The Anglo-German agreement over Portugal's African colonies, 1898

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THE ANGLO-GERMAN AGREEMENT OVER
PORTUGAL'S AFRICAN COLONIES
1898

by
Robert Dennis Fiala

A Thesis
Presented to
the Graduate Faculty of the Department of History
University of Omaha

In Partial Fulfillment
of the Requirements for the Degree
Master of Arts

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This study was originally to have examined only the actual negotiations for the proposed Anglo-German loan to Portugal in 1898. In order to delve into this historical problem, however, it became necessary to set the stage for the actual narrative. In this case the stage has become almost a panoramic view of the diplomacy of the late nineteenth century. It is difficult to separate any European diplomatic issue of this period from the Iron Chancellor of Germany, Otto von Bismarck, and since this was also a period of burgeoning colonies, the author has briefly examined both Bismarckian diplomacy and colonial expansion in Africa. The author hopes his first two chapters have not become overly extended in his attempt to portray the diplomatic and colonial problems which formed the basis of misunderstanding and distrust in the final negotiations.

In order to avoid possible confusion the author would like to point out several stylistic adaptations. Following accepted procedure the author has inserted an "e" into umlauted German words. He has also abbreviated the headings on diplomatic exchanges to just the surname of the correspondent. Further identification is provided either within the text or in the Reference Index in Appendix B.
ACKNOWLEDGEMENTS

The author wishes to express his sincere appreciation to the members of the faculty of the Department of History, University of Omaha, for the words of criticism and advice given him while he served as Intern in the Department. Special thanks are due to Drs. Raymond A. Smith, Jr. and George A. Rothrock, Jr., under whom he served in the above position. He is particularly indebted to Mr. David Adams for his assistance with the maps to his advisor, Dr. A. Stanley Trickett, for his patience, advice, criticism, and faithful prodding of a neophyte historian.

R. D. F.
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CHAPTER I

THE BISMARCKIAN ERA, 1870-1890

The last four decades of the nineteenth century brought an abrupt shift of European interest from the continent to other areas of the world. Adventurers explored unknown areas of Africa and the South Seas. Continental rivals often worked side by side in colonial areas. The three largest powers, Germany, France, and Great Britain claimed territory and concessions in southeast Asia and Africa. The exploration and division of the latter provides an excellent example of continental rivalry in colonial areas in the late nineteenth century.

Africa had been a "dark continent" prior to the expeditions of discovery of the mid-nineteenth century. While there were European settlements in Africa before this time, most were along the coasts. Rarely did the claimant attempt to establish territorial limitations; even more infrequently were settlements incorporated into integral colonies.

Portugal was the first European power in modern times to settle African territory south of the Sahara. As early as 1441 she had established a slave trade in posts north of the equator, and by the beginning of the seventeenth century Portuguese settlements existed on both the east and west coasts.
of southern Africa. Angola, the western settlement, soon emerged as the more important, due to the thriving slave trade with the New World.¹

The leading European colonial power was Great Britain, a country which had established colonies or interests in North America, Asia, Australia, and Africa. In the latter region, as in the others, Great Britain originally had entered upon a colonial policy for economic advantage. Many felt that it would be possible to realize a favorable balance of trade. In 1652 the Dutch established the first European settlement on the south African cape; the British soon followed suit. A strong rivalry developed between the two powers over the excellent harbor facilities at the Cape. In 1781 a British squadron made an unsuccessful attempt to seize the Dutch settlement; a later effort proved more rewarding, however, and the British established control in 1795. After briefly reverting to the Dutch after the Peace of Amiens in 1802, the territory became permanently British in 1806.² From this date, British interests in Africa continued to expand, although at times at a very slow rate.

Dissatisfaction with British rule and particularly with


the slavery abolition settlement of 1833 and 1834 caused many of the Dutch, or Boers, to move to what later became the Transvaal, Natal, and the Orange Free State in the African interior. Gradually, however, Britain extended her control to areas north of the Cape Colony and there again arose difficulties between the two peoples. Finally, in 1843, Natal was declared a British colony, and the Transvaal and the Orange Free State were annexed. The latter two regions were allowed independence as long as they outlawed slavery.\(^3\)

The French, too, had established claims in Africa prior to the expansionistic explosion of the latter half of the nineteenth century, although these claims were north of the Sahara. Charles X, in an attempt to divert public attention from domestic problems to foreign glory, sent an expedition to Algeria in 1830. The expedition was successful, although the success did not reach the home scene; the monarch was forced to abdicate in July, the same month Algiers fell. The new government of Louis Philippe faced the difficult problem of either administering or disposing of the newly acquired territory. The few Frenchmen who desired expansion were, for the most part, naval officials who saw the strategic value of a base on the southern shore of the Mediterranean. Several years passed before the government decided to expand from the initial base at Algiers; it was not

\(^3\) Williamson, *British Expansion*, II, 121-128.
until the fall of Constantine in 1837, that France embarked on a definite colonial policy in North Africa.

A map published in 1866 showed large blank spaces over much of the unexplored African interior. Less than two decades earlier, the British missionary and explorer, David Livingstone, entered southern Africa, on the first of his important journeys; Richard Francis Burton and John Hanning Speke entered the depths of central Africa in the late 1850's.

Livingstone, Burton, Speke, Samuel Baker, who explored the Upper Nile, and others published fascinating, if not always accurate, accounts of their encounters with "darkest Africa." These treatises not only whetted the interest of the Europeans, but they also dispelled a number of fears and misconceptions about the continent.

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5 The deluge of publications began with Livingstone's Missionary Travels and Researches in South Africa (1857). Soon after this followed Burton's Lake Regions of Central Africa (1860), Speke's Journal of the Discovery of the Source of the Nile (1863), Grant's A Walk Across Africa (1864), Burton's The Nile Basin (1864), Livingstone's Narrative of an Expedition to the Zambesi and Its Tributaries (1865), and Baker's Albert Nyanza (1866).

6 Geographers and cartographers set forth many theories concerning the source of the Nile, and it was with this problem that many explorers of this period concerned themselves. For an interesting recent account of the exploration of the Upper Nile, see Alan Voorhees, The White Nile (New York: Dell Publishing Co., Inc., 1982).
Geographical societies, missionary societies, and other private organizations financed most of the expeditions to the African interior. As Europeans gained more information about the geography and the potential wealth of the land, speculators formed organizations to promote the exploration and to spread European religion, culture, and civilization to the "new" continent.

The expeditions also became symbolic of a new national pride. Sir Charles Dilke soon became a leading spokesman of the rising imperial sentiment in Great Britain, a sentiment which also was apparent in other countries. Dilke, in his Greater Britain (1868), pointed out to his fellow Englishmen that "Saxondom will rise triumphant from the doubtful struggle" with the "cheaper" races. Imperialism became a factor in governmental policy as well as private enterprise, and it was around this problem that a great part of European diplomacy revolved in the last few decades of the nineteenth century.

Great Britain long had followed a twofold policy toward Europe—non-involvement so long as the balance of power was not endangered and, after 1815, the maintenance of the neutrality of the low countries. The French Revolution forced Britain to actively intervene in order to protect her interests, but Castlereagh restored non-involvement as soon as it was expedient. It was not until the Crimean War that

Britain again entered into a coalition with European countries. This time her purpose was to maintain her influence in the Straits—a thorny problem for many years—and to prevent Russia from gaining entrance to the Mediterranean Sea.

In the same year that Dilke published Greater Britain, the Liberal, William E. Gladstone, formed his first ministry; the new Prime Minister vowed to continue a policy of non-expansion in the face of the rising interest in Africa. Gladstone realized that he would face possible conflicts with other countries if he entered Africa, and the pending "Alabama" claims dispute further convinced him of the wisdom of non-involvement. In 1869, in a lengthy letter to the queen's private secretary, the Prime Minister condemned the cost of British participation in the continental wars. Although he did not absolutely oppose intervention, Gladstone did not want Britain to become entangled in continental alliances.

She should not encourage the weak by giving expectations of aid to resist the strong, but should rather seek to deter the strong by firm but moderate language.  

While Gladstone in this instance was summarizing what he thought to be the policy of his foreign minister, Lord Clarendon, they were words to which he wholeheartedly ascribed.

After the death of Clarendon in June, 1870, Lord Granville received the seals of the Foreign Office; he managed England's foreign affairs during the brief Franco-Prussian War. When the Hohenzollern candidacy threatened the peace of Europe, Gladstone surprisingly declared his sympathy for the French position. As French demands became more strong, and both the French and the Prussian governments moved toward the impending conflict, it became apparent that there was little Great Britain could do to forestall hostilities.⁹

Although Britain had declared her neutrality, she refused to impose restrictions on munitions to the belligerents. Since France had the vessels to secure the weapons, and Germany did not, the British position brought sharp protest from the Prussian chief minister, Otto von Bismarck. The war quickly ended, but the British action, coupled with Bismarck's inherent distrust of the Liberal "Professor",¹⁰ brought an estrangement between the old island kingdom and the growing continental power. At the end of the war the British Cabinet refused to protest the Prussian seizure of Alsace-Lorraine, as Gladstone had suggested; but this action failed to restore Prussian confidence in Great Britain, although it did alleviate Great Britain had 20,000 men available for service in the event of war. Paul Knaplund, Gladstone's Foreign Policy (New York: Harper and Brothers Publishers, 1935), pp. 47-48.

ate the situation to a certain extent.\textsuperscript{11}

The Treaty of Frankfort of 1871 ended the short war between France and Prussia and brought a dramatic shift of political strength from western to central Europe. The sweeping continental changes were largely the result of Bismarck, who became the Imperial Chancellor of the new German Empire. From the beginning of the Second Reich on January 18, 1871, until he was dismissed by William II in 1890, Bismarck ruled Germany with a strong hand. Although the Kaiser had appointed his chancellor and conceivably could remove him when he wanted, Bismarck's strong will, fast-flowing tears, and frequent threats of resignation, proved more than a match for the aged William I.

The period from 1871 to 1890, however, was more than an era of Bismarck in Germany; it was an era of Bismarck in Europe. The man who had formed a new Empire through a policy of "blood and iron" inspired fear and respect in other rulers. He established an intricate alliance system to isolate France; this, felt Bismarck, would effectively maintain the peace in Europe.\textsuperscript{12} The Dreikaiserbund was an agreement among the emperors of Austria, Russia, and Germany; by this understanding Bismarck hoped to maintain the status quo and preserve the


peace. Bismarck later attempted to forestall any possible Austro-Russian hostilities by concluding unilateral agreements with both governments. The Triple Alliance, signed a decade later (1882), further demonstrated Bismarck's astute diplomatic maneuvers and his ability to bring apparent unity among former enemies. The Reich had reached agreements or understandings with all the major powers of Europe with the exception of France and Great Britain. France could be rendered powerless through a close-knit alliance system, but the knot could be drawn even tighter if the Chancellor could secure the support of France's last possible ally—Great Britain. He realized, however, that it would be quite difficult to secure an agreement with any British government and that it would be almost impossible to gain the support of the Liberal Prime Minister, William Gladstone.

The British liberal leader faced an uphill battle in his bid for re-election in 1874. The conservative opposition led by Benjamin Disraeli took advantage of the rising imperial sentiment created by Sir Charles Dilke and others and accused the Prime Minister of having sacrificed British prestige abroad. In a speech at Manchester in April, 1872, and amplified in his famous Crystal Palace speech later that year, Disraeli not only pleaded for better working conditions within the country, but he also challenged the stand of the Liberal Party on colonial and imperial issues. Two years later Disraeli became Prime Minister; his stand on colonial issues had won him a number of supporters and probably had assured his election.
In addition to the domestic attacks, Gladstone also faced the vilification of the German Chancellor. R. J. Sontag comes to the surprising conclusion that Bismarck's condemnation of the "Professor" awakened Great Britain to the "realization that their interests would best be served by conciliating a rising state which had the power to help or hurt England." Bismarck perhaps also attacked the British liberal policies in an attempt to reduce the strength of the German liberals, led by the Crown Prince. No matter what the reason, the Chancellor desired the election of the Conservative candidate, and when Disraeli became Prime Minister, prospects for closer Anglo-German ties appeared bright.

Disraeli embarked upon a policy of renewed activity in colonial affairs when he assumed power in 1874. A year after he entered office Disraeli purchased the Khedive of Egypt's shares in the Suez Canal Company—an action which Gladstone had earlier rejected. Although Disraeli's purchase of canal stock did not bring political control of the canal, it did cause Britain's voice to be heard in the management of the new route. The new royal title, Empress of India, given to Queen Victoria in 1876 after a vigorous and embarrassing

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13 Sontag, Germany and England, p. 89.

struggle with the liberals, symbolized the renewed interest in colonial activity.

It was more than political prestige, however, which motivated Disraeli's desire for expansion. Foreign trade, long important to the British economy, became increasingly vital with the rapid rise of industrialization in the nineteenth century. As other nations became industrialized, the British share of the world market declined. Disraeli and other British leaders sought to accelerate the economy and found the renewed interest in colonies as a possible solution. The opening of the Suez Canal had brought an increase in trade with the Far East, and Disraeli took steps to keep the new route open. Investors were encouraged by the bold venture of Disraeli, and financial interests began to seek out markets and materials in the other newly opened territories.

At the same time the British Government began its policy of expansion. Imperial Germany, led by Bismarck, retreated from the prospect of acquiring territory outside continental Europe. Many Germans had earlier urged active colonization. Frederick List held that colonies would provide an outlet for surplus population, and Wilhelm Roscher emphasized that "Germany

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16 Despite the new governmental attitude British exports to Africa, Europe, and South America remained static or declined in the period 1872 to 1889 relative to other countries. Exports to other areas failed to compensate for the relative decline of Great Britain. Ibid., p. 143.
must lose no time if the last suitable territories are not to be seized by other and more resolute nations. 17 Other Germans formed associations for the purpose of promoting colonization, but they seldom called for the establishment of political sovereignty over the new areas. Settlers returned to German lands and spoke of the valuable territory in Africa; explorers called for the establishment of control over the lands they had charted. 18

Despite the sympathy for colonial activity in a number of the German states before 1871, Bismarck opposed a policy of expansion. The Chancellor felt that Germany's energies should be concentrated on the continent; imperial activity could be a potential source of hostilities:

"the attempt to establish colonies in territories whose suzerainty is claimed by other States, whether rightly or wrongly, might lead to manifold and undesirable disputes. 19"

Colonies would be detrimental, maintained Bismarck, because "they could only be defended by powerful fleets, and Germany's geographical position did not necessitate her development into a first-class maritime Power." 20 Military leaders

18 Ibid., II, 178.
19 Ibid., II, 180-181.
20 Ibid., II, 181.
opposed extra-territorial expansion because it would deplete the size of the forces available within the country. Admiral Albrecht von Stosch, the founder of the Imperial Navy, countered the latter argument by privately suggesting that since so many Germans were leaving the country to escape the rigorous military service, it would be wise to establish a place for Germans to settle rather than have them go to the United States.\(^2^1\)

The German Chancellor also suggested that colonial activity was a place where Great Britain and France could concentrate their resources. A French colonial policy could divert the Third Republic from action on behalf of Alsace-Lorraine, particularly if Germany should support French claims. German competition with Great Britain could not bring advantages to the former, but it could bring a return of Britain to continental affairs and perhaps, worst of all, an Anglo-French alliance against the Reich. If both Great Britain and France would enter Africa, there would arise territorial disputes, and Britain, seeking colonial support, would turn to Germany.\(^2^2\)

Bismarck's words about colonial rivalries soon proved prophetic, as European nations began to vie with each other over control of African territory.


\(^{22}\) C. Grant Robertson, Bismarck in Makers of the Nineteenth Century, Basil Williams, ed. (London: Constable and Company, Ltd., 1918), pp. 417-419.
In 1873 Leopold II, the King of Belgium, called a meeting in Brussels to discuss the opening of Africa to European countries. This gathering formed an International African Association for the purpose of co-ordinating the colonial efforts of the member groups; it also established branches in the home countries of each of the participating members. The central organization, however, soon fell under the sway of the Belgian king, and the venture failed. With the demise of the Association the brief hope of co-operative ventures on a large scale disappeared and European powers began to carve out colonial empires for themselves in Africa.

Leopold created the Congo Free State under his personal supervision a year after the nations had met in Brussels. The next year, in 1880, Savorgnan de Brazza, a French adventurer, lay claim to the region north of the Congo River for his country. Italy quickly showed her willingness to add African territory to her peninsular holdings, and Portugal asserted her claim to much of the western coast south of the Congo River.

The German Chancellor, although he had tried to stem the tide of colonial sentiment, was not able to stop German private enterprise from extra-territorial ventures. Missionary activity had begun almost thirty years prior to the founding of the Empire, and German influence expanded from a tiny nucleus on the west coast of southern Africa as other settlers moved into the area from the Fatherland. Great Britain had already claimed the best port facilities on the south-
western coast at Walfisch (Whale) Bay. It appeared that a conflict of interest could develop, although the German enterprise was strictly a private venture.

During a tribal war in 1880, the Imperial German Government asked Britain to extend protection to the German citizens outside Walfisch Bay; Great Britain agreed to protect the German nationals, but only if they were within British territory. In an effort to secure protection for his holdings, Franz A. Luederitz, a wealthy Breman merchant, asked the German Government for assistance. Bismarck, although it meant an opening of colonial responsibilities, surprisingly agreed to this proposal, but only if the settlements were in previously unclaimed territory. This step marked the beginning of a German imperial policy, although at first it was under the firm control of the Iron Chancellor.

Bismarck discreetly asked the British Foreign Office whether England had claims in the area under consideration; ten months later the British Government replied to Bismarck's query. Although Her Majesty's Government claimed only two places on the west coast, it felt that

"any claim to sovereignty or jurisdiction by a foreign Power between the southern point of Portuguese jurisdiction at latitude 18 and the frontier of Cape Colony would infringe their legitimate rights."

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23 Dawson, German Empire, II, 188. See also Langer, Alliances and Alignments, p. 292.

24 Walfisch Bay and the islands outside the harbor at Angra Pequena.

25 Dawson, German Empire, II, 189.
Britain thus maintained that while she did not claim the area, no one else could either. Bismarck quickly reacted to this unilateral British proclamation of a "Monroe Doctrine" and formally established a protectorate over the west coast of Africa from the boundary of Cape Colony on the Orange River to the Portuguese territory of Angola.\textsuperscript{26}

The semi-official \textit{Koelnische Zeitung} launched violent attacks against Gladstone and the British policy. These assaults were paralleled by continued German expansion, as the Imperial Government added part of New Guinea, a few Pacific islands, Togo, Kamerun, and some territory on the east coast of Africa.

The Chancellor for years had strongly opposed a colonial policy for Germany, and one may wonder why he abandoned his earlier principles and actively sought additional territories. Just as Bismarck earlier thought only of Germany when he refrained from colonization, he now thought only of improving the Reich when he entered the colonial field. The Chancellor discerned opportunities which an expansionist policy offered to his European system of alliances and also the possibility of gaining greater domestic support for his programs. Pressure groups were active; romantics desired expansion; and merchants sought imperial protection, but the

\textsuperscript{26} In May, 1884, a month after Germany had established claim to the western coast, the Cape Colony Government announced a plan to extend control over the coastal territory from the Orange River to Walfisch Bay, completely ignoring the earlier German claims. This move did not improve Anglo-German relations.
influence of these groups on Bismarck is questionable. In 1890 Herbert Bismarck attempted to explain his father's sudden entrance into the colonial field by referring to the English, or liberal, threat:

"When we started our colonial policy, we had to face a long reign by the Crown Prince, during which English influence would predominate. In order to forestall this, we had to launch a colonial policy, which is popular and can produce conflicts with England at any moment."

In addition to this, a popular colonial policy might secure a co-operative Reichstag in the fall elections. Bismarck never adopted a colonial policy out of conviction, but merely used its popularity for his own purposes: 'I am against it [colonial expansion],' he maintained, 'but I allow it to drive me.'

The European political scene was of far greater influence on Bismarck when he commenced his colonial policy than were domestic considerations. The amicable Anglo-French relations of the era of the Franco-Prussian War had shown signs of deteriorating because of Disraeli's purchase of the Suez Canal stock and the British occupation of Egypt. Although Gladstone said his move into Egypt was only temporary, the British occupation continued. England's recognition of Portugal's claim to the mouth of the Congo in February, 1884, further strained Anglo-French relations, for France had

27 Taylor, Struggle for Mastery, p. 293.

claimed this region several years earlier.

The French rancour feeling had shown signs of weakening, and Franco-German relations had improved since the war scare of 1875. It is possible that Bismarck was seeking to achieve closer ties between the two countries; Bismarck could mend Berlin-Paris differences by adopting an anti-British policy in colonial fields. Although tensions between France and Germany were too strong to allow an alliance, there perhaps could be an entente. The British reluctance to recognize German claims in Africa prompted the Chancellor to side with France at a conference on Egyptian finance, and Great Britain could see her growing isolation from continental powers.

While the desire for a Franco-German rapprochement perhaps is plausible, it is necessary to remember that Bismarck did not wish to alienate England. It is possible that through colonial pressure and an apparent pro-French attitude Bismarck was attempting to foster closer relations with the island kingdom; German diplomats often employed such pressure—usually without success. The Chancellor realized that without the friendship of the British Royal Navy, he was wasting his energies on a colonial policy; thus an anti-British endeavor seems unlikely. Because of Bismarck's new colonial activities

29 Taylor, Struggle for Mastery, pp. 286-302. Taylor maintains that Bismarck was "playing genuinely for agreement with France." Ibid., p. 296. The premier and foreign minister of France, Jules Ferry, had fostered a renewed French colonial policy as he entered Tunis, Indo-China, and equatorial Africa. By working with France against Britain in the colonial field, Bismarck could establish a Franco-German friendship.
Britain could see the value of German friendship; Germany's support of Russia in the Near East or of France in Egypt could endanger the British policies abroad.  

Lord Granville, Gladstone's Foreign Secretary, soon ended France's brief period of friendship with Germany when he disclosed a secret German offer for Britain to take Egypt. Once again a "ravenna" policy asserted itself in France against the "treacherous German", and Bismarck openly turned to the "Professor." By March, 1885, Gladstone and Bismarck had put aside their antagonisms, at least publicly, and tentatively welcomed each other as partners "in the execution of the great purposes of Providence for the advantage of mankind."  

The combination of crises over the commencement of German colonization, Russian advances into Afghanistan, the alienation of France, and particularly the death of General "Chinese" Gordon at Khartoum, brought an end to the Gladstone ministry, and Lord Salisbury assumed power in June, 1885. The new prime minister felt the situation could be rectified only by closer co-operation with Germany. Bismarck also sought closer ties with Great Britain, for the reappearance of the Eastern Question threatened to end the Dreikaiserbund, renewed only two years earlier. Perhaps the Chancellor also feared possible isolation.

Having demonstrated the value of German friendship,

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30 Sentag, Germany and England, pp. 194-196.
31 Ibid., p. 201. The words are Gladstone's.
Bismarck abandoned his colonial policy. He felt he had all the colonies he wanted and 'already more . . . than Germany could digest.'\textsuperscript{32} The Chancellor openly sought closer ties with the new British Prime Minister and maintained that "the friendship of Salisbury is worth more to me \[Bismarck\] than twenty swampy African colonies."\textsuperscript{33}

Although Bismarck himself again had turned toward England, the German press still uttered words of warning. The \textit{Koelnische Zeitung}, on June 22, 1885, stated that Britain had to recognize that Germany still had colonial aspirations: 'If England is now prepared to accept Germany as a competitor, friendship is possible and desirable, but it must be on the new basis.'\textsuperscript{34}

As colonial expansion continued, the African territorial rivalries became more bitter. Despite Anglo-German friendship on the official level, a strong territorial rivalry developed in southeastern Africa. Germany had entered this region in October, 1884, when Dr. Gerhard Hohlfs was appointed consul in Zanzibar. The Imperial Government immediately gave assurances to Great Britain that it would not annex additional African territory. At the same time Karl Peters, who had been


\textsuperscript{34} Sontag, \textit{Germany and England}, p. 209.
converted to the colonial gospel while visiting England, established a colonial propaganda organization, The Society for German Colonization. Peters assembled an expedition and went to Africa. Again the German Government denied any plan to secure additional territory. While in the interior in late 1884, Peters, acting on his own initiative, signed treaties with native chieftains and presented his Government with over 60,000 square miles of territory.35

Further difficulties arose when the British East Africa Association entered the area in 1886 and attempted to secure territory between the African lakes and the east coast. Since Peters' claims were somewhat vague, the two companies soon were involved in border disputes. Although a London-Berlin conference (November, 1886) settled this problem in a peaceful manner, new expeditions by Peters again threatened the peace in Africa.36

Bismarck continued to press for an Anglo-Germany alliance, but in every instance he was rebuffed by Salisbury. During the close Franco-Russian co-operation in the Egyptian question in 1887,37 however, Great Britain moved closer to the Triple Alliance, and rumors that England and Germany had signed an alliance circulated through the continental Foreign Offices. Salisbury denied them all.38

35 Dawson, German Empire, II, 215-216.
37 Ibid., III, 254-260.
38 Harold Temperley and Lillian M. Penson, Foundations
In the fall of 1889 Bismarck asked Great Britain for a further settlement of African colonial problems. Salisbury readily agreed to this proposal, since Karl Peters had left on another expedition into Africa. Many felt the Peters' expedition into the Uganda region would threaten the British position in the Sudan and in Egypt. The two powers, however, were unable to reach an immediate agreement, as governmental changes in Germany brought the proceedings to a standstill.

The death of William I in 1888 strikingly affected the diplomacy of the late nineteenth century. Bismarck had exercised great control over the aged Kaiser, but there had long been poor relations between the Chancellor and the new Kaiser, Frederick III. William's son, however, was incurably stricken with throat cancer when he came to the throne, and consequently, the liberal forces, so long feared, were deprived of their hope for political ascendancy after only

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39 There persisted throughout the nineteenth century the theory that the country which controlled the Nile's sources could control Egypt merely by damming off the river. Of greater significance, of course, was the fact that, while the British navy and military effectively controlled Lower Egypt, Upper Egypt would still be open to opposing forces moving north. See Taylor, Struggle for Mastery, p. 329n. D. R. Gillard maintains that this threat was negligible. See "Salisbury's African Policy and the Heligoland Offer of 1890," The English Historical Review LXXV (October 1960), passim. Hereafter cited as Gillard, "Salisbury and Heligoland."
ninety-nine days. When William II came to power, the opportunity for closer relations with England apparently had vanished; although the new Kaiser was the grandson of the English queen, he had often offended the British people by his brutish manners. This, in addition to the hostility shown by many of the German papers, seemed to eliminate any hope for an Anglo-German agreement. From the beginning of his reign, William apparently had desired closer ties with England, but he was viewed with suspicion even by his grandmother:

As regards the political relations of the two governments [Germany and England], the Queen quite agrees that it should not be affected (if possible) by these miserable personal quarrels, but the Queen much fears that with such a hot-headed, conceited and wrong-headed young man, devoid of all feelings [William II], that may at ANY moment become impossible.41

The new Kaiser's military advisers began to urge a war against Russia, and Russo-German relations began to deteriorate almost from the time William assumed control. Bismarck strongly opposed William's alienation of Russia, but great as were the tensions over foreign policy, it was a domestic issue which finally brought the fall of the Iron Chancellor.

40 One reason was a thorough distrust of English doctors. One had officiated at the birth of William II, who had a crippled arm. Another had opposed an early operation on Frederick III's throat, against the advice of the German doctors, because the growth was non-malignant. See F. E. Benson, The Kaiser and English Relations (New York: Longmans, Green and Company, 1936), p. 57. Hereafter cited as Benson, Kaiser and English Relations.

and concentrated effective power in the hands of the "hot-headed" Kaiser. After a stormy scene on March 21, 1890, William received his Chancellor's resignation. An era in German history had ended.

Bismarck almost single-handedly had formed the new empire. He had also shaped a new Europe and had made Berlin the diplomatic capital of the continent. The question was raised when Bismarck was released: would his successor, Count George Leo von Caprivi, be able to continue the brilliant diplomacy begun by the architect of the German Empire?
CHAPTER II

ANGLO-GERMAN RELATIONS, 1890-1896

Count Leo Caprivi and William II maintained that the new government would follow the same course as Bismarck in foreign affairs. Lord Salisbury, however, felt that the change of chancellors would have great repercussions on the European scene. The British minister deplored the Kaiser's action in dismissing Bismarck because he realized that he would now have to deal with the young ruler. Salisbury thought the office of Chancellor would have much less power than it formerly had. Although he believed William to be sincere in his statement that German policy would not change, the Prime Minister asked, "Even if he [William] thinks thus today, what guarantee have we that he will not change his mind overnight?"

Salisbury was correct in his assumption that the new chancellor would wield less power than Bismarck. "Caprivi . . . knew nothing of foreign affairs," maintains A. J. P. Taylor, "Marschall, the new secretary of state, not much more." As a result the Foreign Office came more and more

1 Temperley, British Foreign Policy, p. 465.
2 Taylor, Struggle for Mastery, p. 328.
under the control of Friedrich von Holstein, a permanent official in the office, and the Kaiser, who chose to follow a more erratic course on a number of occasions.

Several months after he assumed power, Caprivi announced the conclusion of an important colonial agreement in which Germany had agreed to cede all claims to concessions in Zanzibar and on the island of Pemba to Britain; the latter would give up the North Sea island of Heligoland. Germany also approved a northern border for her colony in eastern Africa; this excluded the Reich from Uganda and the sources of the Nile. Salisbury agreed to persuade the Sultan of Zanzibar to sell his coastal claims in East Africa to Germany, thus giving Germany the control of the coast as well as the hinterland.

An old Arab proverb maintained that, 'If you play on the flute at Zanzibar, everybody as far as the lakes dances;' both Germany and Great Britain realized the commercial value of the island. Salisbury pointed out the importance of Zanzibar in 1888:

"We have left Prince Bismarck [a] free hand in Samoa (and a pretty mess he has made of it!), but we can not do so in Zanzibar. The English and Indian interests are both too strong." 

The Iron Chancellor, when in office, had often utilized the


4 Cecil, Salisbury, IV, 234-235 and Temperley, British Foreign Policy, p. 163.
German interests in Zanzibar to secure concessions elsewhere; Caprivi had given up this lever. Bismarck was strongly critical of the "Heligoland Agreement", as he was with most of the policies of his successor, and hinted that if he were still Chancellor, England herself may have given up Zanzibar:

Free trade with that one great market on the East African coast was the bridge for our traffic with the mainland. . . . That the possession of this bridge would at some future time devolve upon us . . . I had regarded . . . as probable enough for such an aim to be regarded . . . as a possibility worthy of endeavour.

While this is, of course, a gross overstatement, it does indicate the value that Bismarck placed on the island which Caprivi had given up.

Bismarck himself first sought to secure Heligoland for Germany in 1884 when he attempted to obtain the island in return for German support for the British Egyptian policy. It appeared in diplomatic conversations several times from 1884 until Bismarck's fall, but no agreements were reached. The British Prime Minister likewise broached the question of Zanzibar on several occasions, but he was firmly refused. Despite the close Anglo-German cooperation in the Near East in the late 1880's, Salisbury knew he could never come to an agreement with Bismarck over Zanzibar. With the change of chancellors, however, the Prime Minister thought he could

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reopen the discussions.

On May 13, 1890, Lord Salisbury outlined his proposals for a complete settlement of African problems to the German ambassador in London, Paul von Hatzfeldt. The Kaiser soon became quite elated at the prospect of securing the North Sea island, and he came to regard the German East African holdings as bait for additional concessions.7 Carrivi felt that a major agreement with Great Britain, and particularly the acquisition of Heligoland, would secure greater support for him at home. He pointed out that Bismarck had earlier attempted to secure the island; he had succeeded.

Despite William's apparent willingness to sacrifice East Africa (where Germany was losing large amounts of money), Hatzfeldt managed to secure additional concessions in Africa. Salisbury agreed that German East Africa border the Congo Free State, since Germany hinted that someday she might want to purchase the Congo region. The English Prime Minister also agreed to the cession of the Caprivi Strip, a long narrow strip of territory which jutted northeast from German Southwest Africa and connected that territory to the Zambezi River.8

The two powers signed the agreement on July 1, 1890; this date perhaps marks the zenith of Anglo-German friendship.

7 Gillard, "Salisbury and Heligoland", p. 653.

Although both governments were satisfied with the exchanges and concessions, the announcement of the provisions stirred popular resentment in both Great Britain and Germany. Since Germany had received a border common with the Congo Free State, England no longer had the opportunity to construct an "all-red" route from the Cape Colony to Cairo. The Liberals did not criticize the concessions, although many objected to strengthening the British hold over Zanzibar. Even the Queen quietly stated her objections to certain parts of the Agreement:

"That any of my possession should be bartered away causes me great uneasiness."\(^9\) Nor would it be a favorable comment on British justice to turn people over to an "unscrupulous despotic Government like the Germans" without consulting them first.\(^11\) The Queen realized, however, that a plebiscite would be out of the question—other peoples controlled by England might demand the same privilege. Salisbury vigorously defended the agreement by which he had established definite boundaries for German territories in Africa and thus had limited the threat of future German expansion into British lands.\(^12\)

Although the Kaiser looked with pride upon the agreement which he had completed within a few months of Bismarck's

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\(^9\) Sontag, Germany and England, p. 271.

\(^10\) Cecil, Salisbury, IV, 298.

\(^11\) Ibid.

\(^12\) See Gillard, "Salisbury and Heligoland," passim.
dismissal, many Germans were less favorably inclined. The German colonial party bitterly attacked the settlement and the government for having given up too much to obtain the North Sea island. The efforts of the British ministers to defend the treaty in England made the task of the German government more difficult; the British people were told that the island was worthless. As a result, the new chancellor lost, rather than gained, popular support because of the Heligoland agreement.

Caprivi opposed colonies even more strongly than his predecessor. Bismarck would support a colonial policy if it would benefit his European system, but Caprivi disapproved of all forms of colonial activity. "The worst thing that could happen to us," he asserted, "would be for someone to give us the whole of Africa." Colonies would not only create new enemies for the Reich, they would be economically unprofitable.

The popular Karl Peters declared that by the Heligoland agreement, the German Empire had sacrificed 'two kingdoms, Witu and Uganda, ... for a bathtub in the North Sea.'

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13 Benson, Kaiser and English Relations, p. 79.
14 Sontag, Germany and England, p. 272.
16 Dawson, German Empire, II, 273.
17 Nichols, Caprivi Era, p. 102.
Peters' statements, coupled with Bismarck's opposition to the concessions of the Caprivi administration and the popular feeling for colonial expansion led to the creation of a colonial society; out of this grew the Pan-German League, an organization which gained considerable influence in Germany during the next decade.¹⁸

Yet it was another decision of the Caprivi Government which proved more important to the European alignment of powers than the Heligoland agreement. Bismarck long had attempted to protect Germany from a possible war in which Germany would face both France and Russia. Through his intricate alliance system, which included the latter, the Iron Chancellor had eliminated the threat of a two-front war. When the Near Eastern Question threatened to split Austria and Russia, the wily Chancellor concluded unilateral alliances with both. Caprivi allowed the Russo-German Treaty to lapse.

The Reinsurance Treaty with Russia, signed on June 18, 1887, provided that Russia and Germany would maintain neutrality in the event of war with a third power, unless Russia attacked Austria or Germany attacked France. With the advent of William to the throne in 1888 there developed a definite anti-Russian feeling in Berlin. Growing interest in the Ottoman Empire, communications of an economic nature between France and Russia, and the Kaiser's anti-Russian ori-

¹⁸ Nichols, Caprivi Era, pp. 102-103.
entation contributed to the new relationship. 19

The new Caprivi Government had allowed the Reinsurance Treaty to lapse at the suggestion of Friedrich von Holstein, who argued that the ambiguity of the treaty would do more harm than good if the terms ever became known. At the time it seemed that little danger could arise from this action; even Bismarck felt that France and Russia had sufficient irreconcilable differences to forestall any treaty. An error in judgment soon became apparent, and the German move initiated a realignment of power and set the stage for a division of Europe into two opposing camps.

Embryonic ties between France and Russia had begun as early as October, 1888, when France floated a loan of 500,000,000 francs to Russia. Three months later Russia placed a large order for rifles in France. 20 The Heligoland Agreement had aroused Paris to the possibility that England had joined the Triple Alliance. 21 The cession of Heligoland to the Reich gave Germany the responsibility of defending the North Sea while paving the way for Great Britain to devote all her energies to the Mediterranean. Open discussion of Anglo-Italian relations in the British House of Commons


20 Ibid., p. 206.

led to the disclosure of the first Mediterranean agreement and brought an even greater distrust of British designs in the Mediterranean.

St. Petersburg at first showed apparent indifference when France sought closer Franco-Russian ties. Delicate negotiations, however, resulted in the visit of the French fleet to the Russian Naval base at Kronstadt in July, 1891. The head of the Russian Foreign Office, Nicholai Giers, had attempted to maintain ties with Germany, but on August 17, 1892, the Chiefs of Staff of Russia and France concluded a military convention. This provided that France would assist Russia if attacked by Germany or by Germany and Austria together, and Russia would support France in the event of a German attack, either alone or in conjunction with Italy. Mobilization by members of the Triple Alliance would bring Franco-Russian mobilization, and the agreement was to be in effect as long as the Triple Alliance.

The apparent alignment of Russia with France had brought a greater effort on the part of Germany to secure an alliance with Great Britain. If the Reich could conclude such an agreement, the great coalition of Germany, Italy, Austria-Hungary, and Great Britain would deter any overt move on the part of France or Russia. The new German Government, however, was less

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23 Albrecht-Carrie, Diplomatic History of Europe, p. 206.

24 Ibid., p. 212.
astute than the old, and the expanded British interest in
colonies, coupled with the British policy of non-involvement,
promised to forestall such an agreement.

The fall of the Salisbury Government in August, 1892,
brought the aged Gladstone back into power for the third
time, but Lord Rosebery, who favored continued friendship
with Germany, became Foreign Secretary; this move indicated
that Salisbury's foreign policy, for the most part, would be
continued. The new government could not maintain an aloof-
ness from other nations as Gladstone had attempted in the
past; some active foreign negotiations were necessary. In a
memorandum written upon his retirement from office, Salisbury
declared his views on the European scene:

"The key of the present situation in Europe is
our position towards Italy and, through Italy
to the Triple Alliance. . . . If England was to
become more cold to Italy . . . or were to give
any indication of likelihood that she would even
give a moral preference to France in the event
of a conflict, I think very serious risks to
European peace would be run as well as to the
interests of this country."25

The friendship of the Triple Alliance was important to Eng-
land both in Egypt and in the Mediterranean. Rosebery told
Hatzfeldt that there was the possibility that Great Britain
would act with Italy,26 but the Foreign Secretary, like his


26 Hatzfeldt to Holstein," November 28, 1892, The Hol-
stein Papers, vol. III, Correspondence, 1861-1896, Norman
Rich and H. A. Fisher, eds. (Cambridge: At the University
Holstein Papers.
predecessor, was not ready to ally Great Britain with any country, including Italy. 27

Valentine Chirol, the Berlin correspondent of The Times, declared that the elections were not indicative of the future British policies. Gladstone himself had lost a great deal of personal influence, and it was the head of the Radical Party and a strong imperialist, Joseph Chamberlain, who had gained during the elections:

I [Chirol] believe the knell of the old narrow-minded, insular Radicalism has been sounded.... There will emerge a young Radical party under Chamberlain's leadership, as thoroughly Imperialist, etc., as thoroughly conscious of the world wide range of our interests and duties, as the Conservative party has always shown itself to be. 28

After the British elections Germany again attempted to force conclusion of a treaty by suggesting that she would turn to Russia. Hatzfeldt probably first made this suggestion to Salisbury, who was out of office, but in a later letter to Holstein the German Ambassador quoted and endorsed an earlier opinion that the Franco-Russian Alliance posed no threat to Germany:

The alliance between the Russians and France causes me no anxiety because I will always keep it within my power to purchase Russia's neutrality in the event of a Franco-German war, and we don't need anything more. 29

27 Tamperley, British Foreign Policy, pp. 471-472.
28 "Chirol to Holstein," July 20, 1892, Holstein Papers, III, 421-422, no. 375.
29 "Hatzfeldt to Holstein," November 28, 1892, Holstein Papers, III, 427, no. 378.
Hatzfeldt's optimism over Germany's reopening the line to St. Petersburg was rudely shattered the next year by further Franco-Russian discussions and agreements. The military convention had not yet been formalized into an alliance, but as both powers contended with a common enemy—Great Britain—it was only natural that the convention would ripen into a more permanent arrangement.

Russia had become involved in a border dispute with Afghanistan and sought to extend her domination over much of the area. Great Britain, whose holdings in India were endangered, immediately protested the action and threatened armed intervention. Faced with this strong British stand Russia acknowledged defeat and retreated.30

France had likewise become involved in bitter disputes with Great Britain. In January, 1893, Gladstone, the old non-interventionist, entered Egypt and prevented the Khedive from establishing an anti-English government.31 On this occasion Russia failed to back the French protest because the tsar, in part, was disillusioned by the republican government which had allowed the Panama scandals.32 The most


acute Anglo-French clash, however, arose in Siam. Both
powers previously had established extensive claims in southern
Asia, and it was inevitable that a clash would occur. On
July 13, 1893, France sent two gunboats up the Mekong River
to Bangkok and soon thereafter announced a blockade of the
neutral state. Rosebery quickly protested this action and
began to sound out the Triple Alliance for possible assistance.
Eventually France retreated from the possible showdown, and
Siam again became a buffer state between French Indo-China
and British Burma.33 Great Britain had won the first tests
of strength unassisted.

As the ties between Russia and France grew tighter,
the German opposition to the Caprivi administration became
more and more outspoken. The pro-Bismarckian press strongly
criticized the new Chancellor for his failure to maintain
security for Germany in Europe. When the Iron Chancellor
left office there had been little possibility of an entente
between France and Russia; now there was the definite threat
of a two front war. Germany could not trust Great Britain
in an entente; only an alliance was possible. If a firm
agreement were not signed Great Britain would in all prob-
ability precipitate a crisis between the Triple Alliance and
the Franco-Russian combination; she then would retreat into
her traditional policy of isolation.34

33 F. H. Hinsley, "International Rivalry, 1885-1895,"
Cambridge British History, III, 278-279.
34 Sontag, Germany and England, pp. 282-284.
The tsar previously had been reluctant to permit an alliance, but he at last gave way. In October, 1893, Alexander permitted a squadron of five ships to visit the French Mediterranean base at Toulon; three months later the two governments exchanged letters and the Franco-Russian alliance came into effect. The choice of the Mediterranean port gave rise to the belief that the agreement was of an anti-British nature, since the Royal Navy was strongest in the Mediterranean. Russia's decision to maintain a squadron in the region and her attempts to negotiate a commercial treaty with Turkey further strengthened this idea.35

Rosebery sought to enlist the support of the Triple Alliance in order to maintain British supremacy in the Mediterranean and keep Russia from expanding, but Germany was decidedly cool to this suggestion. The British Foreign Secretary refused to commit England to the Alliance.36 The Kassische Zeitung argued that

"It is unthinkable that Germany should promise to protect India against a Russian attack, or to take up her shield if France and Russia attacked the Suez Canal. . . . Russia's real enemy is not the Triple Alliance--and least of all is it Germany--England is the real enemy."37

Holstein expressed a similar sentiment in a letter to his representative in London: "I . . . have no intention of

35 Temperley, British Foreign Policy, p. 471.


37 Sontag, Germany and England, p. 283.
waiting until we [Germany] are left alone with England... England has simply exhausted the patience of her friends." 38

At the same time, in an attempt to improve Russo-German relations and perhaps sap the strength of the Franco-Russian agreement, Germany concluded a tariff agreement with Russia. 39

Rosebery apparently was undaunted by Germany's move toward Russia and felt that only Greece among the Mediterranean countries would side with the tsar; Italy, Austria, Spain, and Portugal would be sympathetic to England. 40 This support could deter Russia from making a move through the Straits.

The Franco-Russian agreement led to sharp British criticism of Gladstone; the basic issue was whether Great Britain should increase the size of her navy to cope with the new threat in the Mediterranean. The Prime Minister and Sir William Harcourt, the Chancellor of the Exchequer, opposed a large increase in funds for the Admiralty, but the newspapers and the opposition had sufficiently aroused public opinion of the danger to British security that Gladstone was obliged to resign. 41 Lord Rosebery moved from the post of Foreign Secretary to that of Prime Minister.

38 "Holstein to Hatzfeldt," December 9, 1893, Holstein Papers, III, 447, no. 390.

39 Langer, Diplomacy of Imperialism, I, 50-56.


In 1894 there were renewed territorial clashes in Africa between Great Britain and Germany. While as late as 1890 the Caprivi Government had made large concessions, it now became necessary to adopt a more "forward" foreign policy in order to placate colonial interests at home. The Colonial Society increased its efforts to secure immediate action on the question of territorial expansion. Even many German liberals began to see Great Britain as the most formidable rival for German activity, and they began to discuss the adoption of anti-English measures.

In November, 1893, Germany and England had agreed on the western watershed of the Nile as a line of demarcation between the German territory of Kamerun and the English interests in the Sudan. Since Germany had no claims immediately west of the line, Great Britain assumed that the Reich would occupy the area to which she had renounced her claim and thus block France from the Nile Basin. Germany, however, concluded an agreement with France which gave the latter the territory which Germany had received from England. As a result France again had free access to the Nile and could again threaten the British holdings.

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43 Taylor, Struggle for Mastery, pp. 348-349.

44 Ibid., 349n.
Great Britain attempted to circumvent the Franco-German agreement by concluding a treaty with Leopold II, King of Belgium and owner of the Congo state. Britain leased some territory west of the Nile to Leopold in return for a strip of land along the eastern border of the Congo Free State from Lake Tanganyika to Lake Albert. The latter acquisition would reopen the possibility of an "all-red" route from Cape to Cairo, and Leopold's control of the region west of the Nile would keep France from expanding to the east (See Map I, p. 42).

France, as expected, protested the Anglo-Congolese Treaty; she had never recognized the British sphere of influence on the Upper Nile and had her own designs of crossing Africa from west to east. Great Britain, however, did not expect the strong German protest. The Heligoland Agreement of 1890 had given Germany a common border to the Congo Free State; the Anglo-Congolese Treaty, by which England leased a strip of territory along the east border of the Congo Free State, had upset the earlier pact. Germany thus had a legal argument against the treaty, but because of the recent German position, Great Britain did not expect a sudden public condemnation of her latest African venture. Germany also raised the question whether an international body had to approve any change of territory of the Free State, since the assembled powers had initially guaranteed the territory.45

45 Sontag, Germany and England, pp. 287-293.
AGREEMENT BETWEEN ENGLAND AND THE CONGO STATE
MAY 12, 1894

- Rectification of Congo Frontier (Article I).
- Leased to Leopold II (Article II).
- Leased to Leopold II and his Successors (Article III).
- Corridor leased to Great Britain by the Congo State (Article III).

Scale of Miles

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Langer, Diplomacy of Imperialism, I, 133.
Both Germany and France exerted pressure on London to rescind the treaty. Marschall, the German Secretary of State for Foreign Affairs, pointed out that only by promptly withdrawing could England avoid complications. Lord Rosebery, in a conference with Count Deym, the Austro-Hungarian ambassador to London, declared that Germany should not push England too far:

The style of the German note, though not unusual in communications from Berlin, was insufferable... if Germany were going to side with France or appear to side with France in this and other African questions, we [Great Britain] must reconsider our position as regards our general attitude in Europe.47

Despite the stern warnings against interference which passed from London to Berlin, the English position was rather tenuous. Sir Edward Malet, the British ambassador in Berlin, pointed out that if England refused to give up the offensive provisions in the Congo Agreement France and Germany could withdraw from their guarantee of Congo neutrality. In addition to this Germany and France could unite in other matters, such as Egypt, and precipitate additional crises for England.48

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48 "Malet to Queen Victoria," June 15, 1894, Ibid., 405-407.
Germany soon withdrew her demand for the complete abrogation of the treaty, although France continued to exert pressure on both Great Britain and the Belgian monarch. On August 14 Leopold acceded to the French demand and withdrew from the agreement with England. Anglo-German relations, however, had already been seriously damaged. Berlin had sought to exert pressure on London in order to gain concessions, such as closer support of the Triple Alliance and a greater influence in Samoa and probably would rather have been paid for withdrawing her opposition than be forced to insist on it. This policy had again failed.

Forced to retreat from the Congo, Rosebery turned toward Paris and St. Petersburg in an attempt to discuss the Afghan border dispute with Russia and settle Anglo-French colonial problems. The Prime Minister did not intend to conclude an agreement with the Dual Alliance, for France and Russia were "natural enemies" of England. These were genuine problems and Rosebery wanted to solve them. Of course, there is always the possibility that Rosebery aspired to play Germany's game—by negotiating with the Dual Alliance, Germany would realize the value of England's friendship.

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As a result of the Congo action, Germany and England became more and more estranged. The next year the Reich refused to join Britain in intervening in the Sino-Japanese War, although it later intervened in co-operation with Russia. Many English newspapers reported that Germany was serving Russia, and one mentioned that it was either "the sudden impulses of Germany's ruler" or a "perverse desire to do the opposite of whatever is done or favored by Great Britain," which dictated the German action. After Shimonoseki Great Britain ended her attempts at collaboration with France and Russia and retreated from continental affairs. The affront to British pride which the Kaiser made in January, 1896, further isolated Great Britain and brought Anglo-German relations almost to the breaking point.  

Germany had shown interest in the Transvaal region ever since she began her colonial activity in 1884, but England had effectively prevented her from making strong ties with the Boer Republic. Great Britain controlled the territory around the Transvaal with the exception of the land to the east which was governed by Portugal (See Map II, p. 46). Mozambique, or Portuguese East Africa, thus had acquired a value far in excess of what it might have had.

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53 Image, Diplomacy of Imperialism, 1, 214.
In 1891 Cecil Rhodes, the English imperialist, attempted to purchase the entire Mozambique territory; Portugal quickly rejected his offer. She also turned down Germany's offer to purchase the Delagoa Bay-Pretoria Railway, even though she was in dire financial straits.  

The London Convention of 1885 had implied that the Boer Republic was under British suzerainty, but in January, 1895, President Kruger declared that the Transvaal was independent. The next month he signed a treaty with Portugal, and in August of the same year he concluded an agreement with Holland. Germany approved the President's action, although Great Britain refused to recognize either agreement.

As a result of the increasingly important roles played by the few German industrialists in the Transvaal, Cape Colony officials sought to strengthen their waning influence by more direct and forceful means. In the latter part of December, 1895, Dr. T. E. Jansen led a band of adventurers into the Transvaal in order to assist a planned Uitlander uprising. No simultaneous revolt occurred, and the Trans-

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55 Fenner, "Germany and Transvaal," p. 52. See also John Dean Bickford and Edgar H. Johnson, "The Contemplated Anglo-German Alliance, 1890-1901," The Political Science Quarterly XLII (March 1927), 15. Hereafter cited as Bickford, "Anglo-German Alliance."
vaal authorities, previously informed of the planned raid, easily captured the band.

Since Jameson had organized the expedition in British Bechuanaland, both the Boer and the German Governments accused Britain of instigating the "filibustering campaign." Lord Salisbury, who had become Prime Minister in June, 1895, informed Hatzfeldt that Great Britain did not approve of the raid, and the Colonial Secretary, Joseph Chamberlain, also denied any foreknowledge of the expedition. He had even attempted to recall Jameson before he learned whether the expedition was successful.56

Germany's re-entry into the colonial field after the dismissal of Caprivi, William's desire to build Germany into a strong naval power, and the renewed nationalistic fervor all seemed to propel Germany into a policy of Weltpolitik.57 It was at this moment that the Jameson Raid occurred, and the Kaiser sent his famous congratulatory telegram to President Kruger.58 William at first sought more drastic measures, perhaps as the result of a rebuff which he had experienced in England earlier that year,59 but his Chancellor,

58 See Langer, Diplomacy of Imperialism, I, 237.
Hohenlohe, and Marschall, the Secretary of State, dissuaded him from this action.

The Kruger telegram aroused public opinion in both Germany and England. German newspapers, almost without exception, hailed the Kaiser's communique, and the English newspapers were just as outspoken in their denunciations of German ambitions. The Kaiser's reference to the independence of the Transvaal was quite offensive to the British, and his decision to send assistance to the Boers through Portuguese territory was even more upsetting. English newspapers denounced the entire German action as part of a premeditated plot against England which only required an incident to be put into effect. Chamberlain called for an "act of vigor" against Germany.

Great Britain became more and more estranged from Germany during 1896, despite a further German effort to conclude a secret alliance, and a torrent of anti-German publications poured from the British press. Many saw the German effort as part of a growing plot against British manufactured items.

Germany again had attempted to force England into turning

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toward the Alliance, but she again had failed. The Kruger telegram had aroused a strong national pride in a growing navy, an expanding Empire, and a rich South Africa. "Uitlander," "Delagoa Bay," and "Kruger," became household words; they whetted the interest and excited the imagination of all. The German threats had not turned British interests from Africa, but rather they had strengthened them. In both northern and southern Africa England expressed her determination to maintain her hold. Within two years of the telegram, which was perhaps the nadir of Anglo-German relations, a mutual desire to secure an agreement again turned Anglo-German negotiations toward southern Africa.
CHAPTER III

PORTUGAL'S FINANCIAL CRISIS

The discovery of gold and diamonds in southern Africa had intensified European interest in the new continent. Although British influence was quite strong in South Africa, the Transvaal rendered complete control an impossibility. Great Britain sought to secure the last non-British territory surrounding the Boer Republic—Portuguese Mozambique.

For many years there had existed a strong bond of friendship between England and Portugal. The spirit of amity dated from 1373 when Edward II of England and Ferdinand I of Portugal announced a covenant of mutual support. Oliver Cromwell, Charles II, and others added to the provisions until the first agreement had become a full alliance.

In 1817 England and Portugal signed an agreement which recognized as Portugal's the territory from Cape Delgado to the Bay of Lorenzo Marques. The territory acquired a greater importance as interest rose in South Africa, and since the two powers had not precisely defined "Bay of Lorenzo Marques," there arose disputes over the extent of the Portuguese possessions. England increased her efforts to secure Delagoa Bay in an attempt to end the supply of guns smuggled in through the port and given to the natives. Failing to reach agreement
over the territory, both countries referred the matter to the arbitration of President MacMahon of France. During the deliberations Great Britain proposed that the nation in whose favor the arbitration was decided would not sell any of the disputed territory without giving the initial opportunity to purchase the land to the nation which lost the decision; to this Portugal readily agreed. On July 28, 1875, MacMahon announced his decision in favor of Portugal; Great Britain abided by the decision and withdrew her claim to the area.¹

In February, 1884, ostensibly in accord with the Anglo-Portuguese entente although it was actually an attempt to prevent French expansion, Great Britain recognized an old (and reluctant) Portuguese claim to the mouth of the Congo River. Soon after this Germany entered the ranks of the African colonial powers, and in accord with France, forced England to give up her recognition of Portuguese ownership.

There were some in Portugal who objected to giving up the Portuguese claims to the mouth of the Congo; they attributed the cancellation of the Anglo-Portuguese treaty of 1884 to English indifference rather than international difficulties. Perhaps, some argued, Portugal should not have tied herself so closely to England; Germany seemed to be the "rising star." Partly in an effort to show opposition to Great Britain Portugal expressed a willingness to construct

the oft-proposed Pretoria-Delagoa Bay Railway. This would divert more Transvaal goods from the Cape Colony to the Portuguese port. In March, 1887, Colonel Edward McMurdoo, a citizen of the United States, formed a company in London with a capital of £500,000. Construction began in the summer, and it was almost completed in November of the following year. In June, 1889, the Portuguese Government seized the railway for not having completed the line to the appointed terminus within the contract period. The United States and Great Britain both demanded that their citizens be compensated. In the autumn of 1890, the three governments agreed that three Swiss jurists should determine the amount of compensation due the stockholders.2

There were additional Anglo-Portuguese difficulties beginning in November, 1889. Portugal had sought to secure territory from the east to the west coasts in southern Africa linking her two holdings of Angola and Mozambique, but Great Britain asserted her own interests in the area. On January 11, the British minister in Lisbon was told to demand that Portugal withdraw her claim from central Africa. If Portugal refused the British minister's request, he was to leave Lisbon.3 Portugal withdrew her claim.


Soon after Portugal retreated in central Africa, the Portuguese Government placed an Anglo-Portuguese agreement before the Cortes for ratification. Under the terms of the agreement Portugal would construct a railroad from Pungue Bay to the British sphere of influence and also would promise not to cede certain territories "without the consent of Great Britain." The Lisbon press waged a strong battle against the agreement and declared that it virtually established a British protectorate over Mozambique. Although Portugal was to finance the railroad, only Great Britain would benefit. The British offer to change the wording of the agreement did not lessen the violent opposition, and the members of the Cortes shouted down the proposal.  

Portugal soon faced another most difficult problem. During the estrangement from England, Portugal raised her taxes by six per cent. Despite this effort to balance the budget, the deficit for 1891 amounted to more than one tenth of the entire budget. The government curtailed public works projects, trimmed governmental staffs, and reduced the pay of officials. It soon became apparent that the government could not even pay the interest on the external debt. Outsiders began to demand a hand in the administration. Additional taxes only caused unrest in the larger towns. Numerous in-

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4 British and Foreign State Papers, LXXXIII (London: Harrison and Sons), 89-90. It was not until June 11, 1891, that the two countries signed an agreement defining their respective spheres of influence in Africa. The later agreement was substantially the same as the one first proposed.
surrections in Portugal's African possessions caused a further drain on the national treasury.5

Many felt that Portugal was on the verge of revolution. The tsar discussed the menacing situation in Spain, Portugal, and Italy; Salisbury and the German ambassador to London, Paul von Hatzfeldt, considered the problem of a possible republican revolution in Portugal and the future of the Portuguese colonial possessions.6

Germany, in particular, was concerned about the Portuguese problem:

A Portuguese Republic, which would soon be followed by a Spanish Republic, would constitute well nigh the greatest political danger to the Triple Alliance, and to each separate member of it, most especially to us [Germany]. It would not only deliver France from any anxiety about Spain, but would also inevitably cause the entire peninsula to depend on her, would give the French fresh courage to attack us and might touch off another war.7

On March 18, 1891, the German Foreign Office instructed Hatzfeldt to warn England against acquiring the Portuguese colonial empire in the eastern part of Africa. Salisbury gave Hatzfeldt the impression that Great Britain would be willing to reach an agreement over the Portuguese colonies. The next day Hatzfeldt inquired whether he should take part in negotiations concerning the partition of the Portuguese


6 Holstein Papers, III, 363n, 365n.

7 Ibid., III, 371.
colonial possessions; the German Foreign Office agreed. When Hatzfeldt mentioned Germany's interest in securing the Portuguese possessions on the east coast of Africa, Salisbury replied, "alors, divisions."

Marschall, however, later declared that Germany's main interest was the preservation of the monarchy in Portugal, not the division of colonies. Although he could not acquiesce in the partition of Portuguese colonies, Marschall declared that he would not refuse the British owned islands of Zanzibar and Pemba as compensation for German assistance. Should England refuse to take Germany's interests into account, Marschall declared, Germany could always turn to France and exert pressure against Egypt.

On March 21, 1891, Hatzfeldt declared that

If the Portuguese monarchy should fall, the only remaining possibility was a Spanish entry into Portugal and its subsequent annexation by Spain, together with an Anglo-German agreement on the future of the Portuguese colonies.

The Wilhelmstrasse although stressing its desire to maintain the Portuguese monarchy, wanted to secure British support for a Spanish annexation if the monarch were overthrown. This, it was felt, would prevent a series of Republican revolutions from again sweeping the continent. The British Prime Minister refused to even consider this proposal and

8 Holstein Papers, III, 371-372.
9 Ibid., 372.
10 Ibid.
declared that he would rather sacrifice Egypt for an Anglo-French alliance than support a monarchical alliance against Portugal.\textsuperscript{11}

Both Great Britain and Portugal agreed that Germany should arbitrate their East African dispute. Hatzfeldt served as moderator in the London negotiations between the Portuguese representative, the Marquis Luis de Soveral, and the British Prime Minister, and he no doubt interjected his Government's ideas into the proceedings. On June 11, 1891, the two powers signed a treaty which ended the East African border dispute and ended the threat of renewed anti-English violence in Portugal.

Further financial difficulties plagued the Portuguese government. Foreign bondholders blocked several attempts to reduce the external debt, and it was not until late 1892 that some confidence was temporarily restored. When it became necessary to raise taxes again, the Cabinet was overthrown.\textsuperscript{12} At the same time the clerical problem again came to the fore in Portuguese politics, as King Carlos, whose extravagance and licentiousness had caused many of the domestic problems, suppressed certain clerical opponents. The Pope even intimated that he would not receive the Catholic king if he came to Rome. By 1895 the situation had become so serious as to warrant the government's rule by decree.

\textsuperscript{11} Holstein, Papers, III, 374.
\textsuperscript{12} Livermore, Portugal, p. 445.
The government reduced the franchise and the number of delegates in the Cortes. Further colonial uprisings put an added strain on the budget as the Lisbon Government dispatched more troops and supplies to Africa. The undeveloped colonies were a great liability, but the Portuguese officials were violently opposed to any proposal concerning the alienation of the colonial possessions.

Cecil Rhodes had attempted to purchase the southern portion of Mozambique on several occasions between 1891 and 1897, but each time he failed. As foreign banking interests were concerned over Portugal's possible financial collapse, it was natural that the British would attempt to tie the two questions together. If Portugal would either cede Mozambique in return for a cancellation of part of the debt or accept a loan with the revenue of the colonies as security, both Great Britain and Portugal would have solved major problems. Portugal would have reduced her debt, and Great Britain would have eliminate the Transvaal as a threat in South Africa.

In early May, 1897, Joseph Chamberlain suggested to the Marquis de Several, who had become the Portuguese minister in London, a possible Anglo-Portuguese agreement in South Africa in which England would guarantee Portugal's African possessions if Portugal would prohibit every country access to the Transvaal, except by the railway. Both the railway and the

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13 White, Spain and Portugal, p. 351.
14 Langer, Diplomacy of Imperialism, I, 520.
port would be operated by an Anglo-Portuguese Company, which would improve the facilities and provide money for a settlement of damages awarded by the Swiss panel of judges meeting in Bern. The Colonial Secretary also suggested that Portugal raise a loan in London using her colonies, the railway, and the general revenues as security for the British territorial guarantees.  

Several felt that the concessions on the part of his government were too great. No doubt his government would accept a British loan using all the African colonies except Lorenzo Marques as security, but it would never accept the possibility of losing all her colonies in the event of a default on the loan. The question of accepting British approval before Portugal could grant any concession several also rejected, since "it would detract from the sovereign rights of Portugal and would be rejected by the Cortes and public opinion."  

A new government came to power in Portugal shortly after the beginning of the Several-Salisbury conversations over the Portuguese finances and African colonies. As there was concern over the British desire for expansion in South Africa, the Portuguese Liberal Government decided to terminate

16 Ibid., 45-46.
the discussions. In place of a renewed growth of Anglo-
phobia, however, there grew a definite fear of the German
Weltpolitik.17

The Portuguese Government was quite wary of attempts
to secure her African colonial possessions. Germany and
Great Britain, the nations whose colonies bordered the Por-
tuguese African possessions, were particularly suspect. The
stoning of a German consulate in Mozambique in December, 1896,
brought strong protests from Germany, and although the mat-
ter was settled peacefully, it did bring cooler relations
between Germany and Portugal.18 The Times later described the
continuing incidents between the Portuguese civilians and
the German nationals in Mozambique as "assuming an alarming
form."19

During the Anglo-Portuguese negotiations of 1897 it
appeared to Germany that the conferences would lead to a
rapprochement over southern Africa. Such an agreement could
isolate the Boer Republic and further jeopardize the German
investment in South Africa. Since the Reich had already as-
isted the Transvaal through armaments20 and had given moral

17 Livermore, Portugal, p. 445. The German Government
recalled Berenthall, the German Minister in Lisbon, for having
not sufficiently supported German interests during the Anglo-
19 Ibid., July 5, 1897.
20 The value of German war materials imported by the
Transvaal through Delagoa Bay amounted to more than £250,000
support to President Kruger, it became necessary to formulate a policy for South Africa in the event London and Lisbon reached accord over Mozambique. Hatzfeldt urged an Anglo-German agreement in which Germany would receive territorial compensation if Great Britain attacked the Transvaal. The German ambassador received the impression from Salisbury that Germany and England could reach an agreement over the Transvaal if the price were not too high and also that there could be a possible arrangement over the Portuguese colonies.21

In June, 1897, Count Bernhard von Buelow replaced Baron von Marschall as Secretary of State; he soon began to press for an increased navy which he said was necessary to protect Germany's increased trade and commerce.22 The Kaiser also wanted a stronger navy, but he saw it primarily as a potential instrument of rivalry with Great Britain. Although William still entertained hopes of a solid Anglo-German alliance, there is evidence that he took some pleasure in antagonizing Great Britain.23 Regardless of the motives for naval expansion, it became obvious that Germany needed additional coaling stations for her proposed navy. Since Germany held some of the Portuguese debt, it was possible

21 Langer, Diplomacy of Imperialism, I, 521.
23 Benson, Kaiser and English Relations, p. 132.
that she could seize Portuguese territory—Azores, Madeira, Cape Verde, St. Thomas, Angola, Mozambique, Macao, and Timor—as coaling stations.

The Portuguese debt steadily increased during 1897, while, at the same time, the government became less suspicious of British designs on her colonies. In March, 1898, the Bern Commission announced the results of a preliminary investigation of the value of the railway which Portugal had seized in 1889. Although both sides immediately filed "observations" to the decision, it was apparent that the final award would be much greater than £255,000, the value of the construction at the time of its seizure. As Portugal's debt continued to mount, it became necessary to reopen negotiations for financial assistance; Portugal again turned to Great Britain.

The terms under consideration for an Anglo-Portuguese loan in 1898 were substantially the same as those of the previous year. Lisbon sought a loan of £8,000,000 at three per cent interest. This would provide funds for paying off the floating debt and still leave a sufficient amount for the Bern Award. In exchange for this Portugal would agreed to the joint management of the railway in Mozambique and Delagoa.

24 "Memorandum by Mr. Bertie on England and Portugal in Africa," May 1, 1898, E. &. I., I, 46, no. 65.

25 Jessett, Delagoa Bay, pp. 120-123. The investigating commission placed the value of the concession, as of December 31, 1896, at £1,300,000. It is interesting to note that Great Britain and the United States sought to raise the award by £1,000,000, Ibid., pp. 122, 124.
Bay and would make no further concessions to other countries without British consent. Great Britain would be allowed to use all Portuguese ports as coaling stations during war, and, above all, she would receive temporary control of Delagoa Bay and the railway in the event of hostilities in the Transvaal. By May, 1898, Great Britain and Portugal seemed close to agreement, but as additional obstacles presented themselves, the Portuguese adopted a more cautious attitude in the negotiations for the loan.

26 Garvin, Chamberlain, III, 310-311.
CHAPTER IV

ENGLAND, GERMANY, AND THE PORTUGUESE LOAN

In the latter part of 1897 Germany again had the opportunity to demonstrate her colonial aspirations. When the Chinese attacked a German missionary station at Yen-chu-fu in Shantung, the Wilhelmstrasse had an excuse for intervention. In November, 1897, Germany seized Kiaochow ostensibly in retaliation against the murder of the two missionaries; the real reason, however, was in accord with a Weltpolitik motive. "Germany," as A. J. P. Taylor so aptly describes the incident, "needed a coaling-station for her non-existent fleet—and thereafter a fleet to protect her coaling-station."¹ The Kaiser, who had become fascinated by the intricacies of a strong navy, naturally supported the German action in the Far East.²

The growing concern over the German naval preparations caused Great Britain to seek a great accord for her far-flung interests. She offered to settle Anglo-Russian problems in Asia in February, 1898, but was rebuffed. Since

¹ Taylor, Struggle for Mastery, p. 375.
there appeared to be little hope of limiting Russian expansion in Asia through an Anglo-Russian understanding, Great Britain turned to Germany. The next month Great Britain and Germany collaborated on a loan to China. If the two countries could co-operate on a small scale, some argued, could not the post-Jameson animosities be suppressed in order to secure the long-awaited Anglo-German entente? Soon Hatzfeldt, Salisbury, and Chamberlain opened discussions in an attempt to reach a closer understanding between the two countries.

There is some confusion as to which side opened negotiations and declared itself in favor of an agreement. It is an important question, since the historian's interpretation of the later negotiations, depends on his view of the beginnings. Although Germany had long sought ties with Great Britain, the Kaiser had often made such a policy quite difficult. Friedrich von Holstein, the leading figure in the German Foreign Office, and Alfred von Tirpitz, the father of the German navy, were both skeptical of ties with Great Britain. Hatzfeldt cautiously favored an agreement, but the secretary of the German Embassy in London, Baron von Eckhardstein was wholly in favor of an alliance. When the latter discussed the question of an Anglo-German agreement with the Kaiser, he found a strong supporter. Upon returning to London, Eckhardstein suggested that the Colonial Secretary bring up the question of an alliance with Hatzfeldt. Since

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Eckardstein had informed neithereltsfeldt nor Buelow about his earlier conversation with the British Colonial Secretary, the German officials reported that England had initiated the discussions. 4

Germany had whetted the British appetite for an alliance, although Great Britain did not need much prodding. Com Paul Kruger's re-election by so large a majority on February 10, 1898, made an Anglo-Boer conflict appear imminent, and Sir Alfred Milner, the British high commissioner in South Africa, reported a large arms build-up, which included the emplacement of four large Krupp guns and the investment of over £1,500,000 on forts in the Johannesburg area. At the same time the Boer Government called for a volunteer army of over 10,000 and required every burgher to hold over 500 rounds of ammunition. 5 Since Germany was assisting in military preparations in the Transvaal and German officers commanded the artillery, Great Britain was forced to take steps to reduce the threat of a German-Boer combination in South Africa.

There is no doubt that Chamberlain sought an Anglo-German approach at this time; he soon favored an alliance. The Colonial Secretary declared that Germany and

4 Langer, Diplomacy of Imperialism; II, 501-502. Garvin, Chamberlain, III, 255-262. Dugdale, G. D. D., III, 21. It appears likely, however, that Holstein and the German Foreign Office were encouraging Eckardstein to prod Chamberlain into an alliance. The Holstein Papers on this period had not been released when this thesis was submitted.

England had the same basic interests, and if the two powers could reach a general agreement, the colonial differences would solve themselves. Great Britain could no longer maintain a policy of isolation. Chamberlain, according to Hatzfeldt, wished quickly to conclude a binding agreement between England and the Triple Alliance.6

Although Germany first raised the question of an alliance, she was in no hurry to reach an agreement. England needed Germany more than Germany needed England. The Wilhelmstrasse saw the opportunity of expanding the Triple Alliance into a Quadruple Alliance; perhaps she could also extract additional concessions. In the meantime it would be better to forestall the conclusion of an alliance.

Hatzfeldt, armed with instructions from the Wilhelmstrasse, met with Chamberlain on April 1, 1898; he presented his government's objections to an alliance. The British parliamentary system would make England a most unstable ally, for a new government easily could overthrow a previous agreement. As a result of her system of government, England could give no assurances of a continuity of policy. Buelow also suggested in his instructions to Hatzfeldt that it might be wiser for Germany to attempt to eliminate the danger of the Dual Alliance through agreement with Russia than to try to oppose the Alliance by a show of strength in an

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entente with England. 7

The Colonial Secretary, in defending his proposal, pointed out that a British Parliament had never repudiated a treaty concluded by an earlier parliament. On the other hand, governments ruled by a single individual, such as Russia, often altered their policy with every change of the head of state. At this conference the Colonial Secretary also told Hatzfeldt that when he spoke of English support for an Anglo-German alliance, he was speaking only for himself; he could not speak for his colleagues. 8

An April 3rd dispatch from the Wilhelmstrasse was distinctly cool toward an Anglo-German alliance. There could never be an alliance between England and Germany, it argued, because the former had democratic institutions; the English public would never allow an agreement. Likewise, the German people would be opposed to an Anglo-German connection, because England’s continued attempts to expand her influence in colonial affairs kept Germany’s population in a definite anti-English mood. 9

Two days later, in a dispatch to the Chancellor, Hatzfeldt


8 "Chamberlain’s Second Memorandum," April 1, 1898, Garvin, Chamberlain, III, 263-266.

said that Sir Arthur Balfour, the acting Foreign Secretary
during the illness of Lord Salisbury, agreed with his argu-
ments against the Anglo-German alliance. The two also
agreed that the best way to achieve closer connections be-
tween the two countries was to remove the ill-feeling between
them by

an accommodating attitude of both Governments in
small questions and to prepare public opinion
both here and in Germany for a possible future
political rapprochement.10

The statement summarizes the actions of the two governments,
particularly Great Britain, during the succeeding months.

On April 10 the Kaiser presented his views of the pur-
poses of the Anglo-German negotiations to the Foreign Office.
It is an analytical and accurate statement of the policy
which Germany was to follow in her negotiations with Eng-
land:

It is of great importance to keep official senti-
ment in England favourable to us and hopeful. A
friendly-minded England puts another card against
Russia in our hands, as well as giving us the pros-
spect of winning from England colonial and commer-
cial advantages.11

It would be Hatzfeldt's duty, continued William, to put

off the conclusion of a formal alliance, not by
a rejection wounding to English feeling but so
as to manifest a cordial wish for beneficent co-
operation.12

10 "Hatzfeldt to Hohenlohe," April 7, 1898, G. B.

11 William II. to the Wilhelmstrasse," April, 10, 1898,"
G. B., XIV (Part 1), 217, no. 3799, Garvin, Chamberlain, III,
27.

Bekardstein continued to serve as a liaison between the Kaiser and the British Colonial Secretary, but he was no doubt unaware of the duplicity of the German foreign policy toward England. At the same time William was telling the Wilhelmstrasse to avoid an alliance with England, Eckardstein was informing Chamberlain that William was not only elated at the prospect of an Anglo-German alliance, but that he also wished for the negotiations to be accelerated.\textsuperscript{13}

On April 25, Chamberlain conferred with Hatzfeldt; they again discussed the proposed Anglo-German alliance, and the German ambassador continued to throw up obstacles to the agreement. If the negotiations were to become public and then fail to bring an alliance, Hatzfeldt argued, the news of the German participation in the discussions would permanently alienate Russia and Germany. If the treaty were a public document, the British Parliament could reject it, leaving Germany isolated. If it were a private arrangement, future British Governments could repudiate it. Rather than conclude a direct defensive alliance with Germany, Hatzfeldt suggested that Chamberlain strengthen British ties with the Triple Alliance through closer relations with Italy and Austria. To this Chamberlain was definitely cool; Germany was the key. If there could be an Anglo-German alliance, Italy and Austria, of necessity, would participate. In closing, Chamberlain hinted that if Germany did not want an

alliance with England, he could secure support elsewhere.\textsuperscript{14}

The British Prime Minister was generally less enthusiastic about the idea of an alliance with Germany than was his Radical subordinate, but even he manifested favorable interest in the negotiations when he returned to London. Chamberlain sent Salisbury a record of his proposals and conversations with Hatzfeldt. The Prime Minister agreed that a "closer relation with Germany would be very desirable," but, he then asked, "can we get it?"\textsuperscript{15}

On May 13, 1898, Chamberlain attempted to set the stage for a "closer relation with Germany" when he spoke out against the British policy of isolation in a speech at Birmingham:

Since the Crimean War . . . the policy of this country has been a policy of strict isolation. We have had no allies. I am afraid we have had no Friends. . . . We are liable to be confronted any moment with a combination of Great Powers. . . . We stand alone.\textsuperscript{16}

The policy of isolation, insisted Chamberlain, would be particularly disastrous for Great Britain in China; if England could secure assistance from some other power, she should follow that course:

We must not allow our Jingos to drive us into quarrel with all the world at the same time,

\begin{itemize}
\item \textsuperscript{15} "Salisbury to Chamberlain," May 2, 1898, \textit{Ibid.}, 279.
\item \textsuperscript{16} \textit{Ibid.}, 282.
\end{itemize}
and we must not reject the idea of an alliance with those Powers whose interests are most nearly approximate to our own.\textsuperscript{17}

The Birmingham speech apparently contradicted a Salisbury address of May 4; Sir William Harcourt, the former Chancellor of the Exchequer, referred to it as a "counter-manifesto."\textsuperscript{18} Although the Prime Minister did say that Chamberlain's speech was not binding on the British Cabinet,\textsuperscript{19} and that it was not necessarily a policy statement, he refused to disavow his Colonial Secretary. It is probable that Salisbury knew the general tenor of his subordinate's speech before it was delivered, even if he did not have a copy of the text. In any case, the Prime Minister's failure to disavow Chamberlain's speech in public demonstrated that what Chamberlain said was essentially correct—Great Britain desired security through an alliance.

The world press criticized the belligerent note sounded by Chamberlain's Birmingham speech, and even the House of Commons became the scene of stormy debate. Although the Colonial Secretary somewhat modified his views in later public statements, he still held that 'I [Chamberlain] am perfectly ready to say now that I desire better relations with Germany.'\textsuperscript{20}

\begin{itemize}
\item \textsuperscript{17} Garvin, Chamberlain, VII, 282.
\item \textsuperscript{18} Langer, Diplomacy of Imperialism, II, 503.
\item \textsuperscript{20} Hale, Publicity and Diplomacy, p. 172.
\end{itemize}
If the Birmingham speech was a public expression of a British desire for an Anglo-German rapprochement, why did Germany fail to respond favorably? One of the reasons lies in the fact that since Chamberlain had expressed the British desire for Anglo-German friendship and conceded that Great Britain could no longer be self-sufficient, there was no longer any need for Germany to hurry into an agreement. The Reich could continue to follow a policy similar to that which she had followed in the last months, and she could perhaps secure a more favorable agreement.

In early June Berlin received the news of the Anglo-Portuguese negotiations over a possible loan to Portugal in which Lisbon would use her African colonies as security. On June 8 Buelov advised Hatzfeldt to determine the view of the British Government on the alienation of Portuguese colonial rights or using their rights as a pledge for foreign capital. England and Germany, as the most interested neighbors of Portugal, should come to an understanding before such an agreement could be reached.21

On June 14 Hatzfeldt, in a conference with Lord Salisbury, protested against a unilateral British loan to Portugal which used the Portuguese African colonies as security. The Prime Minister declared that he did not know the conditions imposed on Portugal for such a loan and suggested that

Hatzfeldt discuss the matter with Chamberlain, who was conducting the negotiations. Salisbury also told Hatzfeldt that he would inform him of any steps which the British Government would take "which might concern the rights or legitimate interests of Germany in the Portuguese colonies." Salisbury reminded Hatzfeldt of earlier Anglo-Portuguese treaties by which England was bound to protect Portugal's possessions; because of these treaty obligations Great Britain sought to prevent the disintegration of the Portuguese empire through a generous loan. Hatzfeldt, however, maintained that a pledge of Portugal's sovereign rights in her colonies to Great Britain would make an unfavorable impression with Germany.

Hatzfeldt, in requesting authority to discuss possible German participation in the proposed loan to Portugal, suggested that Germany receive Angola as security while recognizing British interests in Delagoa Bay. Euelow, however, maintained that Germany would also have to receive the Portuguese territory north of the Zambezi, because the pledge of Delagoa Bay would deeply affect German public opinion. An


additional pledge of territory would help assuage the loss. 25

In order to exert additional pressure for a widening of participation in the proposed loan, Germany and France brought up the matter in Lisbon. Hanotaux, the French Foreign Minister, was apparently unaware of the German desire to participate in the Loan with England. He called for an energetic resistance to the Anglo-Portuguese loan. 26 Count von Tattenbach, the German Minister in Lisbon, received instructions to launch a protest of the loan with the Portuguese king; since economic considerations involved political factors, he argued, the proposed loan could not be merely a bilateral arrangement. 27

On June 20 Buelow received the information that Alfred von Rothschild thought the agreement over the proposed loan was closed. The Foreign Minister then told Hatzfeldt that Germany was willing to reach an understanding by sharing the spheres of interest with Great Britain. 28

The next day Salisbury informed Hatzfeldt that the Cabinet had decided that any financial arrangement with Portugal concerned only that country and England. Great Britain would attempt to maintain the status quo in the Portuguese colonies.


27 "Buelow to Tattenbach," June 18, 1898, G. P., XIV (Part 1), 265-266, no. 3811.

28 "Buelow to Hatzfeldt," June 20, 1898, G. P., XIV (Part 1), 269, no. 3816, Bixler, Anglo-German Imperialism, p. 117.
but if this were not possible, she would come to an agreement with Germany over the areas in which the latter had interests. Hatzfeldt, however, said the financial question was related to the colonial question; if the African colonies were used as security, an agreement was necessary. Salisbury felt the German demands for Angola and northern Mozambique were excessive, but at the end of their meeting he did assure Hatzfeldt that he would not conclude the loan to Portugal before attempting to settle the territorial question.

On June 22, Several, the Portuguese minister, informed Salisbury that the Kaiser had commanded the Portuguese king to receive the German minister; at the ensuing meeting Tattenbach attempted to forestall the Anglo-Portuguese loan through diplomatic pressure. Germany and Portugal could not continue on friendly terms, the German minister declared, if Anglo-Portuguese negotiations were carried on without regard for German interests in the area. Buelow made similar protests to the Portuguese Minister in Berlin, and the French minister at Lisbon also voiced his government's objection to the proposed loan.

The German actions had placed Great Britain in a most

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31 "Salisbury to MacDonell," June 22, 1898, E. P., I, 50, no. 68.
difficult situation. Under the terms of the Anglo-Portuguese loan which the two countries had agreed upon, Great Britain would assume control of Delagoa Bay, the only non-British entrance into the Transvaal, and would also assume a voice in the management of the railway. Because of the Boer arms build-up such assurances were necessary. Should hostilities commence it was assumed that England could defeat the Boers, but if Germany decided to protect her interests it was possible that Great Britain would face a continental alliance. France voluntarily eliminated herself from the discussions when Delcasse, who replaced Hanotaux at the Foreign Office, allowed the matter to drop, but Germany still voiced vigorous opposition to a bilateral Anglo-Portuguese loan.\(^3\)\(^2\) It would be better to secure an agreement with Germany, perhaps a pledge to give up all ties in the Transvaal, than to conclude a loan to Portugal without Germany. England still could isolate the Boers, but with German approval.

Salisbury lamely told Seoveral that Germany had no right to intervene in a purely financial arrangement, because the pledge of colonies as security was not an alienation of territory, but he did not assure the Portuguese minister that there would be no Anglo-German agreement.\(^3\)\(^3\)

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\(^3\)\(^3\) "Salisbury to MacDonell," June 22, 1898, B. D., I, 50, no. 68.
In a dispatch of June 22, Buellow further emphasized his demand in favor of German participation in the loan to Portugal. If England were to extend the loan and seize additional territory in Africa without consulting Germany, damage is involved not only to German interests, but also to the prestige of the Government of His Majesty . . . and against this Germany would be forced to react with energy. Therefore England will certainly get cheaper out of this by first agreeing with Germany regarding her schemes for expansion in Africa.

On June 22 Chamberlain sent a telegram to Sir Alfred Milner, asking him to ascertain the reaction of the Cape Colony to a cession of Walfisch Bay to Germany in exchange for "commercial control in time of peace and right of occupation in time of war of Delagoa Bay and railway." The Colonial Secretary wanted to offer the Bay to Germany, if Germany would offer her services as an "honest broker" in inducing Portugal to give England control of Delagoa Bay.

Chamberlain received Milner's reply the next day, but it was hardly encouraging. Any agreement involving the cession of Walfisch Bay would adversely affect South African public opinion. Both the Cape Colony and Natal, however, would welcome an increased interest in Delagoa Bay and the railway.

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On June 23 Hatzfeldt proposed that German and Great Britain make parallel loans to Portugal, although the amount which each country contributed did not necessarily have to be the same. He also suggested that Great Britain and Germany agree on the customs revenue which each country should have as security for their loan. Germany would give England the territory in Mozambique south of the Zambezi, while Germany would receive the land north of the Zambezi in addition to the colony of Angola. The two nations could only take the territory if Portugal could not meet her obligations. Salisbury said the Germany demands were too large; it was impossible to reach an agreement on these terms. Later in the conversation Hatzfeldt hinted that Germany was not the only power interested in the Anglo-Portuguese negotiations. France was also interested in Delagoa Bay because of her colony in Madagascar. It would be better, therefore, to divide the colonies only two ways rather than include France in the negotiations.

At the same time Berlin received welcome news from the German ambassador in St. Petersburg. He said that Russia would not join France in opposing an Anglo-German agreement over the Portuguese colonies since Russia had no colonies in Africa. This seemed to avert any possible general

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38 Ibid., p. 53. "Hatzfeldt to the Foreign Office," June 24, 1898, G. E., XIV (Part 1), 277, no. 3819. Bixler, Anglo-German Imperialism, p. 120.
European clash over the agreement, should France object.39

Great Britain and Portugal continued their discussions for a loan during the Anglo-German conferences. At the end of June Portugal still sought a sum of £8,000,000. One fourth of this amount, to be used for improvements at Lorenzo Marques and Delagoa Bay, was to be secured on the customs of Mozambique. The rest of the loan would be used to pay the Portuguese floating debt, and the customs of Portugal herself would secure this part of the loan. Salisbury hinted that the advantages to England would not be very great, but several pointed out that Great Britain would control Delagoa Bay and the railway. The Portuguese ambassador also desired that the arrangements should be made so as to not offend France or Germany.40

Count von Tattenbach, the German envoy to Lisbon, informed the German Foreign Office, on June 30, that the Portuguese king had promised to conduct no negotiations for a loan which included territorial guarantees without first informing the German Government. Germany would also share in such a loan.41 With these assurances Germany was able to conduct her negotiations with England over the Portuguese loan with renewed vigor.


Despite the apparent acceptance of Germany in the negotiation, some in the British bureaucracy still questioned the advisability of an agreement with Germany. Sir Francis Bertie, one of the undersecretaries in the British Foreign Office, warned against the possible consequences of German participation in the loan. If Germany should take part in the negotiations, Delagoa Bay might become an international matter. Besides, he argued, mere proximity to Portuguese colonies in Africa did not give Germany the right to participate in the negotiations. Did not France also border on the Portuguese colonies?42

Salisbury and Chamberlain both saw the value of an understanding with Germany, but neither appreciated the pressure which that country placed on Lisbon. The Colonial Secretary urged Portugal to resist the encroachments of Berlin and Paris into her private business. He wanted Britain and Portugal first to make their arrangements because he was "afraid that if the present opportunity [to conclude the loan] is allowed to pass it may never recur."43 Apparently the Colonial Secretary wanted to make one further effort to conclude an agreement with Portugal before the Anglo-German negotiations progressed any further.

42 "Memorandum by Sir Bertie," June 30, 1898, R. D., I, 53-54, no. 72. The French Congo bordered on Kabinda, a Portuguese possession north of the Congo. The Congo Free State also had a border common with Angola.

43 Chamberlain to Sseveral," July 4, 1898, Garvin, Chamberlain, III, 312.
On July 6 Salisbury and Hatzfeldt again conferred over the question of the loan to Portugal. The Prime Minister indicated that he was willing to come to an agreement; he had several proposals. He asked Hatzfeldt whether Germany would give up her extra-territoriality in Zanzibar. He also felt that the situation in the Iberian Peninsula was too unclear to permit the two powers to pursue a definite plan. The United States had just defeated the Spanish fleet at Santiago, and the Portuguese were becoming more sensitive to foreign interference in their colonial possessions. At the same time Great Britain received added impetus for settling the question of Delagoa Bay.

On July 6 Sir Alfred Milner presented his general views of South Africa to the Colonial Secretary. He felt the situation with the Transvaal in South Africa was becoming quite serious and doubted if "we [the British] shall ever be masters without a war." If Great Britain could secure Delagoa Bay in exchange for Walfisch Bay, he felt that most people with reasonable open minds" would agree. Failure to gain Delagoa Bay could be disastrous to the British interests in southern Africa:

The possession of Delagoa Bay is the best chance we [the British] have of winning the great game between ourselves and the Transvaal for the mastery in South Africa without a war. . . . The overwhelming preponderance in wealth and oppor-

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tunity on the side of the Transvaal may turn the scale against us, unless we have some means to bring very effective pressure to bear upon that country. 45

This ominous warning was further proof for those in the British Foreign and Colonial Offices who wanted a quick agreement.

Hatzfeldt, on July 9, urged an immediate understanding between Germany and England. France, according to the German ambassador, was spreading rumors that Portugal had already concluded an agreement with England over the coastal territories. This, because of the influence on Portuguese public opinion, could permanently disrupt negotiations for the loan. Hatzfeldt wanted both Germany and England to participate in the loan; if the Portuguese were unable to continue in possession of their colonies, the customs duties which each country managed would indicate that country's tentative claims to the Portuguese possessions. 46

As a result of his conversation with Hatzfeldt, the Prime Minister came to the opinion that William wanted an agreement with England, but he "was taking the opportunity to make larger demands than he was prepared to press." 47 They had stated that Germany wanted Great Britain to give up Angola and her rights along the Shire River. If Britain refused the latter, Germany would accept the British part of

46 "Salisbury to Gough," July 9, 1898, E. A., I, 55, no. 74.
47 Ibid.
the Samoan and Tonga islands. In addition to this, Hatzfeldt called for the Portuguese half of Timor in the East Indies. Salisbury said the British public would never allow the cession of any territory along the Shire River, since missionaries had first explored and developed the region. The British Prime Minister agreed to consider the request for Portuguese Timor, although he privately confessed that he did not know why Germany was interested in the area. Salisbury made a counter-proposal in which he said he would be willing to give up Walfisch Bay to Germany, if Germany would cede the whole of Togoland to Great Britain. He knew Hatzfeldt would not accept this proposal.

On July 13 Salisbury and Hatzfeldt again discussed the proposed loan to Portugal. The British Prime Minister suggested that Great Britain receive Portuguese Mozambique south of the Zambezi, including Delagoa Bay and the railway, and the province of Angola north of the town of Benguerra, as security for a loan. Germany would receive the northern part of Mozambique and Portuguese Angola south of Benguerra. While both powers sought to maintain the integrity of the Portuguese colonial empire, if Portugal would dispose of her colonies, the powers making the loans would have a pre-emptive right in the areas where they secured the interest on the customs houses.

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49 Garvin, loc. cit.
On the same day that Salisbury announced his proposals to the German ambassador, the Portuguese minister announced that his country had decided in favor of the status quo and against any idea of a loan from Great Britain or any other government. This also would include any change of status in the Portuguese African colonies. Portugal would attempt to secure sufficient funds on her home revenues. Salisbury informed Several that Britain would strongly oppose any proposal for international control which any of the major powers might make. Should Delagoa Bay fall into the hands of an unfriendly power, the Transvaal could continue to secure additional supplies and armaments for use against Great Britain.

Lord Salisbury blamed the influence of France in Portugal for the failure of the proposed loan. Hatzfeldt even thought the French action could lead to an internationalization of Delagoa Bay. The Prime Minister, of course, wanted to avoid this at all costs. Salisbury and Hatzfeldt continued their discussions over the proposed loan, despite the Portuguese decision, because neither felt that Portugal could become financially stable without assistance from abroad.

51 "Salisbury to MacDonell," July 13, 1898, B. D., I, 57, no. 76.
52 "Chamberlain's Memorandum of His Interview with Several," July 15, 1898, Garvin, Chamberlain, III, 313.
53 Bixler, Anglo-German Imperialism, p. 124.
54 Ibid., p. 125.
The British Cabinet agreed to the German demand for Portuguese Timor, but it refused to consider the German request for Samoa or Tonga because of the opposition of Australia. Germany would have to make large concessions, such as Togoland, in order to receive Walfisch Bay. The German ambassador expressed his regret at the British demands, and he said he felt the negotiations might come to an end. Hatzfeldt again threatened to turn to Russia because, in Salisbury's words, "in the position occupied by Germany, she [Germany] could not stand alone." Hatzfeldt had often repeated this threat during the course of his conversations with Salisbury, but the Prime Minister did not take it seriously.

Although Hatzfeldt expressed his disappointment over the negotiations and suggested that Germany might turn elsewhere, Germany wanted a quick conclusion of the agreement over the Portuguese loan. The Empress Frederick, in a letter to her mother, stated that Chamberlain's statements had made a favorable impression on the Kaiser and that he urgently desired an agreement with England. Great Britain also wanted to continue the negotiations, and the British ambassador in Berlin told Baron von Richthofen, a Foreign Office official, that he thought England would concede more than it seemed at that time and that it was still possible that Germany would


56 Meinecke, Grundrisproblemen, p. 105.
receive Walfisch Bay, Samoa, and northern Angola.  

On July 27 Hatzfeldt renewed the discussions over the proposed loan to Portugal and the spheres of influence each country would receive if the loan were made. The German ambassador offered Britain the customs receipts of Mozambique south of the Zambezi, including Delagoa Bay and the railway, and the portion of Angola between the 12th parallel (Egito) and the 7th parallel (Lelundo River). Germany would administer the part of Mozambique north of the Zambezi and the remaining portions of Angola. (See Map III, p. 88). Hatzfeldt did not mention Samoa or Portuguese Timor nor did Salisbury bring up the question of extra-territoriality of Zanzibar at this meeting. The German ambassador felt that an equal loan by both Germany and Great Britain would not be suitable, since the major Portuguese harbors were in the British spheres. The Prime Minister said he did not think it wise for Germany to secure the Portuguese territory north of the Zambezi and west of the Shire; if Germany would receive this, she would almost surround the British settlements along the Shire. Hatzfeldt repeated the desire for maintaining the territorial integrity of Portugal but requested that the two powers bind themselves together not to recognize any alienation of territory to "any power except to the one to whom the revenues

58 Bixler, loc. cit., p. 121.
59 Ibid.
German Proposals of July 27, 1898

Areas assigned to Germany
Areas assigned to Great Britain

Adapted from Langer, Diplomacy of Imperialism II, 525.
were assigned."61

In the next conference between Salisbury and Hatzfeldt over the loan to Portugal, the German ambassador sought additional compensation for having been deprived of the region north of the Zambezi and west of the Shire. When Salisbury suggested that Germany extend her claim in Portuguese Angola, Hatzfeldt proposed that the northern boundary between the British and German spheres of influence be moved south from the 7th to the 8th parallel. This would adequately compensate Germany for any loss in Mozambique. Salisbury also suggested that Britain be assigned warehouse space at the mouth of the Congo River, since Germany would control this sphere. Hatzfeldt offered several minor suggestions which Salisbury approved, "subject to the condition that they were accepted by Portugal."62

Hatzfeldt reported on August 8 that Salisbury did not want to seem in Lisbon as an "expectant heir," dividing her property before she desired to part with it. As a result Salisbury declared that he wanted only to make public the loan to Portugal; the two powers would place all points regarding the transfer of colonies in a secret agreement. Hatzfeldt agreed and suggested that if the proposed transfer of colonies were made known, France might cite the Anglo-

German agreement as a precedent and conclude a similar agree-
ment with Spain. 63 Hatzfeldt objected to Salisbury's an-
ouncement that he was going on leave and that Balfour would
continue the negotiations; the participants would lose too
much time because of the change. He did feel, however, that
Balfour had been "honest and forthcoming" during the previous
time he represented Salisbury. 64

On August 10 Sir Francis Bertie submitted another memo-
randum to the Foreign Office in which he questioned the value
of an agreement with Germany. England, argued Bertie, already
had rights in Delagoa Bay by a previous agreement with Por-
tugal and would gain little under the terms of the proposed
agreement. Several had strongly opposed the agreement, and
there was doubt whether Portugal would accept a loan which
included Anglo-German co-operation. Bertie pointed out that
Germany was "not likely to risk a quarrel or even an estrange-
ment with Russia for our [British] benefit unless we guarantee
her against France and Russia." If Germany thought more of
taking possession of her security than maintaining the Por-
tuguese empire, this might "raise a question of our [England's]
treaty obligations and cause the quarrel which we are seeking
to avoid." 65

65 "Memorandum by Mr. Bertie," August 10, 1898, B. D., I, 60-61, no. 81.
Salisbury also expressed some apprehension over German designs in South Africa, although he still desired to reach an agreement. In a letter to the Queen, the Prime Minister declared that the British Government is very anxious to make it clear that we desire to keep the Portuguese monarchy upright; and to protect her in the possession of her colonies, so long as there is no revolution at Lisbon, and the monarchy remains standing. Germany professes the same desire, but we are not quite so sure of her sincerity.

During their conference of August 11, Hatzfeldt and Balfour assured each other of the desire of their governments to maintain the Portuguese colonial empire. They discussed once again the limits of their respective interests in Angola. At the end of the conversation Hatzfeldt left his unofficial suggestions for a treaty between the two countries. Great Britain and Germany would provide either a common loan or parallel loans to Portugal on the customs of Angola, Mozambique, and Portuguese Timor. The governments were to pledge £8,000,000, but the suggestions did not state the amount of each government's share. England would receive the customs of Mozambique south of the Zambezi and a central portion of Angola, while Germany would receive northern Mozambique, the rest of Angola, and Portuguese Timor.

On August 12 Richthofen urged Hatzfeldt to lose no time

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67 "Memorandum, Communicated Unofficially by Hatzfeldt," August 11, 1898, R. 2., I, 62-63, Enclosure in no. 82.
in the negotiations. He informed the ambassador that France had rejected a Portuguese attempt to secure a loan because of insufficient guarantees; this was an indication, according to Richthofen, that France also sought territorial guarantees. "There can be no doubt as to the urgent character of the Portuguese need of money," he declared, "the only question is whether France or England and Germany give it."68

On August 18 Balfour, in two unofficial declarations, outlined his plan for the final settlement of the proposed loan. Great Britain would provide two-thirds of the loan and Germany one-third. The former would receive southern Mozambique and the Blantyre region along the Shire River. In Angola Britain would receive the area

north of Egito to the line passing from Ambriz to the intersection of the 8th parallel of south latitude with the 16th degree of longitude east of Greenwich thence descending that degree to the 9th parallel of latitude and following that parallel eastward as far as the Congo Free State.69

Germany was assigned the rest of Mozambique and the territory south of Egito and north of the line running from Ambriz.70 The two countries would also oppose the entrance of a third power

either by way of loan to Portugal on the security of the revenues of those provinces, or by way of acquisition of territory, by grant, cession, pur-

69 "Unofficial Draft Declarations, Balfour to Hatzfeldt," August 18, 1898, G. R. I., 64-65, Enclosure 1 in no. 83.
70 Ibid.
chase, lease or otherwise.71

Richthofen, in commenting on Balfour's statement, declared that "an arrangement without Timor is unacceptable to us."

"In our eyes," declared Richthofen, "the agreement over Portugal was the starting point of a joint colonial policy."72

The Marquis de Soveral conversed with Balfour on August 19 over the possible participation of Germany in the Portuguese loan. He thought that Portugal would negotiate the loan with Great Britain, who in turn would make an arrangement with Germany. Balfour, however, said it would be in the interests of everyone to include Germany in the loan. It would be "inexpedient" to borrow solely from Great Britain; that country would also frown on Portugal's borrowing from other powers because of the danger of international controls; the only other possible alternative would be a parallel loan from Great Britain and Germany. Soveral intimated that he thought the arrangement was all right, and Balfour promised to contact the Portuguese minister if he concluded a final agreement with Germany.73 Balfour did not, however, tell Soveral about the customs agreements.

By August 20 the German ambassador in London was able to say that the question of Timor was settled; he gave full credit for the inclusion of Timor in the German sphere of

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71 "Unofficial Draft Declarations, Balfour to Hatzfeldt," August 18, 1898, B. Z., I, 64-65, Enclosure 2 in no. 83.


73 Balfour to Lasselles," August 19, 1898, B. Z., I, 67, no. 85.

73 Balfour to Thornton," August 13, 1898, B. Z., I, 66, no. 84."
influence to Balfour, who "urgently" desired a conclusion of the negotiations. 74

On August 22 Balfour and Hatzfeldt discussed one of the last major problems which separated them from a final agreement. Since Great Britain already held pre-emptive rights at Delagoa Bay, it was possible that she could acquire special privileges there. Hatzfeldt declared that German public opinion would be aroused if Great Britain would gain advantages in her area and Germany would not make similar gains. He proposed that Great Britain could not gain any advantage in Delagoa Bay "unless and until Germany acquired similar advantages in the region to which she was prepared, under the agreements, to confine her interests." 75 Balfour suggested that

if either country obtained and exercised privileges not contemplated by the Agreements, it should abstain from objecting to the other country obtaining and exercising similar privileges; it being of course understood that the privileges were in every case to be confined to the regions in which the two Powers were respectively interested under the terms of the Agreement. 76

On August 24 Buelow and the Emperor agreed to the pro-

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74 "Hatzfeldt to the Foreign Office," August 20, 1898, G. E., XIV (Part 1), 328, no. 3860. Dugdale, E. D. D., III, 38. In a typical Wilhelmian letter, the Kaiser wrote that unless the negotiations led to a more satisfactory result, "the continued presence of my Ambassador in London would be superfluous just now." Dugdale G. D. D., III, 38. See also "Lascalles to Balfour," August 22, 1898, E. D., I, 68-69, no. 87.

75 "Balfour to Lascalles," August 22, 1898, E. D., I, 69-70, no. 88.

76 Ibid.
posal to join Britain in opposing the intervention of a third power in South Africa, but Holstein warned that the agreement should only apply to matters in South Africa. If Germany supported England against Russia in the Far East, Russia would aid France in South Africa in an attempt to secure territory from Germany and England. Balfour also saw the Anglo-German agreement as a local alliance in a letter to the Queen:

He [Balfour] hopes that an arrangement may be come to, not disadvantageous to Portugal, which will cement the friendship between the country and the German Empire, and will indeed amount to a positive alliance so far as South Africa is concerned.

By August 28 the two negotiators had agreed on all parts of the treaty, and they submitted copies to their Governments for approval. A last minute effort by Sir Francis Bertie to change the border in Angola which gave Egito to Germany failed, and the two powers signed the convention, a secret convention, and a note (see Appendix A, p. 117) on August 30, 1898.


79 "Balfour to Queen Victoria," August 26, 1898, G. P. L., 3rd series, III, 266.

The Convention between Germany and England provided that the two governments would simultaneously issue loans to Portugal on favorable terms on the security of the customs revenue of Mozambique, Angola, and Portuguese Timor. Britain would be assigned the customs revenues of Mozambique south of the Zambezi and the part of that province north and west of the conflux of the Zambezi and the Shire; in addition to this she would receive the central portion of Angola (see Map IV, p. 97). Germany would receive the customs of the remaining portions of Mozambique and Angola, plus Portuguese Timor. The delegates sent into the customs area by each country would only have the right of collection, not of administration, unless there was a default on the payment of interest.

The secret convention suggested that it may prove impossible to maintain the Portuguese colonies. The two powers also agreed to oppose jointly a third power if it attempted to lend money on the security of the Portuguese colonies.

The secret note provided that if one of the participating parties should receive a special concession from Portugal, the act would "not become operative until analogous grants as near as possible of equal value have been accorded to the other Government."

As the representatives of Germany and Great Britain signed the Conventions of August 30, they assured each other of their desire to maintain the Portuguese empire. But the
AGREEMENT FOR THE EVENTUAL PARTITION OF THE PORTUGUESE COLONIES
AUGUST 30, 1898

Areas assigned to
Germany

Areas assigned to
Great Britain

CAMEROONS

FRANÇAIS CONGO

CONGO FREE STATE

BÉLGIQUE CONGO

RHODESIA

ANGOLA

GERMAN EAST AFRICA

TANGANYIKA

GERMAN SOUTH WEST AFRICA

BECHUANA LAND

TRANSVAAL

INDIAN OCEAN

CAPE COLONY

Scale of Miles
0
200
400
600

AUTHOR unknown, ED., N.Y.

81 Langer, Diplomacy of Imperialism, II, 525.
ink had not long been dry on the documents when it became apparent that unforeseen developments might endanger the realization of the agreements, and Germany saw the possibility that she may have given up too much in order to "maintain the Portuguese Empire."
CHAPTER V

RESULTS OF THE ANGLO-GERMAN AGREEMENT

During the course of the negotiations leading up to the settlement of August 30, there was a question of whether to inform Portugal of the final settlement. Salisbury had discussed the possible Anglo-German collaboration over the loan with Soveral, but he had not informed the Portuguese ambassador of any territorial guarantees. After the two countries signed the agreement, both Germany and Great Britain agreed to inform Portugal of the Convention, but they decided to refrain from revealing the secret Convention. Balfour assured Soveral that the Convention which Germany and England signed "was quite as much for the interests of Portugal as for those of the other Powers concerned."¹

On August 30, despite the secrecy of the agreement, newspapers in both Germany and England began to carry stories that the two countries had concluded important arrangements which would drastically alter their relationship with each other. The Pall Mall Gazette began a series of articles on the suspected agreement which extended to "an offensive and defensive alliance in certain eventualities."² German news-

¹ Balfour to Soveral," August 31, 1898, B. 2., I, 75, no. 93.
² Hale, Publicity and Diplomacy, p. 176. Buelow thought
papers joined the discussion with arguments ranging from information that the two countries had signed an alliance to a complete refutation of any change of policy. The Koelnische Zeitung denied that Germany had changed her objectives, but that did not eliminate possible agreement on a specific question, such as 'a joint loan to Portugal whose needy financial condition may sooner or later require such action.'

The general picture of the Anglo-German Convention gradually was pieced together from various sources. "Diplomaticus," who was perhaps Lucien Wolf, presented the basic outline of the agreement in an article in the October issue of The Fortnightly Review. "Most people are satisfied," he declared, "that, in some way or another, the agreement is concerned with a transference of Delagoa Bay to England," but the agreement covered a much wider scope:

The new Anglo-German Agreement is, in fact, an arrangement, resulting from certain negotiations with Portugal, by which the two great Powers divide between them a right of pre-emption in regard to all the Portuguese colonies in Africa. It defines the territorial spheres of each of the two contracting Powers in those colonies, provides for the consideration to be paid as and when the colonies are alienated by Portugal.

The Berliner Tageblatt also printed a reasonably accurate summary of the Convention which its Lisbon correspondent had


3 Hale, Publicity and Diplomacy, p. 176.
received from Portuguese authorities. No one, however, discovered the extent of each country's share of Portugal's colonies.5

Some German newspapers accepted the agreement as a sign of improved Anglo-German relations, while others strongly condemned it because it had given complete control of South Africa to Britain. Despite the feeling in official circles that Germany had received adequate compensation, organizations such as the Pan-German League and the Colonial Society issued protests against the "betrayal of Niederdeutschtum."6

The German Government defended its position in a series of unofficial telegrams which appeared anonymously in a number of German newspapers. Since Great Britain already had an option on Delagoa Bay, Germany could not have prevented her from securing the valuable port. With the agreement Germany would receive valuable compensation in the Portuguese colonies; without the agreement Germany would have received nothing. As for the question of abandoning the Boers, the Government pointed out that Germany had to provide for her own welfare.7

The preceding statement is perhaps the best argument which

5 Hale, Publicity and Diplomacy, p. 177. Sir Edward Grey declared that the Marquis de Sevoral was even acquainted with the Secret Agreement: "he Sevoral had known all about the negotiations and the signature of the 'Secret' Agreement, and had made no secret to Lord Salisbury of his knowledge of it," Viscount Grey, Twenty-Five Years, 1892-1916 (New York: Frederick A. Stokes Company, 1929), 7, 47.

6 Hale, loc. cit., pp. 177-178.

7 Ibid., p. 179.
can be advanced in favor of German participation in the proposed loan to Portugal in 1898. Germany had strongly supported Kruger in 1896; Germany abandoned Kruger in 1898. This was a definite break in German policy. While most of the members of the German Government would not have sent such an inflammatory message after the capture of Jameson, all had recognized the value of the South African Republic to German aspirations. Heavy German interests in banking, industry, and mining necessitated strong official interest. The Kruger Government invested large sums in light and heavy armaments, and it seemed that the demand would continue. Germany had supplied almost all the weapons which the Boers used; France was a poor second. It therefore seems strange that Buelow would have abandoned the Boers in 1898 by completely renouncing all interests in southern Africa. The head of the Foreign Office, in discussing his actions preceding the outbreak of the Boer War, declared in his memoirs:

I was determined from the first to keep us clear of any steps for the Boers and against the British. I felt the more justified in this in that for months past, . . . I . . . had especially urged President Kruger, to go cautiously and conciliatorily to work, and had left not the slightest room for any doubt in the minds of the Boers that . . . they must not count on receiving any help from us.

There was, however, a deep underlying motive in back of Germany's change of policy, a motive which is not discussed in Buelow's notoriously inaccurate memoirs.

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8 Buelow, Memoirs, I, 342.
In 1897 the Transvaal Government set up a commission of inquiry into the partial collapse of the gold mining boom. Many of the principal German banking interests, such as Goertz, the representative for the Deutsche Bank, openly criticized the Boers and began to refuse funds to them. A number of industries whose market in the Transvaal primarily depended upon mining aligned themselves with the Deutsche Bank; German newspapers, such as the Koelnische Zeitung and the Norddeutsche Allgemeine Zeitung, also began to turn against the Boers, "as if inspired from above." The German consul at Pretoria declared that he had to defend himself against both the German banking interests and Rhodes at the same time and expressed his fear that Portugal, having rejected Kruger's offer of financial assistance, would turn to Britain for help and lose her colonies. The banking interests did not want the latter to occur, and thus they also took an active interest in the settlement of Portugal's financial problems. Among the leaders in this policy was the Darmstädter Bank, in which William himself had a personal interest.

The Anglo-German Agreement went into effect immediately after Hatzfeldt and Balfour signed it on August 30, but it soon became apparent that the problem of the Portuguese colonies had not been solved. On September 1 Hatzfeldt told

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10 Ibid., pp. 271-272.
Balfour that, according to German information, Portugal was sounding out France on the possibility of a loan; Lisbon would rather have a French loan than Anglo-German parallel agreements. Since France had indicated that she would not be able to give an answer to Portugal's request until October 1, Germany and Great Britain would have a month to convince Several to accept the general views of the two governments. Salisbury, in a minute to the report of this conversation, bitterly added that Germany wanted to "force the pace of destiny"; Great Britain could give no assurances to Germany of compliance to her request because Great Britain did not know what sort of financial terms Germany would give Portugal. Besides, added Salisbury, since Britain already had free right of pre-emption on the east coast of Africa, a French loan would pose no threat to Great Britain.  

The next day Balfour wrote that open negotiations with France on the part of Portugal "would lead to serious complications" because of previous arrangements. Lisbon could not borrow from any country on the security of Delagoa Bay other than Great Britain because of the Anglo-Portuguese agreement of 1891. If Portugal wanted a large loan, however, she had to mortgage her most valuable property, Delagoa Bay; in order to secure such a loan, she had to come to an agreement with the newly-formed Anglo-German combination. Portugal

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seemed unable to avoid the Anglo-German parallel loans. Even Salisbury, who had become greatly concerned over the French interests in the Portuguese colonies and the possible effects on the Anglo-German agreement, began to exert some pressure in favor of the loan. He agreed to discuss the matter with Soveral and to "intimate to him that any loan from France must not be secured on the customs of Angola." In early October the British Prime Minister reported that French sources had offered Portugal a loan of £6,000,000 if that country would allow a French controlled company to administer her railway revenues, would earmark a greater portion of Portuguese customs for debt conversion, and would agree to the formation of an Issue Committee to supervise Portuguese finances. Salisbury declared his opposition to any form of joint guarantee or control of Portuguese finances and the plan failed to materialize.

By early November the proposed loan appeared to be no closer to fulfillment than when the two powers signed the agreement. The German Emperor, however, appeared delighted with the agreement and referred to it as the cornerstone of an alliance between the two powers. He even informed his mother that he had reached a full understanding with England, although this statement also proved to be

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fantasy.  

On November 5 Several, in a conference with Salisbury, informed the British Prime Minister of further negotiations between his government and France. He outlined the limitations which Portugal had agreed to place on the loan, and Salisbury concluded that "the financial measures taken by Portugal for dealing with her creditors are a matter entirely for her own decision." He apparently at this meeting did not attempt to convince the Portuguese minister of the advisability of an Anglo-German loan, although he again narrowed the possible alternatives to such an arrangement. Salisbury accepted the idea of a French loan to Portugal, but he opposed any mention of other Portuguese territory, such as the Azores, as security for the loan—French influence could become too strong in these regions. Great Britain was bound by a treaty to protect Portugal from attack, but she would not do this if the Portuguese would modify the treaty by alienating territory to France. 

On January 11, 1899, Several reported to Salisbury that he felt the efforts to raise a loan in Paris would prove unsuccessful because of German opposition to such a loan. The Prime Minister attempted to reassure Several about German


designs and suggested that countries other than Portugal had attempted to raise loans in Paris and had failed. Later a Portuguese financial agent attempted to raise a loan in London, but when he was unsuccessful, he again turned to Paris. This time he was successful.

The Lisbon Government had planned to use its 72,000 debentures of the Portuguese Royal Railway valued at £340,000 for the Berne Award, but it finally mortgaged them through some French financiers for £500,000. The contract provided that if the debentures were not redeemed before the time expired, France could have the option of retaining them at a specified price. The British Minister in Lisbon, Sir Hugh MacDonnell, saw the danger of France gaining control of the Portuguese railway system and urged his Government to convince a private British firm to advance the money to Lisbon. "It would be a political master-stroke," and Great Britain would acquire a voice in the administration of the railways. Nothing came of this suggestion.

The Portuguese ambassador reported on June 7, 1899, that the financial picture in Portugal was improving and that Portugal would probably not need a loan at that time. Several, however, did express a fear that either Germany or France might send Portugal an ultimatum demanding the institution

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19 MacDonell to Bertie," April 29, 1899, E. 2., I, 83-84, no. 108.
of a control over Portugal's customs in order to pay the
creditors of their own country. The British Prime Minister
declared that Great Britain would oppose such interference
in Portugal's finances.20

The Anglo-German discussions had originally been made
necessary as a result of the German threat to the British
position in South Africa. Tensions between Great Britain
and the Transvaal continued to mount in the summer of 1899,
but Britain still had not closed the South African Republic's
last non-British link with the outside world. The Anglo-
German agreement had effectively eliminated the latter from
all connections with the Transvaal, as England had intended,
but the Boers could still purchase arms from other sources
and import them through Delagoa Bay. Salisbury emphasized
the value of Delagoa Bay and warned Portugal against any
change of policy over the Portuguese port: "Her Majesty's
Government could not regard the transfer of the control of
Delagoa Bay to a foreign Power as otherwise than an un-
friendly act."21

The German minister in Lisbon, in the middle of July,
acknowledged that, "for the moment," the Anglo-German loan
to Portugal was out of the question.22 On many occasions

20 "Salisbury to MacDonell," June 7, 1899, B. 2., I,
84, no. 109.

21 "Salisbury to MacDonell," June 17, 1899, B. 2., I,
85, no. 110.

22 "MacDonell to Salisbury," dispatched July 22, 1899,
B. 2., I, 87, no. 112.
Several had expressed apprehensions over German designs on the Portuguese colonies, and Great Britain was able to take advantage of Germany's position outside of Portugal's confidence to conclude an agreement with Lisbon which was in spirit completely opposed to the Anglo-German agreement of August 30, 1898.

In a meeting with Several on September 13, Salisbury urged Portugal to prevent the flow of arms to the Transvaal; this would be advantageous for Great Britain, and Portugal would not have to become involved in hostilities with the Transvaal. Several, however, declared that Portugal could not remain neutral if war broke out between Great Britain and the Transvaal; she would join Great Britain, who could then use the Delagoa Bay Railway and mount an offensive from all sides. The Portuguese minister even said he had been empowered to sign such an alliance.23

Several's proposal immediately put Salisbury on the defensive. Since Germany and England had agreed to inform the other Government if it received special privileges, and were bound to "use its influence to obtain for the other Government similar special privileges of an occasional character and of equal value," Portugal's participation on the side of Great Britain would require compensation for Germany. England could not allow Germany to take her ally's territory

because Lisbon had assisted in the war against the Boers. The British minister in Lisbon said he felt the Portuguese disliked the Anglo-German agreement so much that they would try to destroy it through an Anglo-Portuguese pact. Although Salisbury did say that he wanted Portugal to agree to declare war against the Transvaal on British invitation, he clearly sought to avoid Portuguese participation. Even neutrality would be unacceptable, because the British Admiralty pointed out that a Portuguese declaration of neutrality in the event of war would prevent British ships from coaling at Delagoa Bay.

Salisbury sought an agreement with Portugal which would give Great Britain the opportunity to block arms shipments to the Transvaal and assure a coal supply for the British navy and still not violate the Anglo-German agreement. The Prime Minister suggested that Soveral "insert in the note we propose to sign that Portugal will not, in the event of war between England and the Transvaal, proclaim her neutrality." The Anglo-Portuguese Agreement of October 14, 1899, was, for the most part, merely a reaffirmation of statements from two earlier Anglo-Portuguese treaties. These would imply Portuguese assistance to Great Britain without legally violating


25 "Salisbury to Soveral," n. d., E. P., I, 92-93, enc. in no. 117.

26 Ibid., p. 94, enc. 4.
the Anglo-German agreement. A treaty between the two powers signed on January 29, 1842, stated that

Neither of the said Kings shall do or attempt anything against each other or in their Kingdoms, nor shall consent nor adhere unto any war counsel or treaty in prejudice of the other."

Portugal also agreed to prohibit the transfer of arms to the Transvaal and to refrain from a declaration of neutrality. When the war came a short time later Great Britain was able to proceed without any opposition from the outside, except for the opposition of public opinion throughout Europe.

27 "Anglo-Portuguese Secret Convention," October 14, 1899, E. R., I, 93-94, no. 118. The contents of this convention were not communicated to the German Government until 1913.
The Anglo-German Agreement of August 30, 1898, did not succeed in its avowed purpose of providing a joint loan to Portugal. Since Lisbon was able to recover a certain amount of fiscal stability, it did not need assistance from the two powers. The agreement, however, did have definite repercussions on the international scene in the years immediately following its conclusion and for this reason becomes important in the diplomacy of the late-nineteenth century.

England had carved out an empire in southern Africa early in the century, although she did not expand from her original claims until other countries showed their interest. Portuguese and German claims, in addition to the semi-independent enclave of the Transvaal, prevented complete control of this region. Portugal had often faced serious native uprisings in her financially burdensome African territories, but the strong Portuguese national pride in the empire prevented any alienation of territory. Germany had begun to adopt a strong pro-colonial attitude only in the waning years of the century.

Great Britain and Germany had been "natural allies" ever since the formation of the German Empire in 1871--more so since the signing of the Franco-Russian pact. Great Britain feared
the Russian threat in the Mediterranean and in the Far East; she was also involved in numerous serious colonial clashes with France in Africa. Germany also publically expressed concern over a possible war of revenge with France. Great Britain and Germany together had participated in many discussions of international problems, but despite occasional territorial agreements, there were no political ties. Great Britain was traditionally bound to a policy of non-entanglement in European affairs, and Germany would accept nothing less than full British partnership in the Triple Alliance.

Joseph Chamberlain had openly advocated closer ties with Germany, perhaps even an alliance, but the German ambassador in London, acting under instructions from Berlin, sought to delay concluding an agreement. If Germany could avoid the desired alliance with England, she could take advantage of her valuable position and secure additional benefits—perhaps in colonial matters—as a condition to Anglo-German concord.

The proposed Anglo-Portuguese loan fitted perfectly the German plan. The Wilhelmstrasse was not particularly concerned about the fate of the Portuguese Empire, except where she herself might benefit. Perhaps this can best be demonstrated by pointing out that Germany at first demanded British territory—Walfisch Bay and Blantyre—in addition to parts of the Portuguese colonies. Also, in July, 1899, the British minister in Lisbon was compelled to denounce the efforts of his German counterpart for attempting to force Portugal into
the Anglo-German loan. If Portugal failed to make the loan, Germany would gain nothing, despite the sacrifice of Delagoa Bay.

Lord Salisbury, hardly an impartial observer, said that Germany only awaited the collapse of the Portuguese financial structure in order to claim her share of colonies; Great Britain, on the other hand, sought only to preserve the integrity of Portugal. Although this is essentially correct, the British were less guided by altruistic motives for maintaining the Portuguese empire than by an attempt to strengthen the British empire. If Portugal were to collapse, both Germany and France could claim portions of the Portuguese colonies and threaten British colonial interests in Africa. While Great Britain was also concerned with the stability of the Portuguese monarchy—the loss of colonies could seal the doom of Carlos I—her primary interest lay in Africa. The British interests were protected when Germany renounced all claims to Delagoa Bay; she would benefit even if Portugal did not agree to the loan.¹ With the Anglo-Portuguese agreement, Great Britain closed the door of the Transvaal to other interested parties.

Germany, at the beginning of her negotiations with Great Britain over the Portuguese colonies, had written off Delagoa Bay to Great Britain. While the Wilhelmstrasse attributed this to prior British claims, the German action was obviously

¹ One writer says that England possibly even aided Portugal to secure the French loan so as to avoid the consequences of the Anglo-German agreement. See Langor, Diplomacy of Imperialism, II, 529.
part of a larger premeditated plan. There appeared no chance of Portugal easing her fiscal crisis without a loan; even then the prospects of financial recovery were bleak. Germany relinquished her ties in the Transvaal in the hope of making solid gains in other areas.

A little over a year after Great Britain and Germany signed their agreement over the Portuguese colonies, Great Britain and the Transvaal were at war. While one will never know what may have happened had the two countries not signed the agreement, it is likely that the agreement allowed Great Britain to pursue a more confident policy in South Africa. The British Government had been concerned with German interests in the Transvaal, and there was the fear that, if war broke out, Germany would actively intervene, as the German Emperor had originally proposed in 1896. Portugal would certainly have refused German troops the right to cross Mozambique to enter the Transvaal, and Great Britain and Portugal may have formed a coalition against Germany. War may also have spread to the continent. Such a conflict may have developed without the Anglo-German agreement of 1898; certainly Milner and other British leaders were concerned over possible German-Transvaal co-operation. Although Germany realized that the British control of the seas could mitigate against any overt assistance to the Transvaal, she could apply pressure elsewhere. Of course, while history in the conditional is always interesting, it is seldom anything more.
England and Germany began negotiations over the Portuguese African colonies at a time when the two powers were also discussing methods of reaching a general understanding. The Portuguese question soon became of primary importance and when completed, it briefly brought improvement in Anglo-German relations. The outspoken public opinion, however, excited by the passage of the first naval law in Germany and the worsening of British relations with the Transvaal, prohibited an agreement. Chamberlain erroneously thought the agreement would bring about conditions favorable for an alliance. His later plea for an Anglo-German alliance on November 30, 1899, failed to bring a warm response from Buelow, who was hampered by a pro-Boer press and public. An Anglo-German agreement over China in October, 1900, produced no general alliance, and a last attempt aborted in 1901. After this the gradual alignment of Great Britain with France and German colonial activity made a close alliance impossible.

The Anglo-German Agreement of August 30, 1898, was an attempt to secure an understanding between two colonial powers, one established, one aspiring. It secured no lasting friendship, although it may have averted a possible Anglo-German clash at that time. Most assuredly it aided the British colonial policy in South Africa; it perhaps also embarrassed the German diplomats who came away empty-handed.
APPENDIX A

THE ANGLO-GERMAN AGREEMENT, AUGUST 30, 1898

In view of the possibility that Portugal may require financial assistance from some foreign Power or Powers, and in order to obviate the international complications which such a condition of things may produce, and to preserve her integrity and independence, the Undersigned, duly authorised by their respective Sovereigns, have agreed as follows:

I. Whenever either the British or the German Government is of the opinion that it is expedient to accede to a request for an advance of money to Portugal on the security of the Customs revenues or other revenues of Mozambique, Angola, and the Portuguese part of the Island of Timor, it shall communicate that fact to the other Government, and the other Government shall have the right to advance a portion of the total sum required.

In the event of the other Government signifying its intention to exercise this right, the two Governments shall consult as to the terms of the two loans, and these loans shall be issued on the security of the Customs revenues of Mozambique, Angola, and Portuguese Timor as near as possible simultaneously. The loans shall bear as near as possible the same proportion to each other as the amounts of the Customs revenues respectively assigned as their security.

The loans shall be issued on terms as favourable to Portugal as the condition of the money market and the security of the loans permit, and shall in other respects be subject as near as possible to similar conditions.

II. Of the Customs revenues, referred to in Article I, those of the Province of Mozambique south of the Zambezi, and of the part of that Province lying on the left bank of the Zambezi above its confluence with the Shire, and those of the portions of the Province of Angola, as hereinafter described, shall be assigned to the British loan. The Customs revenues of the remaining part of the Provinces of Mozambique and Angola and the Customs revenues of Portuguese Timor shall be assigned to the German loan.

The portion of the Province of Angola, of which the Customs revenues shall be assigned to the British loan, is

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1 "Mr. Balfour to Lascelles," August 31, 1898, E. D., I, 71-72, enclosure in No. 90.
comprised within the following limits: the northern frontier shall run from the coast along the 8th parallel of south latitude to the 16th degree of longitude east of Greenwich, thence it shall descend that degree to the 9th parallel of latitude, and shall follow that parallel eastwards as far as the frontier of the Congo Free State. The southern frontier shall start from a point of the coast 5 English miles north of Egito, and shall run thence due east to the eastern frontier of the Province of Angola. The western frontier shall be the sea; the eastern frontier shall be the eastern limit of the Province of Angola.

III. Any Delegates sent by Great Britain or Germany to take note of the collection of the revenues which are the security for their respective loans shall have only rights of inspection, but no rights of administration, interference, or control, so long as there is no default in the payment of interest or sinking fund.

IV. In case of default in the payment of the interest or sinking fund of either loan, the administration of the various custom-houses in the two provinces and in Portuguese Timor shall be handed over by Portugal; those assigned for the German loan to Germany, those assigned for the British loan to Great Britain.

V. It is well understood that all rights, whether British or German, acquired in the provinces affected before the date of this Convention, shall be fully safeguarded provided they are of a purely private character, and convey neither political rights nor territorial or administrative jurisdiction.

It is also understood that no influence will be used in the future, either by the British or the German Governments, to obtain fresh Concessions, except in those portions of the provinces of which the customs revenues are assigned to their respective loans.

VI. The present Convention shall be ratified, and the ratifications thereof shall be exchanged as soon as possible. The Convention shall come into force immediately after the exchange of ratifications.

In witness whereof the Undersigned, duly authorised, have signed the same, done in duplicate, at London, the 30th day of August, 1898.

(L. S.) ARTHUR JAMES BALFOUR.
(L. S.) P. HATZFELDT.

SECRET CONVENTION2

Whereas, notwithstanding the provisions of the preceding

2 "Balfour to Lascelles," August 31, 1898, R. D., I, 72-73, enclosure in No. 91.
Convention of this day's date, it may unfortunately not be found possible to maintain the integrity of the African possessions of Portugal south of the Equator, as well as those in Timor, the Undersigned, duly authorised by their respective Sovereigns, have further agreed as follows:—

I. Great Britain and Germany agree jointly to oppose the intervention of any third Power in the Provinces of Mozambique, Angola, and in Portuguese Timor, either by way of loan to Portugal on the security of the revenues of those provinces, or by way of acquisition of territory, by grant, cession, purchase, lease, or otherwise.

II. It is understood that, from the conclusion of the Conventions of this day's date, Great Britain will abstain from advancing any claim of whatsoever kind to the possession, occupation, control or exercise of political influence in or over those portions of the Portuguese provinces in which the Customs revenues have been assigned to Germany, and that Germany will in like manner abstain from advancing any claim of whatsoever kind to the possession, occupation, control, or exercise of political influence, in or over those portions of those Portuguese provinces in which the Customs revenues have been assigned to Great Britain.

III. In case Portugal renounces her sovereign rights over Mozambique, Angola, and Portuguese Timor, or loses these territories in any other manner, it is understood that the subjects of, and natives of the Protectorates of one Contracting Party, together with their goods and ships, and also the produce and the manufactures of its dominions, possessions, Colonies and Protectorates, shall, in such portions of the territories comprised in the present Convention as may fall to the other Contracting Party, participate in all the privileges with regard to trade, commerce, taxation and navigation which are there enjoyed by the subjects of, and natives of the Protectorates of, the other Contracting Party.

IV. With regard to the Vth Article of the Convention of to-day's date, which refers to private rights of British or German subjects in the Provinces of Mozambique, Angola, and Portuguese Timor, it is well understood between the two Governments that this Article applies, among others, to the so-called Katembe Concession, and, further, that the Government of Great Britain will adopt a friendly attitude in respect to the confirmation of this Concession by the Portuguese Government in case such a confirmation should be applied for.

V. The present Convention shall be ratified, and the ratifications thereof shall be exchanged as soon as possible. The Convention shall come into force immediately after the exchange of ratification.

In witness whereof the Undersigned, duly authorised, have
signed the same, and have affixed thereto their seals.

Done in duplicate, at London, the 30th Day of August, 1898.

(L. S.) ARTHUR JAMES BALFOUR.
(L. S.) P. HATZFELDT.

SECRET NOTE

In order to make clear the intention of the two Conventions of this day's date, it is further understood between the two Governments as follows:

In the event of one of the two Governments obtaining from the Portuguese Government before the contingency contemplated in Article III of the Secret Convention a cession of territory, or the concession of special privileges not of an occasional character, in those portions of the Portuguese Provinces of Mozambique, Angola, or Timor, the customs revenues of which have been assigned to it, it is well understood between the two Governments that such cessions of territory, or concessions of privileges, shall not become operative until analogous grants as near as possible of equal value have been accorded to the other Government in those portions of the provinces, the customs revenues of which have been assigned to it by the present arrangement.

In case either Government applies for special privileges of an occasional character it shall immediately inform the other Government, and if these privileges are granted, and if the other Government should desire it, shall use its influence to obtain for the other Government similar special privileges of an occasional character and of equal value.

And whereas, owing to the imperfect surveys which alone are at present available, the 8th Article of the Convention of this day's date may not exactly carry out the intentions of the Contracting Parties, it is understood between them that in any case the port and the town of Ambriz shall be included in the security assigned to Germany.

In case, therefore, that the port and town of Ambriz should be found to lie to the south of the 8th parallel of south latitude, the line of demarcation shall start from a point on the coast 5 English miles south of the port of Ambriz, and be continued thence due east until it reaches the 16th degree of longitude east of Greenwich.

From the intersection of the line, which may be determined as the line of demarcation, with the 16th degree of longitude aforesaid, the line shall, if necessary be extended along

3 "Balfour to Lascelles," August 30, 1898, R. D., I, 74-75, enclosure in No. 92.
that degree of longitude so far south of the 9th parallel of south latitude as will secure to Germany a strip of territory not less than a geographical degree in width between the southern extremity of the Congo Free State in the region of Lunda and the northern frontier of the portion of Angola of which the customs revenues are assigned to Great Britain.

(L. S.) ARTHUR JAMES BALFOUR.
(L. S.) P. HATZFELDT.
APPENDIX B

REFERENCE INDEX

BAIFOUR, SIR ARTHUR. British First Lord of the Treasury, 1891-1892, 1895-1902; Prime Minister, 1902-1905.

BERTIE, SIR FRANCIS. British Assistant Under-Secretary of State for Foreign Affairs, 1894-1903.

BUELOW, BERNHARD VON. German Minister for Foreign Affairs, 1897-1900; Chancellor, 1900-1909.

CAPRIVI, COUNT LEO. German Chancellor, 1890-1894.

CHAMBERLAIN, JOSEPH. British Secretary of State for the Colonies, 1895-1903.

DELCASSE, THEOPHILE. French Minister for Foreign Affairs, 1898-1905.

ECKARDSTEIN, BARON VON. First Secretary of the German Embassy at London.

GOUGH, VISCOUNT. Secretary of the British Embassy at Berlin, 1896-1901.

HANOTAUX, GABRIEL. French Minister for Foreign Affairs, 1896-1898.


HATZFELDT, PAUL VON. German Ambassador at Berlin, 1885-1901.

HÖHENLOHE-SCHILLINGFUERST, CHLODWIG FUERST VON. German Chancellor, 1894-1900.

HOLSTEIN, FRIEDRICH VON. Vortragender Rat in the German Foreign Office, 1889-1906.

KRUGER, PAUL. President of the South African Republic, 1883-1900.

LASCELLES, SIR FRANK. British Ambassador at Berlin, 1895-1908.
MACDONELL, SIR HUGH. British Minister at Lisbon, 1893-1902.

MARSCHALL VON BIEBERSTEIN, ADOLF FREIHERR. Secretary of State in the German Foreign Office, 1890-1897.

MILNER, SIR ALFRED. British High Commissioner for South Africa, 1897-1906.

RHODES, CECIL. British Imperialist; Prime Minister of the Cape Colony, 1890-1896.

RICHTHOFEN, BARON VON. German Under-Secretary of State for Foreign Affairs, 1897-1900; Foreign Minister, 1900-1906.

ROSEBERY, LORD. British Foreign Minister under Gladstone, 1892-1894; British Prime Minister, 1894-1895.

SALISBURY, ROBERT, MARQUIS OF. British Prime Minister, 1886-1892, 1895-1902; Secretary of State for Foreign Affairs, 1895-1900.

SOVERAL, MARQUIS LUIS MARIE PINTO DE. Portuguese Minister at London, 1897-1910.

TATTENBACH, COUNT VON. German Minister at Lisbon, 1897-1898.

WILLIAM II. German Emperor, 1888-1918.
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