effective management of the ministry's railway revenues. Although Yüan had retired, his influence at court through his old comrade Prince Ch'ing was such that Tsai-feng could do no more than appoint an ally of Yüan to replace Ch'en Pi as president of the ministry. The next president, Hsü Shih-ch'ang, was one of Yüan's most important and able protégés. Hsü's appointment stabilized Yüan's sphere of influence in the ministry and, as Hsü necessarily drew upon Liang and his colleagues for administrative support, enabled them to reinforce their monopoly of the leadership of the General Railway Bureau. Liang Shih-i became a senior secretary which placed him lower in rank only to the president and vice-presidents of the ministry; and Yeh Kung-ch'ö became section chief (*t'ing-chang*) of the Council. T'ang Shao-i's succession to Hsü Shih-ch'ang as ministry president on October 21, 1910, reaffirmed the clique's position. Thus Liang's clique, originating under Yüan Shih-k'ai's protection at court, survived Yüan's retirement in 1909, and in fact, by means of patronage from officials allied with Yüan, gained identity and strength.<sup>50</sup>

The appointment in January 1911, of Sheng Hsuan-huai, an arch rival of T'ang Shao-i and Yüan Shih-k'ai, to replace T'ang as Ministry of Posts and Communications president constituted the most serious challenge to the incipient Communications Clique. Nevertheless, Sheng's campaign against Liang Shih-i and his associates from January to October, 1911, attested to the existence and strength of the clique. At the time, Liang was concurrently the head of the General Railway Bureau, senior secretary of the Secretarial Office, and associate vice-president of the Bank of Communications. Yeh Kung-ch'ö was section chief of the Council, second in command of the General Railway Bureau with the rank of assistant secretary (*chien-shih*) and a department director (*lang-chung*) in the Department of Land Communications.<sup>51</sup> Kuan Keng-lin held the same offices as Yeh in the General Railway Bureau, was at least a section chief (*k'o-chang*) in the Department of Land Communications, and had a position in either the Secretarial Office or the

<sup>50</sup> Shen Yün-lung, "Sheng Hsuan-huai Liang Shih-i chieh-yüan shih-mou" [From beginning to end (the story of) enmity between Sheng Hsuan-huai and Liang Shih-i], *Hsien-tai cheng-chih jen-wu shu-ping* [Notes on modern political personali-

ties], (Taipei, 1966), Part III, 91-104; *SSLNP*, I, 82-85; *Cheng-chih kuan-pao*, Feb. 8, 1909 (Hsüan-t'ung 1/1/18), pp. 17-20.

<sup>51</sup> *Yeh Chia-yen hsien-sheng nien p'u*, pp. 10-14.

Council.<sup>52</sup> Kuan Mien-chün was assistant managing director of the Peking-Kalgan Railway. Chao Ch'ing-hua was managing director of the Canton-Kowloon Railway. Aiming at the entrenched influence of the clique, Sheng accused Liang of amassing inordinate bureaucratic power around the General Railway Bureau and succeeded in having him cashiered and the bureau investigated.<sup>53</sup> Liang left his Peking residence, but only went as far as the western hills (*Hsi-shan*) in the suburbs; he retained what now became the nominal position of senior secretary in the ministry.<sup>54</sup> Yeh Kung-ch'ao and Kuan Keng-lin lost their positions in the General Railway Bureau, but retained posts in the Department of Land Communications, the Council, and the Secretarial Office. Yeh received a court promotion to the third rank (*p'in*) with permission to wear a peacock feather.<sup>55</sup> Heads of the Peking-Hankow and Kirin-Changchun Railways were replaced.<sup>56</sup> However, Chao Ch'ing-hua continued as managing director of the Canton-Kowloon Railway. In May 1911, Kuan Mien-chün inexplicably became managing director of the Peking-Kalgan Railway.<sup>57</sup> The leadership of the Peking-Mukden Railway did not change significantly.<sup>58</sup> In short, Sheng Hsuan-huai could strip Liang Shih-i of his formal power, but the influence of the clique remained.

Liang Shih-i also lost the associate vice-presidency of the Bank of Communications. The extent of Liang's influence over the bank prior to 1911 is uncertain. He seemed to have no network of protégés in the central or branch bureaucracies of the bank other than in Canton, where his brother, Liang Shih-hsü, was general manager (*tsung-li*).<sup>59</sup> Yet, having conceived of the idea for the bank, having supervised its establishment, and having served on its governing Board of Control, Liang may have controlled the bank's management from its inception.<sup>60</sup> This might explain Sheng Hsuan-huai's purge of the bank's president along with Liang in 1911.<sup>61</sup>

By 1911 Liang Shih-i had molded a handful of young and talented officials of the Ministry of Posts and Communications into a recognizable bureaucratic clique with a grip on railway administration and, possibly, on the Bank of Communications. Tenacious in defense against Sheng Hsuan-huai's attacks, the clique survived without any indication of direct or indirect help from Yüan Shih-k'ai. Perhaps this is evidence that at that point the clique had come to possess independent power of its own.

The informality of the associations which by definition give a bureaucratic clique shape and strength make it difficult to pinpoint its origins in concrete terms. However, comparison of backgrounds of clique members and examination of reasons for the clique's consolidated position in the Republican period as the Communications Clique, suggests factors which should have, by inference, contributed to the genesis of the clique.

<sup>52</sup> *Ibid.*, p. 13; *Cheng-chih kuan-pao*, Feb. 8, 1909, p. 8; *LCP*, I, 116.

<sup>53</sup> Sheng Hsuan-huai, *op. cit.*, *chüan* 16:22-23; *LCP*, I, 115.

<sup>54</sup> *SSLNP*, I, 100; *Tung-fang tsa-chih*, Sept.-Oct. 1911 (*Hsüan-t'ung* 3/8), "Chih-kuan piao" [Table of office holders], p. 1.

<sup>55</sup> *LCP*, I, 116; Yeh Chia-yen *hsien-sheng nien p'u*, p. 14.

<sup>56</sup> *YCPTI*, V, 2151, 2179.

<sup>57</sup> *LCP*, IX, 1622.

<sup>58</sup> *LCP*, VII, 172.

<sup>59</sup> Sheng Hsuan-huai, *op. cit.*, *chüan* 16:18a-b; *YCPTI*, I, 167-68, 207, 251-52, 363-64 and IV, 1299, 1323-27, 1349.

<sup>60</sup> This is the conviction of R. O. Hall, *op. cit.*, especially chapter V.

<sup>61</sup> *YCPTI*, IV, 1407-08.

Clique members shared common educational, social, and political backgrounds but were not noticeably bound by ties of family or province. None of the clique's most important members were related to one another. While Liang Shih-i, Yeh Kung-ch'ò, and Kuan Keng-lin were Cantonese, two others—Kuan Mien-chün and Chao Ch'ing-hua—were not. However, all arrived at the Ministry of Posts and Communications as young men in their twenties and thirties. Four were scholars, three held *chin-shih* degrees, and one held a *chü-jen* degree. None had been educated extensively abroad. Only one, Chao Ch'ing-hua, had experience as a railway administrator. Liang Shih-i needed to recruit allies who could work closely and confidentially with him; but congeniality itself could hardly have produced an influential clique. More basic were the political ties all five of these men had with Yüan Shih-k'ai.

In the Republican period, Liang Shih-i and the Communications Clique owed their influence both before and after Yüan Shih-k'ai's death in 1916 as much to administrative performance and acumen in bureaucratic politics as to support from Yüan.<sup>62</sup> During his presidency, Yüan relied more heavily upon Liang Shih-i than upon Chou Hsüeh-hsi and Yang Shih-ch'i, two men who between 1901 and 1911 had held higher posts administering economic matters and had enjoyed closer ties to Yüan.<sup>63</sup> This was probably because of Liang's administrative effectiveness and his ability to sustain and be sustained by the Communications Clique. During the early Republican period, railways were major sources of government revenues and the Bank of Communications was a nationally important financial institution. Power-holders in Peking, including Yüan, were anxious to use and reluctant to unseat men who had demonstrated that they could profitably administer railways and the Bank of Communications.

The genesis of the Communications Clique involved a mix of all the factors named above. Memoirs of officials in Peking between 1906 and 1911 identify the embryonic clique with Yüan Shih-k'ai, but they also recognize the achievements of Liang Shih-i and his associates as administrators and their agility in bureaucratic politics.<sup>64</sup> Clique members were talented young men who had in common personal ambitions, educational backgrounds, and a willingness to follow Liang, who was, in turn, supported by Yüan and the latter's allies. But the clique's administrative capacity, and its members' acumen as bureaucratic politicians were crucial to its survival and success.

<sup>62</sup> Liang Shih-i's and the Communications Clique's record during the Republican period is documented and further developed in a later section of this article.

<sup>63</sup> The authorized version of Yüan's career prior to the Republic is Shen Tsu-hsien and Wu K'ai-sheng, *Jung-an ti-tzu chi* [An Account of Yüan Shih-k'ai by his Disciples], (1913), 4 *chüan*. In it Chou Hsüeh-hsi and Yang Shih-ch'i are mentioned more frequently than Liang, reflecting their greater importance to Yüan in the earlier period. During Yüan's presidency of the Republic, however, Liang is generally considered to have wielded more political and bureaucratic power; see, for example, Jerome Ch'en, *Yüan Shih-k'ai, 1859-1916* (Stanford, 1961),

chapters VIII, IX, X. On Chou Hsüeh-hsi, see Howard L. Boorman, ed., *Biographical Dictionary of Republican China* (New York, 1967-), 5 vols. projected, II, 409-13.

<sup>64</sup> Ts'ao Ju-lin, *I-sheng chih hui-i* [Memoirs of a life], (Hong Kong, 1966), pp. 76-77 and Chang Chia-ao, "Chang Chia-ao material," (Typescript, Columbia U., 1958), chapter IX. Biographical sketches of Liang Shih-i by men who knew him convey the same impression; see Chia Shih-i, *Min-kuo ch'u nien ti chi-jen ts'ai-cheng tsung-chang* [Early Republican Finance Ministers], (Taipei, 1967), pp. 31-40; Tso Shun-sheng, *op. cit.*, pp. 73-80; and Paul Reinsch, *An American Diplomat in China* (New York, 1922), pp. 95-96.

#### IV. The Communications Clique and Organized Corruption

Besides developing bureaucratic power, Liang Shih-i and his associates in the Ministry of Posts and Communications amassed private fortunes through methods which were essentially traditional. The revenues collected directly by the ministry were approximately five times that of other ministries, including the Ministry of Finance.<sup>65</sup> Railways provided more than ninety-five percent of the ministry's revenues, which thus tended to pass through the hands of Liang and his clique. The ministry as a whole was notorious as a "gold mine" for peculating officials.<sup>66</sup> Early in 1909, *Times* (London) correspondent, G. E. Morrison, commented that the ministry was a "by-word for inefficiency and corruption."<sup>67</sup> At about the same time the editors of the *Tung-fang tsa-chih* (*Eastern Miscellany*), a leading liberal monthly, went further and accused the self-seeking leadership of the ministry of expropriating the delegated power of other ministries, especially the Ministry of Finance, by soliciting and managing foreign and domestic loans and establishing a bank on its own.<sup>68</sup> Both pronouncements were representative of contemporary foreign and Chinese opinion about the ministry.<sup>69</sup>

A public scandal over corruption in the Ministry of Posts and Communications was triggered early in 1909 by the retirement from official life of Yüan Shih-k'ai and by the ministry's recovery of a rich prize, the Peking-Hankow Railway. It will be recalled that censors, backed by Yüan's opponents at court, requested the dismissal of thirty officials of the ministry, including President Ch'en Pi, Liang Shih-i, and the latter's cohorts. The Prince regent, Tsai-feng, ordered an investigation of the matter by Na-tung and Sun Chia-nai, highly respected elder statesmen. In their report Na-tung and Sun concluded that many of the charges, although likely true, could not be proved. Ch'en Pi and three subordinates were dismissed; Liang and his embryonic clique survived. Even though the primary target of the attack on the ministry was President Ch'en Pi, many accusations were directed against Liang and his men. These accusations and the investigation of them by Na-tung and Sun suggest the kinds of corruption in which Liang and his associates may very well have indulged.<sup>70</sup>

There is definite evidence from the records of the 1909 investigations and from other sources showing that Liang and his clique did practice corruption by accepting multiple salaries and by nepotism. The investigations proved that through concurrent appointments Liang, Yeh, and Kuan Keng-lin received double salaries.<sup>71</sup> Yeh and Kuan each drew identical monthly emoluments combining salaries of 240 and 100 taels (in 1909, 100 taels were worth about \$56. U. S. dollars).<sup>72</sup> Liang added a monthly 300 tael salary as an expectant councilor and secretary to his monthly 1600 tael salary as head of the General Railway Bureau, which by itself was considered monstrous by the censors. In 1909, Kuan Mien-chün held only a single

<sup>65</sup> This is calculated from the estimates of revenue for the 1911 budget, which was the only budget drafted by the central government after 1891; see Esther Morrison, "The Modernization of the Confucian Bureaucracy: An Historical Study of Public Administration" (unpublished Ph.D. dissertation, Radcliffe College, 1959), Figures 33, 34, p. 1206.

<sup>66</sup> *Cheng-chih kuan-pao*, Feb. 8, 1909, p. 18.

<sup>67</sup> *Times* (London), Feb. 8, 1909, p. 5.

<sup>68</sup> *Tung-fang tsa-chih*, Feb.-Mar. 1909 (Hsüan-t'ung 1/2), "Ta shih-chi," pp. 78-79.

<sup>69</sup> *Chinese Public Opinion* (Peking), Feb. 13, 1909, p. 4 and Feb. 16, 1909, p. 7.

<sup>70</sup> *Cheng-chih kuan-pao*, Feb. 8, 1909, pp. 7-20.

<sup>71</sup> *Ibid.*, pp. 9-10.

<sup>72</sup> Exchange rate in *North-China Herald*, Jan. 23, 1909, p. 330.

office, assistant managing director of the Peking-Kalgan Railway, but it paid an exorbitant 800 taels a month. Related were charges of patronage and nepotism. The Ministry of Posts and Communications was overstaffed—usually with friends and relatives of its important officials. Censors made an example of Yeh Kung-ch'ò who was a favorite of ministry President Ch'en Pi and who, although young and inexperienced, was promoted five times during his first year with the ministry.<sup>73</sup> Although not cited for nepotism in 1909, Liang indubitably did overstaff his offices with close friends and relatives. When he was removed as head of the General Railway Bureau early in 1911, about one-hundred and thirty men left the ministry with him.<sup>74</sup> As noted earlier, Liang's brother, Liang Shih-hsü, who was trained as an army officer, had been head of the Kwangtung branch of the Bank of Communications; after Liang returned to power in the ministry late in 1911, his brother was appointed managing director of the Canton-Kowloon Railway.<sup>75</sup>

Did Liang and his associates engage in other forms of corruption, such as accepting bribes or simply appropriating for themselves part of the railway revenues or proceeds from foreign loans which passed through their hands? Censors accused members of the clique of such acts in 1909 but these accusations were never substantiated by the investigation. One can point to the fact that at least in one instance a clique member, Yeh Kung-ch'ò, is known to have refused a bribe offered by solicitous entrepreneurs of the Shansi Tung-Pu Railway Company.<sup>76</sup> Moreover, between 1906 and 1911, the leadership of the Peking-Mukden and Tientsin-Pukou Railways and the Shanghai branch of the Bank of Communications were proven guilty of accepting bribes or direct pilfering; but there were not any identifiable members of the clique so implicated or convicted.<sup>77</sup> Yet there were many ample opportunities for Liang and his clique to transfer public funds to their own accounts, without having to resort to accepting bribes. The ministry annually reported on its finances to the court, but the ministry audited its own books.<sup>78</sup> How funds were actually transferred within the ministry is not clear, except that Liang managed to have all the railway revenues channeled through the Bank of Communications of which he was founder, a member of its governing board, and doubtless, with those in his coterie, an important share holder.

One concludes that Liang Shih-i and his clique were not bureaucrat-capitalists as typified by Sheng Hsuan-huai. At the turn of the century, Sheng had used his posts in the government to obtain subsidies and monopoly rights for the private businesses of which he was director: China Merchants Steam Navigation Company (*Lun-ch'uan chao-shang chü*), Imperial Telegraph Administration (*Tien-pao tsung-chü*), Hua-sheng Spinning and Weaving Mill (*Hua-sheng fang-chih tsung-ch'ang*), and the Imperial Bank of China (*Chung-kuo tung-shang yin-hang*).<sup>79</sup> Although the Ministry of Posts and Communications' railway revenues and foreign loans were channeled through a Bank of Communications that relied in part on private capital, the bank confined its investments largely to government

<sup>73</sup> *Cheng-chih kuan-pao*, Feb. 8, 1909, pp. 7-8.

<sup>74</sup> *Tung-fang tsa-chih*, Mar., 1911 (Hsüan-t'ung 3/2), p. 16.

<sup>75</sup> LCP, XII, 4613.

<sup>76</sup> Yeh Chia-yen *hsien-sheng nien p'u*, p. 11.

<sup>77</sup> YCPTI, IV, 1323-27, 1725-26, 1743-53.

<sup>78</sup> R. O. Hall, *op. cit.*, p. 46, has illustrated this point with a discussion of the reliability of the accounts of the ministry's Bank of Communications; annual revenue reports are cited in note 38.

<sup>79</sup> Albert Feuerwerker, *op cit.*



railways between 1906 and 1911.<sup>80</sup> There is no evidence that Liang or members of his clique ran railways as private businesses under the cover of bureaucratic office. Nor is there any record that Liang invested significantly in private enterprises before 1912. Liang used capital to support comfortably in Peking an immediate family of his father, a wife, three concubines, and eight children. In 1911 he funded the establishment of a trade school in Kwangtung.<sup>81</sup> Yeh Kung-ch'o seems to have dealt with his growing fortune in a similar fashion.<sup>82</sup> All facts suggest that Liang and his clique of bureaucrats treated the ministry's railways and its bank as sources of government and personal revenue of a mainly nonentrepreneurial nature.

### V. Transition to the Republican Period: The Communications Clique and Yüan Shih-k'ai's Power

Spearheaded by Liang Shih-i, the Communications Clique in 1911-12 emerged as an important component of Yüan Shih-k'ai's Republican presidency. Yüan needed Liang's financial advice, the clique's capacity to administer railways profitably, and the banking influence of both. Liang galvanized the clique behind Yüan, reasserted control over railways and the Bank of Communications, and expanded his influence into the administration of public finance. In the process the Communications Clique became known by that name as a political force in Chinese politics, which would outlast Yüan's presidency.

In November 1911, Liang returned to the Ministry of Posts and Communications. This was made possible by the dismissal of Minister (*ta-ch'en*) Sheng Hsuan-huai over the violent opposition in Szechwan to his attempt to nationalize all major railways, and by the appointment of Yüan Shih-k'ai as premier (*nei-ko tsung-li ta-ch'en*) of a new cabinet. Throughout the empire, Sheng's policies had antagonized the gentry who were aspiring railway entrepreneurs, partly because of Sheng's partisanship toward his own business interests in the Canton-Hankow railway complex and the Hanyang Ironworks.<sup>83</sup> On the other hand, since 1906, Liang had represented the railway authority of Peking more impartially in dealings with provincial interest groups, with no record of marked favoritism toward a single group. His rivalry with Sheng in the ministry reinforced the logic of choosing him as Sheng's successor, but what actually brought about his appointment was the return to power of Yüan Shih-k'ai himself, who was now in control of government in Peking. On November 16, 1911, Yüan appointed Liang acting vice-minister (*shu fu ta-ch'en*) of the Ministry of Posts and Communications, giving him in practice the power of the minister. Liang was made minister on February 12, 1912, on the eve of Yüan's presidency.<sup>84</sup>

With Yüan Shih-k'ai in power in Peking, and with Liang Shih-i as Yüan's link to the Ministry of Posts and Communications, the Communications Clique resumed its control of the ministry and the railways during the winter of 1911-12.

<sup>80</sup> The bank did speculate briefly in rubber plantations in Southeast Asia—R. O. Hall, *op. cit.*, p. 47.

<sup>81</sup> *SSLNP*, I, 91.

<sup>82</sup> Neither in *Yeh Chia-yen hsien-sheng nien p'u* nor *Yeh's Chia-yen hung-kao* is there mention of investment in private enterprises.

<sup>83</sup> On the relationship of Sheng's business interests in the Canton-Hankow railway complex and

the Hanyang Ironworks to his railway nationalization policies, see Hatano Yoshihiro, "Shinmatsu ni okeru tetsudō kokyū seisaku no haikai" [The Background of the Railway Nationalization Policy at the End of the Ch'ing Period], *Nagoya daigaku ronshu*, XVII (1957), pp. 29-66.

<sup>84</sup> *SSLNP*, I, 103, 113.

Yeh Kung-ch'ò became the head of a revitalized General Railway Bureau.<sup>85</sup> Kuan Keng-lin became, concurrently, managing director of the Peking-Mukden Railway and assistant managing director of the Peking-Hankow Railway.<sup>86</sup> Kuan Mien-chün continued as managing director of the Peking-Kalgan Railway. Liang's brother, Liang Shih-ting, was appointed managing director of the Canton-Kowloon Railway. Chao Ch'ing-hua became the head of the southern section of the Tientsin-Pukow Railway.<sup>87</sup> The managing director of the Kirin-Changchun Railway was replaced by Sun To-yu, who was the choice of the clique.<sup>88</sup> Members of the Communications Clique thus became the administrators of all the six railways which the Ch'ing government actually controlled. A banking crisis precipitated by the revolution closed the Bank of Communications late in 1911; but in the spring of 1912, it reopened under the guidance of Liang Shih-i and Yeh Kung-ch'ò, its new president and associate vice-president.<sup>89</sup>

Having regained power through their alliance with Yüan Shih-k'ai, the Communications Clique made themselves indispensable to Yüan as financial and political aides during the transition from the Ch'ing to the Republic. Because the desired foreign loans failed to materialize, Yüan was in desperate financial condition, almost as serious as that of his rivals to the south.<sup>90</sup> Liang was in charge of raising funds for Yüan's cause; he secured a large amount by ordering freight accommodations to be sold months in advance on government railways.<sup>91</sup> Yüan also relied on Liang and the clique to do political work. Indicative is the following note sent by Yüan to Liang from Honan in October 1911: "As for the military situation in the south, it can be solved easily enough; but concerning the political pandemonium reigning in Peking, I am dependent on you who are there in the midst of it, to make provisions for all. Please reconnoiter with T'ang (Shao-i) and deal with these matters."<sup>92</sup> After Yüan returned to Peking on November 13, 1911, Liang and Yeh Kung-ch'ò drafted much of Yüan's correspondence. When negotiations were held in Shanghai from December 1911 to January 1912, between Yüan, represented by T'ang Shao-i, and Sun Yat-sen's government in the south, represented by Wu Ting-fang, Liang and Yeh frequently served as liaisons between Yüan in Peking and T'ang in Shanghai. Moreover, Liang directed the effort in Peking to force the abdication of the Ch'ing Dynasty. He guided the campaign made in December and January to persuade Ch'ing envoys abroad, cabinet members, and military commanders to urge the Ch'ing emperor to abdicate. It was Liang who conducted the final negotiations with the Empress Dowager and the Prince regent, resulting in the abdication decree of February 12, 1912.<sup>93</sup>

Between 1912 and 1915, Liang Shih-i was at the height of his career. He continued as president of the Bank of Communications and supervised railway affairs through a new unofficial organization, the National Railway Association (*Ch'üan-kuo t'ieh-lu hsieh-hui*), of which Liang was chairman (*hui-chang*), Yeh, vice-chairman (*fu-hui-chang*), and Kuan Keng-lin, secretary (*mi-shu*).<sup>94</sup> As the presi-

<sup>85</sup> YCPTI, V, 2241.

<sup>86</sup> LCP, VII, 172 and VIII, 864.

<sup>87</sup> LCP, X, 2387.

<sup>88</sup> LCP, XII, 4283.

<sup>89</sup> R. O. Hall, *op. cit.*, p. 48; SSLNP, I, 120; *Yeh Chia-yen hsien-sheng nien p'u*, p. 19.

<sup>90</sup> J. O. P. Bland, *op. cit.*

<sup>91</sup> *Far Eastern Review*, Apr. 1912, "The Financial History of the Revolution".

<sup>92</sup> SSLNP, I, 100.

<sup>93</sup> SSLNP, I, 100-14; *Yeh Chia-yen hsien-sheng nien p'u*, pp. 15-19.

<sup>94</sup> SSLNP, I, 147; *Yeh Chia-yen hsien-sheng nien p'u*, p. 20.

dent's principal secretary (*mi-shu chang*) between 1912 and 1914, Liang was Yüan's spokesman and "alter ego."<sup>95</sup> In the parliament he organized the Kung-min Tang (Citizen's Party) to represent Yüan's interest and allegedly worked to undermine the parliament by bribing and threatening its members.<sup>96</sup> Liang dominated high finance. As acting vice-minister (*shu tz'u-chang*), he guided a minister-less Ministry of Finance (*Ts'ai-cheng pu*) through the suppression of the 1913 Kuomintang insurgency in the south, while the Bank of Communications provided Yüan with emergency financial assistance.<sup>97</sup> In January 1914, he presided over a conference of experts which discussed ways to reorganize China's monetary system. Subsequently he managed Yüan's currency reform, which included the minting of a standardized silver dollar (popularly known as Yüan's head because of the image on the coin). As manager of the National Revenue Administration (*Shui-wu ch'u*), Liang negotiated assorted foreign loans and worked with the representative of the powers in the reform of the salt monopoly and the maritime customs service. At the same time, the Bank of Communications made inroads into the handling of maritime customs revenues. As general manager of the Domestic Loan Bureau (*Nei-kuo kung-chai chü*), he drew upon earlier experiences and initiated a remarkably successful domestic loan program. In short, it was Liang Shih-i who kept Yüan's presidency fiscally solvent.<sup>98</sup>

The power of the Communications Clique grew as Liang's role in the central government increased. While Liang extended his influence to public finance, other members of the clique tightened their grip on the Ministry of Communications (*Chiao-t'ung pu*), the new name for the Ministry of Posts and Communications. Yeh Kung-ch'ö became vice-minister of Communications; Kuan Keng-lin, director (*chü-chang*) of the Peking-Hankow Railway; Kuan Mien-chün, director of the Peking-Kalgan Railway; and Chao Ch'ing-hua, director of the Tientsin-Pukou Railway. It was no longer necessary for Liang himself to hold a formal position in the ministry. Then in June 1915, charges of corruption in railway administration were brought before Yüan by Liang's political enemies and resulted in the resignations of Yeh, the two Kuans, and Chao. This attack on the principal members of the Communications Clique amounted to a personal attack on Liang, although he was not named in the indictments. Liang continued to hold office, but his influence on Yüan declined thereafter.<sup>99</sup>

<sup>95</sup> SSLNP, I, 114, 186-90; Chia Shih-i, *op. cit.*, p. 33.

<sup>96</sup> Li Chien-nung, *The Political History of China*, ed. and trans. Ssu-yu Teng and Jeremy Ingalls (Princeton, 1956), p. 299 and Huang Yüan-yung, *Yüan-sheng i-chu* (Posthumous Works of Huang Yuan-sheng), (Shanghai, 1920), II, 233.

<sup>97</sup> SSLNP, I, 137-53; R. O. Hall, *op. cit.*, p. 49.

<sup>98</sup> SSLNP, I, 168-281; R. O. Hall, *op. cit.*, pp. 59-64; Jerome Ch'en, *op. cit.*, chaps. IX, X.

<sup>99</sup> In SSLNP, I, 267-71 are a number of Chinese newspaper reports about the scandals; see also analysis in *North-China Herald*, Feb. 19, 1916, pp. 435-37. The attack on Liang Shih-i and the Communications Clique was related to attacks on the power of two other of Yüan's principal deputies, Tuan Ch'í-jui and Hsiung Hsi-ling. The antagonists included Yang Shih-ch'í, Chou Hsüeh-hsi, and

Yüan K'o-ting (Yüan Shih-k'ai's eldest son). For a summary of the entire affair, see Hsü Tao-lin, *Hsü Shu-cheng wen-chi nien p'u ho-pien* [Collected Writings and Chronological Biography of Hsü Shu-cheng], (Taipei, 1962), pp. 162-72. In the fall of 1915, when Yüan's son and others organized the movement to revive the monarchy with Yüan as emperor, Liang's name headed the signatories of the petition to Yüan. But the fact that Liang had been under attack and his power seriously undermined since June 1915, may support the contention of Liang's biographers that he played a minor part in the monarchical movement—Pai Chiao, *Yüan Shih-k'ai yü Chung-hua min-kuo* [Yüan Shih-k'ai and the Chinese Republic], (Shanghai, 1936), pp. 255-56 and SSLNP, I, 271-72, 276-80.

After Yüan's death in 1916, the Communications Clique proved remarkably resilient as a financial and political force. Its members were the country's leading railway and financial administrators. They had the capacity to see that the railways produced revenues for the new rulers in Peking and they controlled the Bank of Communications which was then the repository of revenue produced by the railways and by the maritime customs.<sup>100</sup> The Communications Clique's financial and administrative service was a lever with which it maneuvered in politics. Chang Tso-lin found it advisable to appoint Liang Shih-i premier of a new government in Peking in 1921 and on other occasions members of the clique, including Yeh Kung-ch'ö, Kuan Keng-lin, and Chao Ch'ing-hua, received cabinet level appointments (see the chart on pp. 600-601).

## VI. Conclusion

Yüan Shih-k'ai derived power from the late Ch'ing bureaucratic establishment in Peking. As part of this establishment, Liang Shih-i and the Communications Clique illustrate bureaucratic continuity between late Ch'ing and Republican periods and its relevance to Yüan.

A *chin-shih* and Hanlin academician, Liang Shih-i began his rise to prominence as a Ch'ing official when in his mid-thirties he chose to join the entourage of Yüan Shih-k'ai. Through Yüan and his adviser, T'ang Shao-i, Liang secured entry into the Ministry of Posts and Communications. He was a talented administrator, making significant contributions to aspects of China's administrative modernization: the recovery of the Peking-Hankow Railway and the establishment of the Bank of Communications. Even though he was dealing with railways and modern finance, Liang fell into the pattern of traditional Chinese bureaucrats before him and used his office to amass personal wealth and power. He manipulated government railways and the Bank of Communications to his own financial advantage through various forms of graft and patronage, not all of which can be documented. There is no evidence that before 1912 he engaged in entrepreneurial activity. After 1912, he is known to have invested capital in such enterprises as a coal mine in southern Shantung and a gold mine in Tibet, but even then he did not directly manage businesses, as did Sheng Hsuan-huai.<sup>101</sup>

Liang was a skillful bureaucratic politician, using his success as a railway administrator and Yüan's political influence to foster a bureaucratic clique. Liang recruited young men with congenial backgrounds, which included ties to Yüan, to be railway administrators. Yeh Kung-ch'ö, a *chü-jen* and a cultivated writer of prominent family background, was a rising bureaucrat in 1906. Kuan Keng-lin was even more brilliant, having won the *chin-shih* degree at the early age of twenty-four. Kuan Mien-chün and Liang both received *chin-shih* degrees in 1894 and otherwise had similar scholarly backgrounds. Chao Ch'ing-hua, the youngest of the group, was the only man with experience in railway management and without strong scholarly credentials. These men proved able officials, helping the imperial government to win control over foreign railways and to administer them. Led by Liang, they formed by 1912 an experienced, cohesive clique controlling most of China's major railways and a national bank, the Bank of Communications, which

<sup>100</sup> R. O. Hall, *op. cit.*, chapters V, VI, VII.

*May Fourth Movement* (Cambridge, Mass., 1960),

<sup>101</sup> SSLNP, I, 225 and Chow Tse-tung, *The*

p. 103.

SELECTION OF POSITIONS HELD BY COMMUNICATIONS CLIQUE MEMBERS, 1906-32

Liang Shih-i	Yeh Kung-ch'ö	Kuan Keng-lin	Kuan Mien-chün	Chao Ch'ing-hua
1906-11: Head of General Railway Bureau, Ministry of Posts and Communications	1906-11: Concurrent posts in offices of President and General Railway Bureau, Ministry of Posts and Communications	1906-11: Positions in General Railway Bureau and Telegraph Administration, Ministry of Posts and Communications	1906-11: Assistant head of Peking-Kalgan Railway	1906-09: Posts in General Railway Bureau, Ministry of Posts and Communications
1911-12: Vice-president and then acting president, Ministry of Posts and Communications	1911-12: Head of General Railway Bureau, Ministry of Posts and Communications	1911-12: Head of Peking-Mukden Railway and assistant head of Peking-Hankow Railway	1911-12: Head of Peking-Kalgan Railway	1910-11: Head of Canton-Kowloon Railway
1912-14: Secretary to President Yüan Shih-k'ai, chairman of Railway Assn. and Bank of Communications	1912-15: Vice-minister of Communications, vice-chairman of Railway Assn. and Bank of Communications	1912-15: Head of Peking-Hankow Railway and secretary of Railway Assn.	1912-15: Head of Peking-Kalgan Railway	1913-15: Head of Tientsin-Pukou Railway
1914-16: Head of National Revenue Administration and Domestic Loan Bureau in addition to Railway Assn. and Bank of Communications	1916: Secretary to President Feng Kuo-chang	1916: Secretary of Ministry of Finance		1916: Manager of Shanghai branch of Bank of Communications

1917: Through Bank of Communications gave financial support to Tuan Ch'i-jui	1917-18: Supported Tuan Ch'i-jui, becoming his vice-minister of Communications	1917-19: Head of Railway Department, Ministry of Communications, and vice-chairman of Railway Assn.	1918: Member of Parliament	1920-21: Head of Shanghai-Nanking and Shanghai-Hangchou Railways
1918: Speaker of Senate	1920: Acting minister of Communications			1921-22: Secretary to the Cabinet
1920: Head of Domestic Loan Bureau	1921-22: President of Communications Univ. and minister of Communications	1920-21: Head of Hankow-Canton Railway and helped to establish Communications Univ.	1920's: Positions with customs and Shansi salt administrations	
1921-22: Premier	1923: Finance minister in Canton	1922: President of Communications Univ.		1922-: Semiretired, serving intermittently with Peking-Mukden and Taokouchen-Ch'inghua Railways
1927: Head of Chang Tso-lin's Revenue Administration	1924-25: Minister of Communications 1932: Minister of Railways	1928: Councilor of the Ministry of Railways		

Sources: *Who's Who in China* (Shanghai, 1920-36), published by The China Weekly Review  
Fan Yin-nan, *Tang-tai Chung-kuo ming-jen lu* (Shanghai, 1931)  
*Gendai Shina jimmiei kan* (Tokyo, 1928)  
Chinese titles of posts are in the text.

handled the revenues of the railways. Members of the clique protected and supported one another under the overall patronage of Yüan Shih-k'ai, T'ang Shao-i, and Hsü Shih-ch'ang. In time, by virtue of the prominence of its leaders, Liang and Yeh, the clique developed considerable influence of its own, embodied after 1912 in what was called the Communications Clique. The influence of the clique survived Yüan and persisted through the 1920's.

Beyond Yüan Shih-k'ai, who initially provided protection at court necessary to operate effectively in the Ministry of Posts and Communications, the ultimate source of Liang Shih-i's and the Communications Clique's wealth and power before 1912 was the central government. The latter was the source of authority and of embezzled revenue. As Yüan captured the military and civil authority of the central government, Liang and the clique became an essential component of Yüan's regime. Thus, bureaucratic continuity in Peking from the late Ch'ing to early Republican periods provided Yüan with a civil power base. In the case of Liang Shih-i and the Communications Clique, Yüan had nurtured and then harnessed a distinct vested interest developing within the context of a late Ch'ing effort to centralize railway administration.