

The London School of Economics and Political Science

Far Eastern questions: Britain, the Washington system, and international cooperation in China, 1919-1922

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A thesis submitted to the Department of International History of the London School of Economics for the degree of Doctor of Philosophy, London, November 2022

Declaration

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Impact of the pandemic on source materials

The original plan for this thesis envisioned a multiarchival reassessment of the Washington system, drawing on British as well as American and Japanese primary sources. Unfortunately, due to archive closures in the US and travel restrictions in Japan, its scope had to be curtailed and its analysis limited to materials available in Britain. The inability to cover the American and Japanese sides of the Washington Conference (beyond published documents) certainly impacted this thesis; however, the surprising wealth and richness of the materials available at the British National Archives enabled the following study to be completed in the allotted time.

Acknowledgements

First of all, I am indebted to my thesis supervisor, Professor Antony Best, for his assistance, encouragement, and vast knowledge of the issues addressed in this thesis. I would also like to thank the Department of International History for their support, the Great Britain Sasakawa Foundation for their generous studentship that funded this research, and the staff at the National Archives, Kew, for their help and professionalism.

I am also grateful to my parents, Bob and Margery, my sister, Alisa, and my friends around the world for being there for me as I worked to complete this thesis. Without them, I would not have had the courage to embark on such a complicated task. Also, my colleagues Paul and Jeff gave me the confidence to believe I could finish this writing, as well as the opportunity to have many fascinating discussions on matters related to this work.

This thesis is dedicated to my wife Aina, without whom it would have never been completed. Her unwavering dedication to my doctoral endeavors means I will always be in her debt.

Abstract

The Washington Conference (1921-1922) produced several major treaties redefining relations between Britain, Japan, the US, and China. Japanese historians generally characterize these treaties as forming an interlocking and mutually reinforcing ‘Washington system’—based on regional Anglo-American-Japanese cooperation and a multilateral ‘open door’ policy in China—which replaced the prewar diplomatic system of alliances and ‘spheres of influence’. But because the Washington system literature tends to focus exclusively on US-Japan relations with respect to China, Britain’s role at the Conference remains unclear.

In the standard view, building on the work of Akira Iriye, the Washington system originated from an ‘American initiative’ to replace the ‘old diplomacy’ in the Far East with ‘new diplomacy’. Some historians argue that Britain was an ‘imperialist’ power aligned with Japan in defense of the ‘old diplomacy’, while others suggest it was part of an Anglo-American combine to impose the ‘new diplomacy’ on Japan. However, most ignore Britain’s role altogether, citing a prominent critique by Ian Nish that British diplomats did not perceive the treaties as an interlocking and reinforcing ‘system’.

This thesis examines British diplomacy before and during the Conference and provides a more nuanced characterization of the Washington system’s origins. It argues, first, that British diplomats had an incentive to let their US counterparts appear to lead the negotiations, which obscures how Britain acted as a mediator between the US and Japan and created the conditions for their *rapprochement*. Second, Britain viewed the Washington treaties as neither ‘old’ nor ‘new’, but rather as an updated—even improved—version of the prewar order adjusted to postwar conditions. Third, the Washington treaties were mutually reinforcing in the sense that none could have emerged in isolation without a wider multi-issue settlement. In fact, Britain more than any other power understood this factor.

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5 Conclusion

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1 Introduction

1.1 The Washington Conference and the road to Pearl Harbor

On the afternoon of 7 December 1941, just over an hour after the attack on Pearl Harbor began, the Japanese Ambassador in Washington handed the US Secretary of State what would become known as the “infamous” Fourteen-Part Message outlining his government’s rationale for abandoning further diplomacy. The two nations had reached an *impasse* over the principles defining international relations in the Far East. American proposals for a “multilateral non-aggression pact [...] patterned after the old concept of collective security” were, according to the Japanese message, “far removed from the realities” of the region. Likewise, in the immediate crisis concerning Japan’s occupation of French Indochina, the US insistence on multilateral pledges to respect Indochinese “territorial integrity and sovereignty” and to observe “equality of treatment in trade and commerce” were unacceptable to the Japanese government. Such a framework, the message argued, “cannot but be considered as an extension [...] of a system similar to the Nine Power Treaty structure” applied in China, “which is the chief factor responsible for the present predicament of East Asia”. The message highlights an important and controversial theme: the US government had time and again prevented negotiations with Japan from succeeding by “always holding fast to theories in disregard of realities, and refusing to yield an inch on its impractical principles”. As a result, Japan’s “earnest hope” to “preserve and promote the peace of the Pacific through cooperation” had “finally been lost”.¹

Exactly twenty years had passed since the American and Japanese delegates to the Washington Conference (1921-1922) met at the State Department to negotiate a regime of international cooperation among the Pacific powers. For these men the principles that would underpin the Washington treaties were not only seen as practical,

¹ Japanese note to the US, 7 December 1941, in *Department of State Bulletin*, Vol. V, No. 129 (13 December 1941).

they were viewed as auguring a new era of regional stability.² However, the ‘road to Pearl Harbor’ casts a long shadow over the Washington Conference, eclipsing its achievements and shaping how scholars have evaluated its treaties. As the Japanese historians Akira Iriye, Chihiro Hosoya, and Sadao Asada have argued, the Five-Power Treaty on naval arms limitation, the Four-Power Treaty transforming the Anglo-Japanese alliance into a consultative pact with the US and France, and the Nine-Power Treaty defining a multilateral ‘open door’ in China, were mutually reinforcing and interlocked to form an international order known as the ‘Washington system’. This ‘system’ was ultimately unable to sustain cooperation, fomenting the conditions for the subsequent rise of US-Japan antagonism in the 1930s.³ But crucially, all three scholars tend to examine the Washington system, its principles, and the bargaining that produced it through the lens of the bilateral US-Japan relationship, obscuring the fact that there was a third man in the room on 7 December 1921: the chief British delegate to the Washington Conference, Arthur J. Balfour.⁴

Indeed, Britain’s role in the creation of the Washington system has been either ignored or dismissed in the Japanese literature. One reason could be that, although Iriye, Hosoya, and Asada have slightly different views regarding how the ‘system’ was structured, all three historians use it as a device to frame Japanese foreign policy in the 1920s and 1930s. Their scholarship therefore tends to quickly summarize the intricate diplomacy that produced the treaties, portraying the US as the main actor, and putting greater emphasis on the post-1922 period in order to focus on the Soviet, Japanese, and Chinese challenges to the Washington system. However, despite explicitly and repeatedly defining the Washington system as based on Anglo-American-Japanese cooperation with respect to China, Britain remains conspicuously absent in their work: no study in either English or Japanese investigates how British Conference diplomacy affected the origins of the Washington system, and none actively engages with British archival materials.

² “The proposed quadruple arrangement: Memorandum of conversations at Washington,” 7 December 1921, CAB 30/27, SW 11.

³ As discussed below, the most cited works in the Washington system historiography are Iriye (1965), Hosoya (1978), and Asada (1992). See also Iriye (1987), Hosoya (1982), and Asada (2006). Hattori (2001) gives the most recent comprehensive account, while Mori (2006) provides a useful English-language overview of how the Washington system concept has affected Japanese scholarship on the interwar period.

⁴ Balfour to Lloyd George, 9 December 1921, FO 414/453, No. 10.

This raises several questions about the nature of the Washington system. The concept of a multilateral system implies an interaction between more than two powers, as an adjustment of the principles affecting US-Japan relations could, in theory, be achieved in a bilateral setting. Moreover, if Britain actually had little impact on the negotiation of the Washington treaties yet still opted to sign and ratify them, this would seem to be a remarkable finding. As the preeminent naval power in 1922, and holding vast economic interests in China, basic strategic logic suggests Britain would have had a strong incentive to ensure the principles instantiated in the Washington treaties supported these interests. In fact, scholars working outside the Washington system historiography have shown that Britain did have its own objectives for the Conference, and its delegates actively participated in negotiations to influence the treaties' language.⁵ However, because these historians neither engage with the Japanese literature nor directly address whether a coherent, interlocking framework for multilateral cooperation emerged from the treaties, our understanding of the Washington system's origins remains incomplete.

The purpose of this thesis is to integrate Britain into the Washington system literature. Drawing heavily from British archival materials covering the Washington Conference, it attempts to respond to Ian Nish's oft-cited critique that Britain did not perceive a 'system' to have been created from the treaties, a critique that has undermined the Japanese literature's central claim.⁶ In doing so, this thesis highlights the British delegation's critical influence in the drafting process, challenging the standard view of the Washington Conference as an American-led attempt to transform the Far Eastern order. It also interrogates whether the Washington system represented a 'new order' or if it is better understood as part of a longer, evolving process, which can be traced back to the 'scramble for China' in 1898. Special attention is paid to the sequence in which the treaties came together, eschewing the treaty-by-treaty approach that typifies the extant literature, and offering a new perspective on how they were indeed linked. In the end, any evaluation of the Washington system in the interwar period must begin with a thorough account of Conference diplomacy, and such an evaluation cannot neglect Britain.

⁵ E.g., Goldstein (1994); Louis (1971); Buckley (1970).

⁶ Nish (1977, 141-142; 1982, 31).

1.2 Historiography

Akira Iriye popularized the ‘Washington system’ concept in his classic 1965 book *After Imperialism*. It is important to note at the outset that the concept’s original purpose was to explain a shift in Japanese foreign policy during the 1920s, a decade that appeared to be sandwiched between two periods of expansionism. This is relevant because the subsequent Washington system scholarship has retained Iriye’s focus on Japan.

As Iriye observed at the time of his writing, scholars had typically interpreted Japanese expansionism in China through a limited theoretical perspective, where national foreign policies were “autonomous and continuous” and international relations merely their “mechanical sum total”. This view ignored important factors such as strategic interdependence and the constraints of the international order:

Japanese expansionism, even if it did exist in the abstract, would take different forms as conditions change in the concepts, practices, and patterns of international relations. Changes in these variables, which constitute what one may term the framework or system of diplomacy, will often modify the content and expression of a policy.

Iriye argues that examining these patterns could reveal a power’s “role in creating an environment, the way its freedom of action is in turn limited, and its decision whether to continue to observe the existing rules of the game or to seek an alternative scheme of international affairs”.⁷

The Washington system represented such a change in the patterns of diplomacy, according to Iriye. It was then followed by a series of three other ‘initiatives’ to transform the international order, from the Soviet Union (1922-1927), Japan (1927-1931), and the Chinese nationalists (1928-1931). Iriye’s main argument is that after 1922, the Washington system briefly shifted Japanese expansionism from the military arena toward a phase of economic cooperation, before the failure of the powers to build on the Washington framework led to these three initiatives. His book is only cursorily interested in the Washington Conference itself, which is briefly discussed in the introduction; more than two-thirds of his text concerns the post-1925 period, and

⁷ Iriye (1965, 2).

most of the remainder covers the “lost opportunity” between 1922 and 1925. Iriye explained that his “basic aim” in *After Imperialism* was “to use Japan as an example, in order to examine the various systems of international relations and their impact on foreign policy”.⁸ As a consequence of this wider focus, Iriye did not develop the Washington system concept in a detailed way, leaving this task to other scholars.⁹

Nevertheless, Iriye’s image of the system’s origins deeply influenced the Japanese historiography and generated several notable critiques. His view can be summed up as follows: for Iriye, the “essential factor” of the Washington Conference was that it was an “American initiative to put an end to the diplomacy of imperialism. This involved the annulment of all deals and agreements among the powers and the enunciation of new principles to govern their conduct in the Far East”.¹⁰

This thesis attempts to respond to three claims that can be unpacked from this description. First, Iriye repeatedly characterizes the Conference as an “American initiative” throughout his discussion.¹¹ He claims “the United States took the lead” at the Conference, hoping to “re-establish order and stability in the Far East” after Japanese expansionism had altered “the old framework [of diplomacy] beyond recognition”.¹² Both Britain and Japan are generally portrayed as adherents of the ‘old diplomacy’ that reluctantly accepted the US agenda.

This introduces his second claim. In Iriye’s view, the Americans were “not satisfied simply with restoring the equilibrium in the Far East”; their motive for calling the Washington Conference was to “go a step further and demolish the existing system of imperialist diplomacy”. Concretely, Japan would have to retreat from its wartime policy and a “new international order would have to be created in the Far East”. Thus at Washington, the “old concepts and practices defining relations between empires [were] discarded”, which “destroyed” the “mechanism of maintaining balance among the big powers”. The US aimed to “define a new *status quo*, not based on a temporary balance of power among the imperialists but on their pledge to refrain from military and

⁸ Iriye (1965, 4).

⁹ Mori (2006, 257-258) notes that Iriye also did not develop the Washington system in his later work.

¹⁰ Iriye (1965, 16).

¹¹ In fact, “The American Initiative” is the title of his introduction, which presents the Washington system.

¹² Iriye (1965, 13).

political expansion and assist weaker peoples”, and to this end created the Washington system.¹³

But what was this new ‘system’? Iriye’s third claim is that the Washington treaties interacted with each other to form a coherent regional framework for international politics. He portrays the Washington system as a new order that “replaced” the old alliances and territorial concessions with “multinational agreements repudiating expansionism”. This interconnection is implied rather than explicitly stated, such as: “the [annulment of old deals and agreements] led to the abrogation of the Anglo-Japanese alliance and its replacement by the Four-Power Treaty, while the [enunciation of new principles] was embodied in the Nine-Power Treaty and other [China] agreements”. But it seems clear that Iriye thinks the Washington system was created from these two interlocking treaties—one respecting great-power relations, the other declaring their common policy in China—when they emerged in sequence. He concludes that the treaties combined to form what was hoped to be a “mechanism to harmonize the divergent interests of the powers”.¹⁴

In the Japanese literature, Chihiro Hosoya is credited with first articulating the “characteristics and transformation” of the Washington system, examining in detail how the treaties were interrelated.¹⁵ He is much more explicit than Iriye in identifying Britain’s role in both Conference diplomacy and the system it produced. Iriye had referred to the Four-Power Treaty as defining “new rules to the game”, and the Nine-Power Treaty as characterizing the “new approach to Far Eastern diplomacy [which] would operate, not within the framework of particularistic arrangements, but on the basis of an over-all international agreement participated in by all the major countries”.¹⁶ Building on the connection, Hosoya describes the Washington treaties as forming an “Anglo-American-Japanese cooperative system” in which “Japan, the US, and Britain would work together for the purpose of peace and political stability in East Asia, and to suppress the old imperialist diplomacy with respect to China”. Although he agreed with Iriye that the Conference created a ‘new order’, he did not view it as solely American-

¹³ Iriye (1965, 14, 13, 20, 11).

¹⁴ Iriye (1965, 20, 16, 22).

¹⁵ Hosoya (1978).

¹⁶ Iriye (1965, 18).

led. For Hosoya, more important was the fact that the two treaties were an “attempt to set up a new multilateral alliance system” to support “a new international political order in East Asia” based on “the ideas of the ‘new diplomacy’ rather than ‘old diplomacy’”¹⁷.

Hosoya’s main innovation was to define the role of China in the Washington system. Iriye had argued the “internal problems of China were only a minor part of the Washington Conference. The basic objective, as it related to the Far East, was to redefine relations among Japan, the United States, Britain, and other powers. China entered into the picture only insofar as these powers agreed to limit their expansion and renounce particularistic agreements”¹⁸. However, Hosoya is more careful and precise in describing China’s importance: it was only because the three powers had redefined their relations to one another that they were able to instantiate the ‘open door’ policy in a multilateral treaty. In other words, the Four-Power Treaty formed an overarching “cooperation system” with the Nine-Power Treaty serving as an expression of their common “goal”, namely restraining the “old imperialist diplomacy against China” and promoting “peace and political stability in East Asia”¹⁹.

The relationship between the two treaties is described in Hosoya’s “dominant-subordinate” model:

The Anglo-American-Japanese coordination system was the ‘dominant system’ of the East Asian regional political system. China was given a ‘subordinate’ position as a minor actor in the system. In other words, an attempt was made to establish a dominant-subordinate system between Japan, the US, Britain, and China.²⁰

This framing highlights the importance of the Anglo-American-Japanese great-power equilibrium as a prerequisite for the China treaties. Later scholars of the Washington system would build on this approach.²¹

Nevertheless, Hosoya does not utilize British archival materials until the period after 1926. He clarifies Iriye’s depiction of the Washington system in a more complex

¹⁷ Hosoya (1978, 3-4).

¹⁸ Iriye (1965, 21).

¹⁹ Hosoya (1978, 3-4).

²⁰ Hosoya (1978, 3).

²¹ E.g., Asada (1992); Hattori (2001).

way in order to analyze Japanese foreign policy in the interwar years, but he essentially follows the same path: outlining the ‘system’ (albeit more comprehensively) before turning to the Soviet, Japanese, and Chinese challenges.

Iriye and Hosoya form the foundation of the Washington system literature.²² To summarize their impact on the historiography, it is worth quoting from Sadao Asada’s oft-cited entry in the *Encyclopedia of Japanese Diplomatic History*, which provides the clearest statement synthesizing their views. Asada describes the Washington system as based on a “cooperative trilateral relationship between Japan, the US, and Britain” that “excluded imperialistic ‘old diplomacy’ and was oriented toward universal ‘new diplomacy’”. Importantly, Asada also incorporated his work in naval history, and argued that the “international cooperation system” under the Four-Power Treaty had “two pillars”: the “naval disarmament system aiming at peace in the Pacific”; and the “political cooperation system aiming at relative stabilization of East Asia”.²³ Yet because the treaties were interconnected, the collapse of the ‘political pillar’ in China undermined the ‘naval pillar’, causing the Washington system to unravel between 1926 and 1936.²⁴

Asada’s encyclopedia entry represents the standard view. But this view is incomplete: despite the almost universal claim that Britain participated in the Washington system, its role at the Conference is never explicated. To date, there is no scholarly work examining British diplomacy from the standpoint of the Washington system. When Britain is mentioned, the tendency is to sidestep its role to engage with the standard view. The Washington system has therefore become part of the historiography of US-Japan relations with respect to China. Indeed, in a recent survey of the Japanese literature, Shigeki Mori identified several historiographical strands building on Iriye’s concept, as well as several gaps in this literature, without mentioning Britain’s role once.²⁵

The likely reason is that Japanese historians working on the Washington system rarely engage with the archival materials covering British Conference diplomacy, an

²² All subsequent works in the Washington system historiography cite Iriye (1965) and Hosoya (1978).

²³ Asada (1992, 1098-1099).

²⁴ Asada (1992, 1099-1102).

²⁵ Mori (2006).

oversight that has shaped the work of later scholars. Those using the Washington system concept to analyze US-Japan relations tend to either implicitly present Britain as another ‘imperialist’ power, or depict Anglo-American diplomacy at the Conference as essentially aligned.²⁶ Recent notable improvements to the Washington system concept either purposefully omit Britain to focus on US-Japan relations or to expand the role of China.²⁷ In fact, the research of scholars such as Toru Kubo and Ryuji Hattori has integrated China into the Washington system beyond Hosoya’s limited ‘dominant-subordinate’ model.²⁸ Expanding on this rich material and showing China’s active role at the Conference appears to be the direction of the Washington system literature.

Although the Japanese scholarship neglects Britain, at the same time scholars working on British diplomacy before and during the Conference have rarely engaged with the historiography of the Washington system concept. As this thesis is concerned almost exclusively with what Asada called the ‘political pillar’ of the system, a review of the ‘naval pillar’ will be omitted here.²⁹ However, a survey of the Washington Conference literature suggests that Iriye has severely downplayed Britain’s role, particularly regarding the Four-Power Treaty.

Several key monographs note the proactive diplomacy of the British delegation at Washington. For example, Thomas Buckley, in a book on US Conference diplomacy, cites numerous examples of the American delegation being influenced and at times supported by their British counterparts.³⁰ Roger Louis provides perhaps the best overview of British diplomatic thinking before, during, and after the Conference, recounting Balfour’s active efforts in particular detail.³¹ Most relevant to this thesis are the arguments of Erik Goldstein, who accurately shows how Britain pushed the US to hold a Far Eastern conference alongside discussions on naval arms limitation, came to Washington with a limited strategy, and had a discernible impact on the content of the

²⁶ In the former case, e.g., Kitaoka (1984); in the latter case, e.g., Sakai (1989).

²⁷ In the former case, Asada (2006); in the latter case, Hattori (2001).

²⁸ Kubo (1995); Hattori (2001).

²⁹ For the classic work, see Roskill (1968). See also Dingman (1976); Hall (1987); McKercher (1994); Maiolo (2016).

³⁰ Buckley (1970).

³¹ Louis (1971).

final treaties.³² When it comes to the replacement of the Anglo-Japanese alliance, it is more common for historians of British diplomacy to address the Four-Power Treaty's connection to the naval agreement than the Nine-Power Treaty.³³ Ian Nish notes in passing that the Four-Power and Nine-Power treaties had a "subtle relationship" but purposefully omits any discussion to concentrate on the end of the alliance.³⁴ An exception is Antony Best, who suggests that together the two treaties appeared to form a "coherent regional order" at least in the immediate aftermath of the Conference.³⁵

Some scholars of British history who engage with Iriye's claims have challenged his view of the Washington system's novelty as well as its American origins. Their work shows that Britain was active in defining the Nine-Power Treaty, but importantly they do not see this as a departure from the old order. Roberta Dayer observes that Iriye, "rather than explaining why the Powers failed [to realize a stable order through the Washington system], misleads us with the claim that the Powers had abandoned the old system of imperialism in China".³⁶ Noting that the Washington treaties only provided China with assurances that tariff autonomy and extraterritoriality would be considered in the future, and that the financial consortium—the multilateral vehicle for international investment into China—began years before the Conference, she sees more of a continuity with prewar imperialism than postwar internationalism. For example, Dayer argues that both Britain and the US had a shared interest in promoting a strong, stable Chinese state, capable of defending itself against Japanese and Soviet expansionism, and faults both powers for "perpetuating the system which frustrated Chinese development".³⁷ In this, her critique of Iriye tends to stress Britain's active economic diplomacy in contrast to his view of the British as relatively passive. Edmund Fung similarly argues that "the Washington powers had no desire to demolish the treaty regime [in China] or to alter the *status quo* in any significant way. [...] The old order had not been entirely dismantled". Although the Washington treaties ostensibly did away

³² Goldstein (1994). See also Goldstein (2022).

³³ E.g., Louis (1971); Goldstein (1994).

³⁴ Nish (1972, 368).

³⁵ Best (2010, 31).

³⁶ Dayer (1981, xxiii).

³⁷ Dayer (1981, 106).

with special rights and privileges in China and formalized the ‘open door’ into a multilateral treaty, Fung claims that Britain did not see eye-to-eye with the US or Japan on their interpretation.³⁸ However, like Iriye, he concentrates on the 1924-1931 period, particularly British relations with China, rather than the Washington Conference itself.

The most important critique comes from Ian Nish, who observed that he could not find the term ‘Washington system’ in the British (or French) archival materials. He added:

It is doubtful whether in the hasty, secret preparation of the conference there was enough time, or indeed organization, to set the hopes of the participants as high as the achievement of a ‘system’. Nor was there in the proceedings of the conference much awareness that they were devising a carefully balanced structure. [...] There was no sign of a master plan. Nor do any of the participants appear to have had a clear plan.

Nish’s critique therefore calls into question whether a ‘Washington system’ was even devised at the Conference, at least in Britain’s view, as he implies the treaties should be examined individually rather than as a mutually reinforcing whole. The “notion that the various aspects of the China and Pacific settlement were cleverly interlocked to give a ‘system’” appeared to Nish as “influenced by the retrospective writings of American officials”. He concludes that, from a British perspective, the “use of the term ‘system’ [...] is strange”.³⁹

Nish does not offer any citation to indicate the scholar responsible for making such claims about the aims and outcome of the Washington Conference, though it appears to be Iriye.⁴⁰ However, Nish directly questioned Hosoya in an edited volume featuring chapters by both authors. In response to Hosoya’s description of a “regional cooperative system between Japan, Britain, and the United States designed to cope with the rise of Chinese nationalism and Soviet Bolshevism”, Nish only repeated his argument: “I cannot find in the British sources any great evidence that Britain was conscious of the existence of a ‘Washington system’”.⁴¹

³⁸ Fung (1991, 19).

³⁹ Nish (1977, 141-142).

⁴⁰ To be fair, the above passages are drawn from Nish’s (1977) book surveying Japanese foreign policy over the 1869-1942 period; he does not discuss the Washington system elsewhere in this text.

⁴¹ Hosoya (1982, 10); Nish (1982, 31).

In one sense, Nish and Hosoya appear to be talking past each other. The idea that Japan and the US used the phrase ‘Washington system’ either at the Conference or immediately afterwards is not a claim that has been made in the Japanese literature, much less presented as evidence to support its existence. The “retrospective writings of American officials” to which Nish traced the origin of the term is apparently a 1935 memorandum composed by John V.A. MacMurray, a State Department official and member of the US Conference delegation.⁴² Iriye has clarified that Nish was correct in claiming the ‘Washington system’ terminology was applied after the fact:

The term [...] ‘the Washington system’ [...] was not in current use in the 1920s, nor was it subsequently recognized as a well-defined legal concept.

Nonetheless, immediately after the conference there was much talk of ‘the spirit of the Washington Conference’, and a country’s behavior in Asia tended to be judged in terms of whether it furthered or undermined that spirit. As such it connoted more a state of mind than an explicit mechanism; it expressed the powers’ willingness to cooperate with one another in maintaining stability in the region and assisting China’s gradual transformation as a modern state.⁴³

In other words, Japanese officials also did not contemporaneously describe the treaties as a ‘system’—this is a moot point.

Nish’s critique of the Washington system concept therefore seems to rest on a dispute over terminology rather than substance. What is more important is the effect of his claim that the British Conference delegation did not believe the treaties were interlocking or mutually reinforcing: it has led Japanese scholars to step away from even addressing Britain’s role at the Conference, compounding the tendency to focus on US-Japan relations with respect to China. For instance, the two best recent articulations of the Washington system both cite Nish to justify their omission or surface-level treatment of Britain.⁴⁴

Yet both these recent works also challenge Iriye and Hosoya’s characterization of the Washington system as ‘new’. Sadao Asada defends the idea that the Washington treaties formed an international order in the context of addressing the relationship

⁴² Waldron (1992, 60-61).

⁴³ Iriye (1987, 2).

⁴⁴ Hattori (2001); Asada (2006).

between ‘old diplomacy’ and ‘new diplomacy’. Whereas Iriye and Hosoya begin with the Washington Conference to discuss the 1920s, Asada instead covers the 1918-1922 period, persuasively demonstrating that the treaties reflected change as well as continuity. Unfortunately, he accepts Nish’s critique and uses it to justify his omission of Britain’s role in his analysis of the Washington system’s origins. As Asada argues, despite the British not perceiving a new order in the treaties, “the United States and Japan definitely shared the view that the Washington Conference gave birth to a new international system (regime or order) in the Asia Pacific based on an across-the-board adjustment of major issues and cooperation between Japan, the United States, and Britain”.⁴⁵ This is the same approach he took in his encyclopedia entry, mentioned above, where he denies that Britain was part of the Washington system “from the beginning” and therefore limits his discussion to US-Japan relations and China.⁴⁶

Nevertheless, Asada provides an accurate depiction of the Washington system as “between the old diplomacy and the new”. Positioning this system as straddling the ‘imperialist system’ and the ‘Versailles system’, Asada’s analysis illustrates the connections between the Washington treaties and the prewar order. He also provides a useful heuristic device to conceptualize the new order’s origins. Asada states that between 1918 and 1922:

Japanese policy moved from the Old Diplomacy of the World War I era to the New Diplomacy represented by [Conference delegate and future Japanese Foreign Minister Kijuro] Shidehara, while American policy receded from Wilsonian New Diplomacy in the direction of the Old Diplomacy in Theodore Roosevelt’s tradition. The Washington System emerged when the two movements intersected.⁴⁷

In this way, Asada bridges the ideas of Iriye and Hosoya with the critiques from Dayer and Fung to present a more precise, historically contextualized statement of the Washington system’s characteristics.

The second recent work that cites Nish is Ryuji Hattori’s comprehensive treatment of international politics over the 1918-1931 period. Hattori observes that

⁴⁵ Asada (2006, 214).

⁴⁶ Asada (1992, 1099).

⁴⁷ Asada (2006, 230).

Chinese archival materials also suggest that a new order based on “Americanism” did not emerge at Washington, combining this with Nish’s view to argue that Iriye overstated the degree to which the Conference was a radical break with the past. At the same time, he notes “the external perception of a country and the actual international order are different issues”. For Hattori, “the core agreement between Japan, the US, and Britain at the Washington Conference was to maintain the *status quo* regarding China. [...] Therefore, the content of the [Anglo-American-Japanese] trilateral agreement, which is the basis of the Washington system, did not stipulate a new order”.⁴⁸ Elsewhere, Hattori notes that Britain did play a significant role at the Conference. Referring to “British diplomacy” as “shar[ing] with Japan the concept of sphere[s]-of-influence”, their alignment “reduced the serious friction between the US and Japan”. Hattori’s conclusion is that the Washington system “came into existence” following a debate over the ‘open door’ resolution (which became article 3 of the Nine-Power Treaty), as in his view the US—under British and Japanese pressure—had to back down from reassessing extant ‘spheres of influence’ in China. When the US “reluctantly acknowledged” an agreement between Japan and Britain that these ‘spheres’ would not be open to challenge under a US-proposed ‘Board of Reference’, “the three nations’ consensus became the foundation of the Washington System”. Thus for Hattori, the Nine-Power treaty did not represent the ‘new diplomacy’.⁴⁹

In his discussion, Hattori’s main aim was to integrate China into the Washington system literature and show that Chinese diplomacy was a major reason why the treaties did not produce long-term Anglo-American-Japanese cooperation. His use of Chinese and British archival materials makes his book the best treatment of the period since Iriye’s *After Imperialism*, which was written before either were available to researchers. But because he does not utilize all the British materials covering Conference diplomacy, several of his conclusions about Britain’s role are incorrect, as this thesis will demonstrate.

Regardless, Hattori’s integration of China into the Japanese literature has challenged the standard view. Expanding on his findings, Shigeki Mori has argued persuasively that the Washington system “might have been neither an imperialist order

⁴⁸ Hattori (2001, 89-112).

⁴⁹ Hattori (2021, 13-14).

aimed at stifling Chinese nationalism nor leverage for China to attack the powers, but might have offered an opportunity of equal cooperation between China and the powers". By taking China seriously, Mori was able to conclude that the system "was not an ordinary multilateral system of international cooperation but was partly a sort of domestic system of order dependent on the Chinese authorities". In effect, it was the Chinese government that actually enforced the 'treaty system', ensured internal transport, and thereby secured the powers' economic interests.⁵⁰

To sum up, the years since 1965 have cast doubt on all three of Iriye's aforementioned claims. His assertion that the Conference was American-led has been undermined by historians working with British documents; his and Hosoya's portrayal of the Washington system as wholly 'new' is no longer accepted even in the Japanese literature; and their concept of the treaties as interlocking was dismissed by Nish, leading Britain to essentially be written out of the standard view. To rectify this, the following chapters build on the recent work of Asada, Hattori, and Mori to provide a new conception of the Washington system, bringing together the various strands of the literature to fully articulate Britain's role in its creation.

1.3 Main arguments

This thesis presents a diplomatic history of the Washington Conference, focusing on Britain, intended to frame a historiographical reassessment of the Washington system concept. In doing so, it advances three arguments in response to Iriye's three claims.

First, it confirms the findings of historians working on Britain at the Washington Conference: the Conference was not solely an 'American initiative' nor were the negotiations even US-led. Although the announcement of the US proposal for naval arms limitation at the First Plenary Session represented such an initiative, the diplomacy creating the 'political pillar' that forms the bulk of the Washington system literature certainly did not. The British delegation played an active role in all discussions related to the end of the Anglo-Japanese alliance and the China treaties, shaping the final wording of every relevant article.

⁵⁰ Mori (2006, 258, 265).

At times, the British delegation conceived policies intended to rehabilitate China, most notably in the talks on increasing the Chinese tariff and expanding the ‘open door’ to cover monopoly enterprises, but allowed these to be presented by their US counterparts as American proposals. This was due in part to the constraints imposed by the US Senate—which had to ratify all Conference treaties to avoid a repeat of the League of Nations debacle—and the idea that China would be more receptive to American persuasion. These constraints, however, were not the same as an ‘American initiative’ to install a new order in the Far East. As this thesis will argue, it was simply that there were limitations on what was possible at Washington, which had been accepted by the British government before the Conference opened. Thus, the fact the Four-Power Treaty contained no military clauses and included France was not due to US antagonism to the ‘diplomacy of imperialism’, but rather for more practical reasons, related to the Conference’s unique bargaining environment and the need to ensure Senate ratification. Furthermore, the ‘initiative’ that led to the Nine-Power Treaty actually came from China; and neither the US nor Britain were willing to consider the most radical Chinese demands. If anything, the diplomacy of the China treaties show a remarkable Anglo-American alignment across all issues.

Britain also actively contributed to bridging the divide between the various delegations. As Roger Louis noted in passing, “Balfour played the role of conciliator and respected broker” between “the Americans and the Japanese”.⁵¹ This is most obvious in the diplomacy of the Four-Power Treaty but is also apparent in the origins of the China treaties. Similarly, in the Sino-Japanese talks over Shandong, Balfour joined Secretary of State Charles Evans Hughes in pressing for a settlement, which was co-authored by the British delegates. As Japan’s ally for twenty years, Britain possessed a measure of influence—as well as an understanding of Japanese concerns—that the other delegations did not. It seems unlikely that the Washington treaties would have emerged in the form they ultimately took if not for this mediating British influence.

Second, this thesis argues that Asada’s framing of the Washington system as ‘between the old diplomacy and the new’ can be extended to include Britain. Neither the Iriye-Hosoya line nor the Dayer-Fung line is supported by the British archival materials. On the one hand, the Conference reflected post-Versailles thinking about international

⁵¹ Louis (1971, 104).

relations. What made the Washington treaties ‘new’ was that they were multilateral and premised on the idea of cooperation. As Frederick Dickinson has observed, the three principal treaties were “each unprecedented in the annals of international affairs”.⁵² On the other hand, the diplomatic instruments that were refashioned into the Four-Power and Nine-Power treaties can be traced to the ‘scramble for China’ between 1898 and 1902. Thus, what made the treaties ‘old’ was that they drew from political and economic concepts rooted in the traditional understanding of the ‘open door’ and the ‘treaty system’ in China.

Britain thought the multilateral structure of the Washington treaties might even protect its China interests better than the ‘old diplomacy’ of alliances, ‘spheres of influence’, and leased territories; it had only deployed these ‘imperialist’ instruments as a means to an end in response to shifts in the strategic environment. So when conditions again shifted during the First World War and in the immediate postwar period, Britain was incentivized to adopt a new approach to support its longstanding China policy.

In short, the British delegation did not believe that the Washington system overthrew traditional diplomatic practices, just those stopgap measures utilized in the wake of the ‘scramble’. This was particularly the case for the China treaties, which could be more accurately described as updating the ‘open door’ principles that Britain had endeavored to uphold for eight decades. As this thesis will show, careful analysis of the key articles in the Nine-Power and Chinese Customs treaties indicates they represented an attempt to finally put the ‘open door’ on solid footing, embedding British norms into a multilateral framework including all major trading powers.

Asada deliberately sidestepped British diplomacy before and during the Conference to focus on US-Japan relations. Had he approached the Washington system from a trilateral perspective, he might have come to the same conclusion as this thesis: the ‘intersection’ of the American and Japanese approaches that produced the Washington system bears a remarkable resemblance to Britain’s best-case scenario for the Conference. Although it would be going too far to suggest that the British delegation was the driving force at Washington, its approach could accurately be described as ‘between the old diplomacy and the new’. The Curzon-Balfour debate over the British lease at Weihaiwei is only the most notable example of this dynamic.

⁵² Dickinson (2013, 74).

Third, and most importantly, this thesis argues that Balfour and the British delegation did perceive the Washington treaties to be interlocking and mutually reinforcing. Although the question of whether the British government thought the treaties were interconnected in the 1920s and 1930s lies outside the scope of this thesis, Balfour and his colleagues on the ground in Washington clearly recognized that the treaties were indeed linked. The chief British delegate even appears to be the first of the Conference participants to openly identify their interconnection, in his closing speech at the Sixth Plenary Session in February 1922.

But the way Balfour perceived the connection between the treaties is slightly different than has been portrayed by Hosoya and Asada.⁵³ For him, the issues addressed at the Washington Conference formed an intrinsically interconnected whole, as they had arisen out of the particular problems of the 1898-1902 period. The ‘Far Eastern question’, a euphemism for the weakness of China and the resulting international competition for control over its territory and administration, was the source of great-power tension for the next twenty years; and it was in this context that the ‘open door’ policy had originally been formalized. To mitigate international rivalry and secure their interests, the powers then entered into numerous diplomatic arrangements, of which the Anglo-Japanese alliance is the most notable. But these agreements, alliances, and the mutual recognition of ‘spheres of influence’ only exacerbated suspicions, leading to a large and expensive naval presence in the Pacific region.

To reduce naval expenditures and ameliorate rivalries, Balfour reasoned, the first task was to transform the diplomatic arrangements that had fostered political tensions into an across-the-board, multilateral framework for international cooperation. However, this could not be achieved without some effort to solve the ‘Far Eastern question’ by addressing China’s political and economic weakness, as well as lacunas in the bilateral ‘open door’ notes. Thus for Balfour, the Washington system was arranged in three ‘stages’: the China treaties formed its ‘foundation’, the Four-Power Treaty was its ‘superstructure’, and naval arms reduction its ‘capstone’—the source of the expected economic benefits that motivated the convening of the Conference.

The Washington system emerged when the diplomatic arrangements of 1898-1918 were consolidated, multilateralized, and separated out into issue areas

⁵³ Cf. Hosoya (1978); Asada (1992).

involving a specific number of powers. Such a perspective is difficult to grasp when the treaties are assessed individually, as has usually been the case in the Washington system and general Conference literature—and indeed, in the British archival materials. But when the diplomacy of the Washington treaties is looked at sequentially, and with an approach centered on how they were produced through bargaining, their fundamentally interconnected nature becomes apparent.

This is the approach attempted in the following chapters. Iriye's framing of the Washington system highlighted the concept's original role: to explain a shift in Japanese foreign policy from the expansionism of the war years to the attempt at multilateral cooperation in the 1920s. But to identify whether the treaties produced at the Conference created a 'system', and if it did, to assess its interlocking structure, attention must first be directed to the bargaining process in which they came into being.

In recent years, international relations theorists have made noteworthy advances in understanding the dynamics behind bargaining and cooperation. Several of their insights, drawn from game-theoretic models, inform the approach taken in this thesis to analyze the Conference negotiations. For instance, Kenneth Oye has argued that three principal factors affect the emergence of cooperation: the payoffs, or expected benefits of securing a deal, which can open up the bargaining space for agreement; the 'shadow of the future', or the probability that a deal will be upheld over time; and the number of parties involved in negotiating the terms of the deal.⁵⁴ The British materials suggest that similar dynamics affected the structure of the Washington treaties.

As shown in Chapter 3, the financial benefits expected to accrue to the powers if they agreed on naval arms limitation at the Conference were so great that they were willing to discuss the more controversial political questions that needed to be resolved for a naval treaty to be stable and durable. Similarly, Britain, Japan, and the US believed the Washington treaties would determine their relations for the foreseeable future, and were thus incentivized to bargain hard for the best possible terms. But the most important factor in determining the architecture of the Washington system was the multilateral bargaining environment. To help make the various agreements more enforceable, the number of parties were reduced to those that would really count in upholding them, as suggested by the names of the treaties.

⁵⁴ Oye (1985, 2-4).

This meant separating the issues in a way that, on the surface, appears to support Nish's critique that the Washington treaties did not form a coherent 'system'. In fact, the division of naval, great-power, and China questions was effected *because* they were linked, ensuring the final treaties would not be diluted by the presence of nonessential powers, and in order to arrange them into a series of reinforcing 'stages'. For this express purpose, Balfour drew up two draft treaties before the Conference opened that bifurcated the Anglo-Japanese alliance's security clauses and its 'open door' commitments, proposing a tripartite pact on the one hand and a multilateral 'open door' framework on the other. Including China in the great-power pact, he reasoned, would undermine its central purpose: facilitating Anglo-American-Japanese cooperation.

The sequential approach taken in this thesis traces the impact of these drafts on the negotiations that produced the final treaties, and in doing so it draws attention to how British diplomacy attempted to solve what is referred to as the 'bargaining problem'. As James Fearon observed, the problem of cooperation involves both a 'bargaining problem' during negotiations followed by an 'enforcement problem' after an agreement has been reached.⁵⁵ Yet the first half of the 'cooperation problem' has not been properly analyzed in the Washington system literature. Because the Conference negotiations are quickly summarized to focus attention on the enforcement failure of the 1920s, not only has Britain been overlooked; the evolution of the treaties—their drafting process—has also been almost completely ignored.

An agreement's enforceability ultimately rests on the satisfaction of all actors able to defect in the future, or else the presence of some mechanism that can deter such defections. However, Fearon has argued that before evaluating the 'enforcement problem' it is necessary to first assess how an international agreement was arranged during the bargaining process: because there are many ways to arrange a possible deal, some will be more enforceable than others. He further notes that this 'bargaining problem' refers to a situation when there are multiple self-enforcing agreements that the parties prefer over failing to reach any agreement at all—in other words, a situation where the costs of non-cooperation outweigh the costs of compromising and accepting an imperfect settlement. Resolving this 'bargaining problem' involves a sequential process of offers and counteroffers, resistance and concessions, that over time reveals

⁵⁵ Fearon (1998, 270).

the actors' bottom lines and the best terms that can therefore be extracted. Once these are understood, it becomes possible to reach an enforceable deal.⁵⁶

This thesis suggests that solving the 'bargaining problem' impacted the Washington treaties in three key ways. First, Britain, Japan, and the US all saw a failure to obtain a naval agreement as more costly than papering over what appeared to be minor differences in China policy. Second, active British diplomacy was present in all Conference talks, since it was determined to help align the policies of its ally, Japan, and its preferred postwar partner, the US, and flesh out their bottom lines. Third, a sequential examination of this give-and-take process also reveals the connection between the naval ratio, pact to supersede the alliance, Shandong talks, and general 'open door' principles for China—the essential features of the Washington system. In other words, the treaties were linked during the negotiation process, and none could have been resolved in the absence of an overall settlement. Therefore, before a final verdict can be made on the structure of the Washington treaties, the negotiations that produced them must first be examined in detail, with particular attention given to Britain, Japan, and the US: the key powers involved in their arrangement, and the ones that would have to uphold them in the future.

1.4 Chapter outline

The Washington system literature typically begins with the Conference before surveying the cooperation problems that followed in the 1920s. Some of the more recent and fruitful works begin in 1918, thereby highlighting the relationship between the 'Versailles system' and the Washington treaties.⁵⁷

This thesis takes unique approach by beginning in 1898 with the 'scramble for China', evaluating the challenges for British policy after 1919, and ending in 1922, in the process demonstrating the deeper roots of the Washington system as an attempt to solve the 'Far Eastern question'. At the center of this story is the 'open door' policy, and the diplomatic arrangements Britain designed to buttress and defend it.

⁵⁶ Fearon (1998, 274).

⁵⁷ E.g., Hattori (2001); Asada (2006).

Chapter 2 provides an overview of the complex diplomacy between 1898 and 1918 that forms the background for the Washington system, concentrating on the history of the strategic and economic arrangements related to the ‘open door’. In particular, it notes how the fragile equilibrium these arrangements produced was disturbed by the fall of the Qing Dynasty, the First World War, and the unfinished peace at Versailles, leading to an introductory discussion of the dilemmas facing British foreign policy between 1919 and 1921.

Heightened international rivalry after 1898 led Britain to attempt to align with the US and Japan to secure the commercial rights obtained under its treaties with China—in other words, to preserve the ‘open door’ for ‘free trade’. Most of the agreements that would later be consolidated and transformed at the Washington Conference, including the Anglo-Japanese alliance and the Anglo-Chinese Mackay Treaty, either contained ‘open door’ clauses or sought to reinforce the ‘treaty system’ by further opening the China market. Between 1902 and 1918, this diplomatic structure helped prevent China’s partition, but it was unable to restrain Japan’s wartime policy of economic penetration symbolized by the ‘twenty-one demands’ and the seizure of Shandong. A new framework was therefore needed, particularly after 1919, when the Shandong question led to a new Chinese diplomatic approach toward the powers as well as increased US-Japan tensions, accelerating the trend toward a costly naval arms race in the Pacific. In short, the existing diplomatic structure could not ameliorate disputes over China, which contributed to naval rivalry. Thus the issues that would be addressed at the Conference were already interconnected, through the various arrangements designed to support the ‘open door’.

Chapter 3 surveys Britain’s pre-Conference preparations, followed by the diplomacy that took place outside the formal Conference committees. These negotiations led to an Anglo-American-Japanese equilibrium on the 5:5:3 naval ratio, a quadruple agreement to supersede the Anglo-Japanese alliance, and the opening of the Sino-Japanese Shandong talks.

Although the US initiated the proposal for a naval arms limitation conference, British Foreign Secretary Lord Curzon actually conceived the idea of first holding a ‘Pacific conference’ as a forum to address the political issues driving regional rivalry. Britain expected that this ‘Pacific conference’ would lead to replacing the alliance with

a tripartite arrangement including the US, a solution to the Shandong question, and the embedding of the ‘open door’ policy into a multilateral treaty; but when the US resisted holding sequential conferences, Curzon assented to convening parallel talks in Washington. The discussion emphasizes how the organization of the Conference affected its results, and the way Balfour played an agenda-setting role with his draft treaties separating the great-power pact from the ‘open door’. During subsequent negotiations, the naval ratio became linked to this pact via a deal halting Pacific fortifications—forming the ‘superstructure’ of the Washington system. But it was clear the Senate would not ratify any treaty bringing the US into an arrangement with Japan unless the formerly German leased territory in Shandong was restored to China. All these issues had to be settled together or else none would be enforceable, as future political disputes would create an incentive to deviate from the terms of the naval deal. In the end, Balfour was able to mediate between the US and Japan, producing a mid-December equilibrium after which the political and naval sides of the Conference ceased interacting with one another.

Chapter 4 returns to the start of the Conference to examine the diplomacy of the China treaties, structured around the four key aspects of the ‘open door’ policy: general principles, administrative integrity, equality of opportunity, and territorial integrity. Britain was instrumental in moving the other powers beyond the bilateral agreements upholding the ‘treaty system’ in China, protecting its commercial interests as well as advancing its longstanding approach to stabilizing the Chinese government.

In fact, the China treaties were the ‘foundation’ of the Washington system. When the eight trading powers agreed on ‘general principles’ providing a common definition to the ‘open door’ policy in late November, this allowed the more substantive great-power talks covered in Chapter 3 to move forward. But these principles, which the Washington system literature presents as a radical shift in the powers’ approach to China, were merely a restatement of the existing ‘open door’ consensus designed to facilitate further talks and be applied to more controversial topics. Two much more concrete policy shifts came later. First, in response to an initiative by the Chinese delegation to discuss restrictions on its ‘administrative and territorial integrity’, the powers assented to address the Beijing government’s revenue crisis. China insisted on a restoration of its tariff autonomy, but the final customs agreement simply put the 1902

Mackay Treaty's terms into a multilateral resolution, and provided a modest interim surtax. Second, the 'open door' principle was extended to cover monopoly enterprises in China, which would be evaluated by a 'Board of Reference'. Japan's objections to the proposed Board's retroactive scope, however, limited it to covering future economic concessions only. The chapter shows how British preferences on the tariff and the 'open door' were instantiated in the final resolutions; what is more, Britain was actually the architect behind both the 'multilateral Mackay' and 'Board of Reference' concepts. A final section surveys the Anglo-American mediation that led to a Sino-Japanese Shandong Treaty, and Britain's announcement that it would restore its Weihaiwei leased territory to China. Curzon had wanted some material compensation for returning Weihaiwei, but Balfour—conscious of the mood on the ground in Washington and recognizing the intangible benefits—argued persuasively to give it up voluntarily as a gesture symbolizing Britain's commitment to the emerging cooperative order.

Chapter 5 provides a conclusion to the thesis, after showing how Balfour viewed the interaction between the Washington treaties in the final days of the Conference. As he wrote Prime Minister Lloyd George, the individual treaties not only secured British interests and cohered with his pre-Conference objectives, they formed "part of one connected whole".⁵⁸

⁵⁸ Balfour to Lloyd George, 5 February 1922, FO 414/453, No. 27.

2 From Versailles to Washington, 1919-1921

2.1 Introduction

It is natural to view the Washington system as a Far Eastern corollary to the nascent international order established at Versailles in 1919. When the US Senate failed to ratify the Versailles Treaty and enter the League of Nations, another mechanism was needed to manage relations among the Pacific powers, one that addressed the rupture caused by the fall of the Qing Dynasty in China and the effects of the First World War in Europe. But although the ‘new diplomacy’ of the postwar period to an extent constrained what could be accomplished at Washington, a cursory examination of the issues addressed at the Conference suggests an older origin: the ‘scramble for China’, and the evolution of the ‘open door’ policy designed to prevent its recurrence.

From 1898 to 1918, the great powers devised a complex web of treaties, arrangements, and understandings to forestall China’s partition and preserve the ‘treaty system’ governing its foreign commercial relations. At the heart of this approach were the oft-conflicting principles of the ‘open door’ and ‘spheres of influence’. The former referred to ‘equality of economic opportunity’ among the foreign powers doing business in China; the latter to exclusive rights or privileges in particular Chinese regions. For twenty years the harmony or dissonance between these principles determined whether international relations in China were conducted on a basis of cooperation or competition. Although on the surface the ‘open door’ and ‘spheres of influence’ appeared to be contradictory, their actual implementation was more nuanced. Many important diplomatic arrangements of this period—the Anglo-Japanese alliance, the Chinese tariff treaties, the financial consortium—embedded a mixture of both principles. But long-term cooperation remained elusive.

Britain was the architect of these ‘open door’ agreements. Despite the fact that the US issued the ‘open door’ notes of 1899 and 1900 that guided the approach, their content was based on the traditional British China policy, and from the beginning there

was an implicit Anglo-American alignment behind the ‘open door’. However, there were limitations to the two powers’ ability to cooperate and enforce it, and the policy came under attack from Russia and then Japan, tilting China toward being divided into rival ‘spheres’. Up through the First World War, Britain continued to hedge against a partition of China by retaining its alliance with Japan and its own ‘sphere’ in the rich Yangtze basin. After the peace, this policy presented the British with a number of concerns that divided it from its preferred postwar partner, the US, and kept it in an alliance with the main wartime ‘open door’ violator, Japan. It was this dilemma that led to the origins of the Washington Conference.

This chapter introduces the problems facing Britain as it sought to establish a new framework for regional stability in the postwar period, one that did not replace the old order so much as transform it to better defend British interests in China. The Washington Conference, originally envisioned by the Americans as venue to enact a naval arms reduction program, took on a parallel political objective as a direct result of Britain’s efforts. In fact, the British were responsible for suggesting that the naval side of the Conference also required a discussion of ‘Pacific and Far Eastern questions’, casting doubt on the notion that Washington treaties represented a purely ‘American initiative’.

Section 2.2 begins by surveying the origins and development of the ‘open door’ policy. After a detailed discussion of the critical 1898-1902 period, it presents a broad overview of the international cooperation problems that developed up to 1918. The significance of the Washington Conference’s political side cannot be understood without this context; for it was during this period that the various issues addressed in the negotiations became intertwined with one another, generating an interlocking ‘Far Eastern question’ that necessitated a wide-ranging multilateral settlement across all issues. In short, for twenty years the powers attempted to address China’s weaknesses, and the contradiction between the ‘open door’ and ‘spheres of influence’, by erecting a complex structure of bilateral agreements intended to secure their interests and prevent a second ‘scramble’. This edifice was undermined by the Qing Dynasty’s collapse and the outbreak of war in Europe, complicating Britain’s efforts to form a cooperative Anglo-American-Japanese equilibrium in the Far East. The section has the secondary purpose

of introducing the involved and at times arcane geographic, diplomatic, and economic background to the issues that will be covered in the subsequent chapters.

Section 2.3 then focuses on the effects of the Paris Peace Conference and the Versailles Treaty on Far Eastern affairs between 1918 and 1920. Britain faced new challenges in the postwar environment as it sought to navigate between two rising powers—the US and Japan—as well as a fragile Beijing government intent on regaining its sovereignty. The section has two themes: China’s new approach to the treaty powers, centered on the Shandong question and the pursuit of tariff autonomy; and the need for Anglo-American-Japanese cooperation outside the League of Nations, such as in the new financial consortium, which revealed the conflict between the US interpretation of the ‘open door’ and Japan’s ‘special interests’ in Manchuria. Both factors limited Britain’s range of options and suggested the traditional diplomatic arrangements for solving the ‘Far Eastern question’ would no longer be viable after the peace.

Section 2.4 closes the chapter by detailing Britain’s role in the diplomacy between 1920 and 1921 that led to a combined naval and Far Eastern conference. Faced with rising US-Japan antagonism, and constrained by the League Covenant, Britain sought to bring the US into a ‘tripartite concert’ to replace the Anglo-Japanese alliance. In the year preceding the Washington Conference, the outlines of the treaties started to take shape as the naval and political sides began to converge—largely due to Britain’s desire to come to an overarching great-power settlement of major issues. First, as the alliance was due to expire in 1921, Britain used the uncertainty surrounding its future abrogation or renewal to try and merge the Anglo-American and Anglo-Japanese relationships into the basis for trilateral cooperation. Second, British Foreign Secretary Lord Curzon took advantage of the US interest in holding a conference on naval arms limitation to expand this into a forum for discussing the political and economic problems driving naval rivalry. In his view, the need to avoid a disastrous naval arms race might incentivize the formation of a ‘tripartite concert’ as well as a multilateral ‘open door’ policy in China, finally resolving the ‘Far Eastern question’ that had driven international competition since 1898.

The road to the Washington Conference, then, did not begin in 1919. The ‘new diplomacy’ only undermined the viability of the ‘old diplomacy’ as a means to preserve the ‘open door’, which had been Britain’s China policy since 1842. This important

distinction is apparent in British preparations for the Conference. In fact, rather than representing a break with the past, the Washington system could just as easily be described as the final incarnation of the ‘open door’ approach, recasting the strategic and economic appendages that had evolved alongside the policy into the Four-Power, Nine-Power, Shandong, and Chinese Customs treaties.

2.2 Britain and the ‘open door’ policy, 1898-1918

The Washington Conference was preceded by quarter-century of diplomacy dealing with the so-called ‘Far Eastern question’. From a British perspective this ‘question’ could generally be summarized as the combined effects from China’s political weakness, the international rivalry it threatened to generate, and the danger this posed to Britain’s commercial interests. But in the search for a solution various aspects of the question became evermore interconnected.

Faced with the very real risk of China being partitioned by its European rivals, Britain from 1898 pursued a diplomatic hedging strategy that featured an ambiguous mix of ‘open door’ and ‘sphere of influence’ policies. The political-economic dimension of this strategy brought Britain closer to *rapprochement* with the US; its security dimension led to the abandonment of ‘splendid isolation’ and an alliance with Japan. By the late 1900s the situation stabilized and a nascent form of international cooperation emerged based on a multilateral financial consortium designed to control loans to the Chinese government. But for China, the ‘scramble’ dealt a blow to Qing authority from which it would never recover, and the empire collapsed after the revolution of 1911. Thus as the nations of Europe prepared for battle in 1914 the ‘Far Eastern question’ remained unsolved. Moreover, the wartime preoccupation of the European powers left Japan unrestrained to pursue its expansionist agenda in China, which in turn heightened American-Japanese antagonism. When peace came, Britain found itself between Japan and the US—the two powers with whom it would need cooperate in addressing the future of the China treaties.

Drawing from a series of Foreign Office memoranda that were prepared in October 1921 for the British delegation to use in their negotiations at Washington, this section places particular emphasis on the origins and evolution of the formal ‘open

door' policy and the diplomacy Britain used to support and defend it. The discussion concludes with the Paris Peace Conference, setting the stage for the next section examining the constraints of the postwar order.

2.2.1 The 'open door' and the 'scramble for China', 1898-1902

Britain opened China to foreign trade with the Treaty of Nanking (1842). In this document, the British terminated the Qing-enacted 'Canton system' and secured the 'free trade' privileges for which they had fought the Opium War, the right to conduct commerce in five treaty ports, as well as Hong Kong island in perpetuity. A second Anglo-Chinese treaty (1843), which permitted extraterritorial jurisdiction in the treaty ports and fixed a tariff rate of 5% on goods transiting through them, also contained 'most-favored-nation' clauses extending Britain's privileges to other powers. Chinese treaties with the US (1843), France (1844), and the other trading nations followed. Despite the limitations on China's sovereignty, this 'treaty system' was from its inception based on a form of *laissez-faire* competition, as the treaties did not grant any foreign power exclusive economic rights or 'spheres of influence' in China.⁵⁹ Over the next fifty years, these conditions saw British traders maintain a dominant position in the Chinese market. International political competition was for the most part constrained by a shared interest in obtaining additional trading privileges from the Qing authorities, such as the opening of new ports through the Treaty of Tientsin (1858) and the exclusion of imported goods from China's *likin* tax system under the Chefoo Convention (1876). British trade in the treaty ports flourished, reaching its zenith at the start of the 1890s.⁶⁰ In later years, an enduring euphemism to describe commercial conditions under the 'treaty system' would enter the diplomatic lexicon: the 'open door'.⁶¹

But after the Sino-Japanese War of 1894-1895 conditions began to change. In the Treaty of Shimonoseki (1895), China was forced to cede the Liaodong Peninsula with its strategically vital Port Arthur to Japan, withdraw its suzerainty over Korea, and pay a large indemnity. The internal weaknesses of the Qing Dynasty were now exposed

⁵⁹ Best (2010).

⁶⁰ Edwards (1987).

⁶¹ Foreign Office memorandum, "The 'Open Door' in China," 10 October 1921, FO 412/118, Annex XI.

at a time of intense worldwide competition between the European powers, undermining the semi-united front through which they had hitherto operated in their dealings with the Chinese government. Britain's chief European rivals, France, Germany, and Russia, responded with the Triple Intervention (1895), forcing Japan to restore the Liaodong Peninsula to China in exchange for an increased indemnity. For Britain, Russia's motives were the most concerning. The Russians had been seeking an ice-free port for their navy and it was suspected they had their own designs on Port Arthur and Dalian, which offered a better terminus for the Trans-Siberian Railroad than Vladivostok.⁶² In the geopolitical context of Anglo-Russian rivalry across Asia, this ambition posed a threat to British naval supremacy in the Far East and hence the security of its maritime China trade.

However, it was Germany that triggered the 'scramble for China'. In November 1897, ostensibly in retaliation for the murder of German missionaries in Shandong, it seized Qingdao on Jiaozhou Bay. Russia responded by occupying Port Arthur and Dalian the following month. The crisis intensified in March 1898 when the two powers forced China to grant them leases bestowing exclusive privileges in these ports not shared with the other treaty powers—setting the conditions for a potential partition of China and suggesting the 'door' to 'free trade' would soon close.

Alarmed at the emergence of leased territories, Britain sought to align with the US in defense of the 'open door', as the Americans had historically been hostile to European imperialism and the ceding of exclusive economic rights in China.⁶³ On 7 March, one day after Germany obtained its lease for the Jiaozhou Bay concession, Lord Salisbury (serving as both Prime Minister and Foreign Secretary) asked the British Ambassador in Washington to inquire whether he "could count on the co-operation of the US in opposing any action on the part of foreign powers tending to restrict the opening of China to the commerce of all nations". While awaiting the US response, British diplomats reported that Russia was strong-arming the Qing government for a lease to Port Arthur. Salisbury urgently pressed for a US reply, but his distinction between formal colonies and leased territories did not make the desired impression. Although the US was "in sympathy with the policy [to] maintain open trade in China",

⁶² Foreign Office memorandum, "Foreign 'Leased Territories' and 'Spheres of Influence' in China," 10 October 1921, FO 412/118, Annex IX.

⁶³ Otte (2007); Keliher (2007).

the State Department advised the White House that “no occupation [of China] up to this time [...] proposes to interfere with that trade”. Thus the US did not see “any present reason for the departure [...] from its traditional policy respecting foreign alliances and, as far as practicable, avoiding any interference in connection [to] European complications”.⁶⁴

The scramble escalated soon after the US rejected Salisbury’s overtures. A Russian lease for Port Arthur and Dalian was acquired on 27 March; on 10 April the French, having joined the scramble, obtained one for Guangzhouwan in south China. Alongside the leased territories, the powers extracted Chinese recognition of adjacent ‘spheres of influence’ where their respective nationals would be given preferential rights for new economic opportunities and railway construction. Salisbury now reluctantly tilted toward a ‘sphere of influence’ policy in order to protect British interests in this new, hyper-competitive environment.⁶⁵

On 9 June Britain acquired the expansive ‘New Territories’ adjacent to Hong Kong, in part to bolster the security of the colony in light of France’s new southern ‘sphere’. Furthermore, in order to “maintain the balance of power in the Gulf of Pechili” (i.e. the Bohai Sea), Britain “demanded” a lease for Weihaiwei, located on the northern coast of the Shandong peninsula facing Port Arthur across the Bohai Strait. For their part the Qing government “offered considerable opposition to [Britain’s] demand, representing that China would be exposed to further demands on the part of the Powers, and that she would be left without any harbours to which her own vessels could resort”. The Chinese attempted to “attach conditions”, and it was only “with difficulty” that Britain induced them “to give way”. On 1 July, an Anglo-Chinese convention was signed giving Britain the lease to Weihaiwei and a belt of land 10 miles wide along the coast “for the better protection of British commerce in the neighboring seas [...] so long a period as Port Arthur shall remain in the occupation of Russia”.⁶⁶ This conditional duration indicates both British reluctance to validate the principle of leased territories in

⁶⁴ Foreign Office memorandum, “Foreign ‘Leased Territories’ and ‘Spheres of Influence’ in China,” 10 October 1921, FO 412/118, Annex IX; “United States Government’s attitude towards the acquisition by foreign powers of territorial leases in China, 1898,” 20 November 1921, CAB 30/1B, No. 95.

⁶⁵ Best (2010); Otte (2007).

⁶⁶ “United States Government’s attitude towards the acquisition by foreign powers of territorial leases in China, 1898,” 20 November 1921, CAB 30/1B, No. 95; Foreign Office memorandum, “Foreign ‘Leased Territories’ and ‘Spheres of Influence’ in China,” 10 October 1921, FO 412/118, Annex IX.

north China, as well as a willingness to shift away from its ideal policy prescriptions in light of the new strategic challenges.

For Britain, the ‘open door’ was the best-case scenario for the future of the China trade, but in the face of competition from other powers—especially Russia—it was willing to live with a cooperative ‘spheres of influence’ approach.⁶⁷ This approach can appear contradictory. However, Britain saw the problem not as the existence of leased territories *per se* but rather their potential for facilitating preferential treatment for commerce. The acquisition of certain rights in specified regions by one power, such as for railroad construction, did not necessarily imply an interference with the other powers’ rights to conduct trade there on an equal basis; so long as the powers upheld the ‘most-favored-nation’ principle within their ‘spheres’ it could be argued that no treaty rights were being violated. Out of the scramble for concessions, then, it was possible that cooperation could be fostered by mutually recognizing these ‘spheres’ in exchange for pledges to uphold the ‘open door’. This approach might even produce a subtle equilibrium, deterring the partition of China via an implicit threat that any moves to block the ‘equality of commercial opportunity’ in a power’s ‘sphere’ would lead them to lose their trading privileges in the other Chinese regions.

Thus if ‘spheres of influence’ were to dictate the future of commercial opportunities in China, Salisbury wanted to secure the lucrative Yangtze valley region. The Yangtze River and its tributaries, stretching through the rich inland provinces to the Shanghai treaty port, served as a vital artery for British trade. As early as 1846 the British had extracted a ‘non-alienation agreement’ from China to never grant any power a claim to the Zhoushan Archipelago, strategically located just south of the Yangtze delta. On 11 February 1898, before Germany obtained its lease to Jiaozhou Bay, Britain preemptively built on this non-alienation agreement and received China’s assurances that it would never “mortgage, lease, or cede” any of its “territory in the Yang-tsze region to any other Power”. The next step was to gain recognition, and on 2 September an Anglo-German banking agreement defined their two respective financial ‘spheres’ for railroad construction as the Yangtze valley and the Shandong Peninsula. The Anglo-Russian railway notes of 28 April 1899, also known as the Scott-Muraviev notes, gave an official definition to the policy: Russia’s ‘sphere’ would be “north of the Great Wall”

⁶⁷ Best (2010).

and Britain's "in the basin of the Yang-tsze". In the two agreements, the powers (or bankers) committed to not pursue railway contracts in each other's 'spheres' and to not oppose the other power from seeking new railway concessions in their 'sphere'. These agreements technically did not violate the 'open door' for commerce, as it was understood railroad contracts could not be equally shared. Yet Britain was apprehensive these 'spheres' would expand as China developed, splitting it into economic blocs where one power could provide its traders with preferential railroad rates and dominate all industrial activity.⁶⁸ If China were to be economically partitioned in this way, at least the British 'sphere' in the Yangtze basin would make up for the losses elsewhere.

The US, however, had no 'sphere of influence'; there would be no outlet for American trade in a partitioned China. Moreover, one month after the US declined to join Salisbury's combine in support of the 'open door', it had gone to war with Spain; and by annexing the Philippines in December 1898 it too acquired colonial possessions off the China coast. By summer 1899 the US was increasingly aware that the 'scramble for China' would favor its European competitors. In part this shift was due to the new Secretary of State, John Hay, who had come to Washington from his previous post as US Ambassador in London, and he was aware from Salisbury's earlier request that Britain would back an 'open door' declaration. Between August and September, Hay devised the first 'open door' note, leading to the perception that the policy was of American origin. But as the note's drafting process reveals, a British official working for the Chinese customs service, Alfred Hippisley, provided the content almost verbatim to Hay's State Department aide.⁶⁹ In other words, the 'open door' policy, broadly speaking, was Anglo-American.

On 6 September Hay dispatched his note to London, Berlin, and St Petersburg, and in mid-November to Tokyo, Rome, and Paris. The version sent to Britain noted Salisbury's hybrid 'open door' and 'sphere of influence' policy:

The [British government] has declared that its policy and its very traditions precluded it from using any privileges which might be granted it in China as a weapon for excluding commercial rivals, and that freedom of trade for Great Britain in that Empire meant freedom of trade for all the world alike. While

⁶⁸ Foreign Office memorandum, "Foreign 'Leased Territories' and 'Spheres of Influence' in China," 10 October 1921, FO 412/118, Annex IX.

⁶⁹ Elleman (2015, 15-16).

conceding by formal agreements, first with Germany and then with Russia, the possession of ‘spheres of influence or interest’ in China in which they are to enjoy special rights and privileges [Britain] has therefore sought to maintain at the same time what is called the ‘open-door’ policy, to insure to the commerce of the world in China equality of treatment within said ‘spheres’ for commerce and navigation. [...] While the [US government] will in no way commit itself to a recognition of exclusive rights over any portion of the Chinese Empire [...], it cannot conceal its apprehension that under existing conditions there is a possibility, even a probability, of complications arising between the treaty powers which may imperil the rights insured to the United States under our treaties with China.

Therefore, in Hay’s original conception the US accepted ‘spheres of influence’ as a *fait accompli* and merely sought assurances that no power would interfere with the ‘free trade’ principles of the ‘treaty system’. This aligned with the British approach.⁷⁰

Hay also accepted the hedged language used in the European powers’ responses. His note asked for three declarations: to not interfere with any treaty ports in their respective ‘spheres’ and leased territories; to apply the Chinese treaty tariff equally across all goods shipped through these ports; and to levy equal harbor dues and railroad rates in their ‘spheres’ to ensure fair competition. These conditions were welcomed by Britain. However, Salisbury had a caveat. Britain was willing to apply the US ‘open door’ proposal in Weihaiwei, but it intended to incorporate the New Territories surrounding Hong Kong into the British customs system used on the island and in Kowloon. As Salisbury put it, the New Territories lease “stands on a wholly different footing from a ‘sphere of interest’. It is practically an extension, conditioned by a term of years, of an existing colony, and serious inconveniences would obviously arise if a customs line were drawn across it”. On 14 October he requested omitting “all mention” of the phrase ‘leased territory’ so as to confine the scope of Hay’s note to ‘spheres of influence’ only. The US Ambassador replied that he understood the distinction, so he proposed that Britain assent to the ‘open door’ note by using ‘leased territory’ to specifically describe Weihaiwei while omitting the New Territories. Salisbury accepted

⁷⁰ Foreign Office memorandum, “The ‘Open Door’ in China,” 10 October 1921, FO 412/118, Annex XI.

this framing and Britain thus kept its exclusive privileges in greater Hong Kong outside the ‘open door’ framework.⁷¹

The British reply was not the only one to be evasive or ambiguous. Russia responded by stating “its firm intention to follow the policy of ‘the open door’” by making Dalian a “free port”, but with a qualification:

[I]f at some future time that port, although remaining free itself, should be separated by a customs limit from other portions of the territory in question, the customs duties would be levied, in the zone subject to the tariff, upon all foreign merchandise without distinction as to nationality.⁷²

One can read ominous Russian designs for its ‘sphere’ in this clause. Yet for Hay, these evasively worded replies were not only acceptable, they were a diplomatic triumph. What was more important than the language was that all the great powers had assented to the spirit of his ‘open door’ note. He simply declared victory and on 20 March 1900 informed the powers that the US would consider their agreement with his policy “final and definitive”.⁷³

A framework for international cooperation, however ephemeral, had emerged. But in China the scramble for territories had stirred discontent among the people, sparking an anti-foreign uprising that would ultimately transform the character of the ‘open door’ policy: the Boxer Rebellion. In June 1900 the Boxers penetrated the ‘walled city’ of Beijing and put the foreign legations under siege, a violation of diplomatic propriety and Western international law. Sensing an opportunity, on 21 June the Qing Empress Dowager Cixi issued an imperial decree declaring war on the foreign powers. Austria-Hungary, Britain, France, Germany, Japan, Italy, Russia, and the US formed the Eight-Nation Alliance in response, captured the Taku Forts guarding Tianjin on the Bohai Sea, and marched toward Beijing to relieve the legations. Russia also launched a separate campaign, invading Manchuria on 29 June.⁷⁴ For Hay, the mass of foreign troops in China augured a bleak future for his original ‘open door’ policy—the

⁷¹ Salisbury to Choate, 14 October 1899, and Choate to Salisbury, 15 November 1899, both in Foreign Office memorandum, “Foreign ‘Leased Territories’ and ‘Spheres of Influence’ in China,” 10 October 1921, FO 412/118, Annex IX, Appendix VIII.

⁷² Foreign Office memorandum, “The ‘Open Door’ in China,” 10 October 1921, FO 412/118, Annex XI.

⁷³ Elleman (2015).

⁷⁴ Foreign Office memorandum, “Remission of the Boxer Indemnity,” 10 October 1921, FO 412/118, Annex XIV.

likelihood of the European powers partitioning Chinese territory amongst themselves had never been higher. Thus on 3 July, at the height of the Boxer crisis, he broadened US policy with a second ‘open door’ note, stating:

We regard the condition at [Beijing] as one of virtual anarchy, whereby power and responsibility are practically devolved upon the local provincial authorities. [US policy] is to seek a solution which may bring about permanent safety and peace to China, preserve Chinese territorial and administrative integrity, protect all rights guaranteed to friendly powers by treaty and international law, and safeguard for the world the principle of equal and impartial trade [...].⁷⁵

Now the ‘open door’ policy had a corollary. Before the Boxers, US policy tolerated leased territories and ‘spheres of influence’ so long as ‘equality of commercial opportunity’ was preserved. After the rebellion, the US would support China’s ‘territorial and administrative integrity’ and oppose any future concessions or increased political control in the extant ‘spheres’.

This widened ‘open door’ policy was met with an immediate test. The embattled legations were relieved on 15 August, forcing the Empress Dowager to flee Beijing. Foreign troops now occupied the city and much of Zhili Province, and the powers began negotiations with one another over what they should demand from China in exchange for withdrawing their forces. In the meantime, Russia fought on in the northeast and took control of the Manchurian provinces by the end of 1900.

Salisbury looked for a partner to check Russian expansion, feeling out Germany, Japan, and the US. In fact, he even attempted to buttress the ‘open door’ policy with a new mechanism. From September to October 1900 he negotiated with the Germans, but they recognized their pivotal diplomatic position between Britain and Russia and forced him to dilute his desired commitment to China’s territorial integrity.⁷⁶ The final version of the Anglo-German agreement illustrates Britain’s hedge between the ‘open door’ and ‘spheres of influence’. Building on Hay’s corollary and the Anglo-German banking agreement, the two powers stated their support for the ‘open door’ principle in all ‘spheres’; agreed not to press China for further territorial concessions as

⁷⁵ “Circular note to the powers cooperating in China, defining the purposes and policy of the United States,” 3 July 1900, *FRUS* (1901), in “Appendix: Affairs in China,” No. 4.

⁷⁶ Otte (2007, 209-212).

well as to “direct their policy” toward keeping China intact; and, if another power attempted to secure new territorial advantages, they reserved the right to come to an Anglo-German “preliminary understanding as to the eventual steps to be taken for the protection of their own interests in China”.⁷⁷ This third article was not in either of Hay’s notes; it offered a limited enforcement mechanism to ease the formation of a great-power coalition against any ‘open door’ violators.

Although not explicitly directed at Russia, in Salisbury’s view the purpose of the Anglo-German agreement was not just mutual recognition; he hoped it would unite the treaty powers behind a policy that would deter Russia from closing Manchuria to ‘free trade’. Salisbury circulated it to the powers and invited them to accept its principles. But the new “preliminary understanding” clause went too far for the Americans—Britain was attempting to underpin the ‘open door’ with something resembling an alliance commitment. In the end the US did not “regard itself as called upon to express an opinion” on such “a reciprocal arrangement” between Britain and Germany.⁷⁸ The Russian response also wavered on this third article, stating only that “such an event would compel Russia to modify its attitude in accordance with the circumstances”. Moreover, Russia’s carefully worded reply hedged on the ‘open door’ itself, agreeing that Chinese ports should “remain free and open to commerce” but only “inasmuch as this stipulation in no way derogates from the *status quo* established in China by the existing Treaties”.⁷⁹ This left Britain’s ‘sphere’ open and the status of Russia’s unclear. A final blow to Britain’s ‘open door’ scheme came in March 1901: Germany announced that the agreement did not apply to Manchuria, thereby defeating its original purpose.

On the other hand, Japan not only assented to the three articles, it backed the British interpretation that it applied to all ‘spheres’, including Russia’s. The Japanese shared Britain’s concerns about further Russian expansion, albeit into Korea rather than the Yangtze basin, and unlike the US and Germany they were also looking for an ally in

⁷⁷ Paunceforte to Hay, 23 October 1900, *FRUS* (1901), in “Appendix: Affairs in China,” No. 36.

⁷⁸ Hay to Paunceforte, 29 October 1900, *FRUS* (1901), in “Appendix: Affairs in China,” No. 37.

⁷⁹ Foreign Office memorandum, “Foreign ‘Leased Territories’ and ‘Spheres of Influence’ in China,” 10 October 1921, FO 412/118, Annex IX.

the Far East. Britain had found its partner: in mid-1901 negotiations for a formal Anglo-Japanese alliance began in earnest.⁸⁰

The Boxer crisis ended with new treaties for China. After a year of bargaining over the terms, the powers got the Qing to sign the ‘Boxer Protocol’ in September 1901. Britain and the US were able to ensure that no new territorial concessions would be made; still, China pledged to amend its commercial treaties with the powers and to pay an indemnity of 450,000,000 taels (\$332,900,000). The troops of the Eight-Nation Alliance duly vacated Zhili Province later that month. But Russia had entered into parallel secret diplomacy with China, securing in January 1902 a two-year agreement to keep their forces in Manchuria and receiving exclusive investment rights in their ‘sphere’.⁸¹ Now no diplomatic maneuvers could evict Russia from north China. There, the ‘door’ to ‘free trade’ and foreign investment was being closed.

The ‘open door’ policy aimed to preserve the conditions of the ‘treaty system’, when Britain could dominate the China trade through *laissez-faire* competition. As the American diplomat George Kennan observed, Hay’s ‘open door’ policy of 1899-1900 “was not a new policy but an old one. It was not an American policy but one long established in British relations with China. It was not a policy that in general had a future; it was an antiquated one, already partially overtaken by developments”.⁸² This was because the ‘treaty system’ had been underpinned by international cooperation. The ‘most-favored-nation’ principle had united the powers in further opening China to foreign trade, a project in which Britain was ‘first among equals’, but one that did not reflect the rising tide of geopolitical competition.

Even Salisbury had resorted to claiming a British ‘sphere of influence’ as an ‘insurance policy’ if the other powers carved up China. However, Britain saw its motives as distinct from the perceived expansionism guiding Russian policy: its aim was to preserve the *status quo*. As noted above, technically speaking the ‘open door’ and ‘spheres of influence’ were not mutually exclusive if ‘equality for commercial opportunity’ were maintained in the new ‘spheres’. In this way, Britain hoped that

⁸⁰ Nish (1966).

⁸¹ Foreign Office memorandum, “Remission of the Boxer Indemnity,” 10 October 1921, FO 412/118, Annex XIV; Foreign Office memorandum, “Foreign ‘Leased Territories’ and ‘Spheres of Influence’ in China,” 10 October 1921, FO 412/118, Annex IX.

⁸² Kennan (1951, 39).

combining the two seemingly contradictory principles might actually uphold the ‘treaty system’, support a new cooperative effort to expand the China market, and thereby cement its dominant commercial position.

But the unanimity among the powers with ‘most-favored-nation’ status, the fundamental alignment that supported the ‘treaty system’, had been ruptured and replaced by imperial rivalry. It remained to be seen whether the old trading conditions could be restored in this new environment. By early 1902 it was clear that securing Britain’s position in China would require more than ‘open door’ notes and mutual recognition agreements for its ‘sphere’. The ‘Far Eastern question’ threatened not only British commercial interests: the ability of the indemnity-saddled Qing government to resist coercive demands now affected the strategic balance among the great powers of Europe. In this uncertain era, Britain needed a workable, concrete approach to the ‘open door’ that took the new naval, geopolitical, and financial considerations into account. The search for this approach would continue for the next twenty years.

2.2.2 ‘Open door’ questions: International cooperation, 1902-1918

The scramble for China and the Boxer Rebellion transformed the strategic environment in several profound ways. With the cooperative foundations of the ‘treaty system’ now eroded, Britain feared that another round of international competition for concessions would see Russia expand out of Manchuria into ‘China proper’, force the weakened Qing government to recognize its claims, and imperil the security of British trade. But perhaps even more worrisome was that such a development would trigger ripple effects back in Europe.

For years, Britain had operated under a policy of ‘splendid isolation’ where it refrained from entering into permanent alliances with the other European powers and instead sought to maintain the balance between them. The viability of this policy began to be questioned after the events of 1898-1902, particularly in China, where British interests came under threat from France, Germany, and most of all Russia.⁸³ To preserve the balance of power, Britain would need to find partners willing to uphold the ‘open door’, ones that could offset its vulnerabilities in the Far East without destabilizing the fragile European equilibrium.

⁸³ Otte (2007).

This challenge ushered in a new period of diplomatic maneuvers to solve the ‘Far Eastern question’, bringing Britain into closer alignment with the US as well as Japan and thus recasting Anglo-American-Japanese relations. Whereas the US was willing to issue the ‘open door’ notes but not deploy its power to enforce them, Japan increasingly appeared to be a reliable partner in upholding the policy. There were several examples of this dynamic. During the scramble, when the Japanese asserted their own ‘sphere of influence’ across the Taiwan Strait in Fujian Province, they had not interfered with free trade in the Xiamen treaty port; when Japan participated in the Eight-Nation Alliance its wartime conduct had earned it international respect; and in the negotiations over the Boxer Protocol that followed, Britain, Japan, and the US supported the ‘open door’ policy within the various ‘spheres of influence’ obtained in China, and pushed for a smaller indemnity than France, Germany, or Russia. By 1902, a kind of nascent Anglo-American-Japanese ‘open door’ alignment emerged: none desired to see China occupied by foreign troops or have the Qing government so economically weakened that it would fall victim to a new round of coercive demands.

One immediate issue that arose during the Boxer Protocol negotiations was that the proposed indemnity would compound China’s financial problems. Although the foreign troops were withdrawn from Zhili, this came at a cost: the Protocol dictated that indemnity payments would be secured with China’s customs revenue, its main income stream. In order to offset this enormous expense, and remove a potential source of international rivalry, the powers—led by Britain, Japan, and the US—also agreed to renegotiate the tariff rate.⁸⁴

The Qing had surrendered China’s tariff autonomy in the Treaty of Nanking, and a follow-up treaty in 1843 set a rate of 5% *ad valorem* on imports and exports. But although exports remained taxed at this rate, the import duties collected by the customs administration steadily rose above 5% due to a decline in prices over the subsequent 15 years. To protect its treaty rights, Britain forced the Chinese government to adjust the effective rate downward in the treaty of 1858, a benefit shared by the other treaty powers on the basis of ‘most-favored-nation’ treatment. However, the 5% tariff imposed at the port of entry was not the only duty applied on imports, for goods still had to be shipped to market through the Chinese interior. Transit taxes, known as *likin* and

⁸⁴ “Report of William W. Rockhill,” 30 November 1901, *FRUS* (1901), in “Appendix: Affairs in China,” No. 3.

ranging from 2%-10%, were applied and collected by provincial governments, and these taxes had caused disputes for decades. The Qing had authorized *likin* in 1853 as a way to fund and equip the military forces needed to suppress the Taiping and other rebellions. After this it had become institutionalized and served as a major source of provincial revenue for the next fifty years; in this way, the arrangement allowed the Qing to nominally retain power in Beijing while ceding much of its *de facto* regional authority to provincial governors. Unsurprisingly, the treaty powers viewed *likin* transit taxes as a nuisance that impeded ‘free trade’: those who sought markets further and further from the treaty ports saw duties increase proportionally to the number of borders through which their goods had to pass. Moreover, *likin* appeared to be a treaty violation, as it raised the rate on imports above the 5% fixed by the treaties of 1843 and 1858. Yet without sufficient revenue to allocate to the provinces, the Qing were unwilling to abolish *likin* and risk alienating the governors until they had no other financial options after signing the Boxer Protocol.⁸⁵

In the intervening years, price fluctuations had reversed in trend to the point where the Chinese maritime customs were now collecting less than 5% on imports, depriving the government of much-needed revenue. The powers therefore consented to raise import duties to an *effective* 5%, which would be calculated based on average prices during the late 1890s. This rate was then set as part of the Boxer Protocol and went into effect in August 1902, accompanied by a promise that the powers would review average prices in the future to ensure the 5% rate was maintained.⁸⁶

China also negotiated a bilateral agreement with Britain known as the Mackay Treaty, signed on 5 September 1902, which, among other things, committed it to abolish *likin* in exchange for a future surtax on imports and exports, increasing them to 12.5% and 7.5%, respectively. There were, however, two conditions:

- (1) That all Powers who are now or who may hereafter become entitled to the most-favoured-nation treatment in China enter into the same engagements;
- (2) And that their assent is neither directly nor indirectly made dependent on the granting by China of any political concession, or of any exclusive commercial concession.

⁸⁵ Foreign Office memorandum, “Tariff Revision in China,” 10 October 1921, FO 412/118, Annex XVIII.

⁸⁶ Foreign Office memorandum, “Tariff Revision in China,” 10 October 1921, FO 412/118, Annex XVIII.

Another important clause in the Mackay Treaty provided for the end of consular jurisdiction once China had reformed its judiciary. Together with the tariff commitment, this pledge to eventually end extraterritoriality made the Mackay Treaty a key manifestation of Britain's 'open door' policy, in which sovereignty would be slowly restored as China underwent institutional reform. Illustrating their alignment with the British approach, the US and Japan signed similar treaties with China on 8 October 1903, but the exchange of higher tariffs in return for *likin* abolition never came into effect because France, Germany, and Russia did not give their assent by the deadline of 1 January 1904.⁸⁷ It was a prime example of how the 'most-favored nation' principle, which once united the powers, now undermined efforts at cooperation in China.

The Boxer Protocol and tariff treaties were early signs of a potential Anglo-American-Japanese alignment in support of the 'open door', but the more menacing issue uniting them was a shared opposition to Russian expansion, a security issue that would require more than economic arrangements or diplomatic notes. Throughout 1901, as the terms of the Sino-Russian treaty on Manchuria were being negotiated, the US and Japan had joined Britain in pressing Russia to limit its demands. But despite the implicit trilateral alignment on 'open door' questions, the US aversion to alliances meant Japan was Britain's best potential security partner in the region. Beyond China policy there was a larger naval dimension to the convergence of Anglo-Japanese interests: the Franco-Russian *entente* challenged the Royal Navy in both the Atlantic and Pacific, so for Britain an alliance with Japan would also offset this geographic challenge to the distribution of its naval resources.⁸⁸ Thus in 1902 Britain abandoned its 'splendid isolation' and entered into an alliance with the rising power of the Far East.

In addition to security guarantees, from its earliest conception the Anglo-Japanese alliance reflected an ambiguous mix of 'open door' and 'sphere of influence' principles. The preamble to the original pact, signed just after the Sino-Russian treaty on 30 January 1902, stated its three motives: "a desire to maintain the *status quo* and general peace in the extreme East"; to uphold Chinese and Korean "independence and territorial integrity"; and to secure "equal opportunities in those countries for the commerce and industry of all nations". At the same time, article 1 explicitly noted both

⁸⁷ Foreign Office memorandum, "Tariff Revision in China," 10 October 1921, FO 412/118, Annex XVIII.

⁸⁸ Best (2010, 22).

powers' respective "special interests"—for Britain "principally" in China, for Japan in China and Korea—and permitted them "to take such measures as may be indispensable to safeguard those interests if threatened by the aggressive action by any other Power, or by [domestic] disturbances".⁸⁹ This language suggests the alliance terms emerged from Japan's adherence to the Anglo-German agreement of 1901, which attempted to create a weaker mechanism to balance against 'open door' violators. For Britain, the alliance would build a much stronger diplomatic structure on top of the 'open door' notes, one capable of blocking Russian penetration into 'China proper' and ensuring 'free trade' would continue unimpeded.

Therefore, Britain's China policy in 1902 had two tiers. On the one hand, the Anglo-Japanese alliance was designed to deter the partition of China as well as reduce the Royal Navy's burden in defending maritime trade to the treaty ports; on the other, the Mackay Treaty sought to stabilize Chinese finances, strengthen its ability to resist demands for territorial concessions, and create new commercial opportunities by eliminating *likin*. Without pressing the point too far, it is interesting that British strategy to defend the 'open door' already had both security and economic components, or with respect to China, external and internal dimensions. This approach would remain remarkably intact right up through the Washington Conference.

The question was whether Britain could establish a firm basis for Anglo-American-Japanese cooperation in support of the two-tiered approach: Japan wanted the alliance for security reasons more than to defend the 'open door', while the US wanted to support the 'open door' without entering into foreign entanglements. In this context, the decline of the implicit Anglo-American-Japanese 'open door' alignment accelerated after the Russo-Japanese War of 1904-1905, a pivotal turning point in the evolution of the 'Far Eastern question'.⁹⁰ When Russia failed to uphold its agreement with China to evacuate its troops from Manchuria by January 1904, the following month Japan launched an attack on the Russian fleet at Port Arthur. The war did not devolve into another 'scramble for China', largely due to the Anglo-Japanese alliance's ability to keep France from supporting its Russian ally. Yet as the alliance evolved it moved away

⁸⁹ Quoted in Nish (1966, 216). Russia was seen as the primary external threat, but importantly, under the treaty internal uprisings such as the Boxer or Tonghak Rebellions were also grounds for the legitimate use of force.

⁹⁰ Foreign Office memorandum, "A Tripartite Agreement," 10 October 1921, FO 412/118, Annex K.

from the Anglo-American ‘open door’ vision for the region. Britain and Japan strengthened its terms in 1905, retaining the linkage between security cooperation and the hedged ‘open door’ in its preamble, but the political alignment behind the original pact had already been undermined. For once it defeated the Russians, Japan inherited their ‘sphere of influence’ and proceeded to assert its own exclusive rights to railroad construction in Manchuria.⁹¹ From then on the US image of the alliance as an ‘imperialist’ instrument began to crystalize, hardening into a key obstacle for trilateral cooperation.

Even though Japanese policy turned against the ‘open door’ after 1905, in the late Qing period a short-lived form of international cooperation in China began to reemerge. First, Russia’s defeat removed a major source of competition. In 1907 British and Japanese agreements with Russia and France effectively turned the Anglo-Japanese alliance into an Asiatic extension of the Anglo-Russian-French triple *entente*, and notes were exchanged acknowledging each other’s ‘spheres’ in China. The Root-Takahira agreement of 1908, in which the US recognized Japan’s rights in Korea and Manchuria in exchange for Japanese recognition of US control over the Philippines, encouraged the trend toward equilibrium.

But the ‘open door’ foundations on which this structure had been erected were shifting, driving a wedge between the US and Japan. Concerned with maintaining the balance among the European powers, Britain repurposed its alliance with Japan against Germany in 1905, although in the years that followed it increasingly saw the alliance not as an instrument to protect the ‘open door’ in a constructive way, but rather as its only means to restrain Japanese ambitions in Asia. When the alliance was again renegotiated in 1911, the ‘open door’ preamble was retained but all references to ‘special interests’ in China were eliminated. Britain also insisted on adding a new clause preventing it from being activated against the US, conscious of American concerns that the pact was directed at themselves. This only offered partial reassurance. After the Russo-Japanese War, the Americans principally saw the alliance—with some justification—as a device to protect the British and Japanese ‘spheres’, a perception that was reinforced by Japan’s annexation of Korea in 1910. Thus, despite a common perspective on China questions, the alliance became a serious impediment to Anglo-

⁹¹ Best (2010, 23-26).

American cooperation.⁹² Britain already found itself in a dilemma between its security alliance with Japan and its political alignment with the US in support of the ‘open door’.

A second reason for the reappearance of cooperation during the late 1900s was the partially successful endeavor to limit financial competition for railroad contracts and other investment opportunities via the China ‘consortium’. The logic of the consortium was based on the ‘open door’: after the Boxer indemnity reduced Beijing’s customs revenue the Chinese government needed to be strengthened with foreign capital, but these loans heightened suspicions among the lending powers that they would be used to secure special rights and privileges. This revenue problem therefore threatened the viability of the ‘open door’ for finance as well as the ‘territorial integrity’ of China. If the powers were united economically, so the thinking went, finance could become a source of cooperation rather than competition. But if they were divided, the result would likely be financial ‘spheres of influence’ that would eventually devolve into outright political penetration.⁹³

In 1909, the embryonic Anglo-German financial consortium of 1895 was expanded to include France, and 1910 the US entered into a four-power grouping through which all loans to China would be shared. Although the Qing—and its provincial governors—found the consortium to be an artifice constraining its access to capital, from the perspective of the European powers it prevented the partition of China into ‘financial spheres’ and eliminated a major source of international friction. By 1910, the consortium was involved in loans that attempted to block the creation of a Japanese or Russian ‘sphere’ in either Manchuria or Mongolia, and to manage British relations with Germany and France in ‘China proper’. Britain pressed to include Japan and Russia in the consortium, and after a string of diplomatic maneuvers a six-power grouping was founded in 1912. But this was only achieved at the cost of allowing the two Chinese regions in the north to be explicitly excluded from its operations, while permitting Russian and Japanese loans in Britain’s Yangtze valley ‘sphere’.⁹⁴

Paradoxically, despite the fact that Britain spearheaded the consortium policy, the internationalization of finance in China tended to harm its commercial interests. The

⁹² Foreign Office memorandum, “A Tripartite Agreement,” 10 October 1921, FO 412/118, Annex K.

⁹³ Foreign Office memorandum, “Consortium,” 10 October 1921, FO 412/118, Annex III.

⁹⁴ “History of the China Financial Consortium, 1895-1918,” Appendix I in Foreign Office memorandum, “Consortium,” 10 October 1921, FO 412/118, Annex III.

British could not demand access to Manchuria or Mongolia—or vigorously assert its traders' rights in the Yangtze valley—lest they alienate the other powers and spark a new round of international competition. This preserved the 'open door' temporarily at the expense of facilitating its competitors' loans to China, but at least it reduced the prospect of great-power rivalry in China complicating relations in Europe itself.⁹⁵

Britain hoped the combination of these two factors—the Anglo-Russian-French-Japanese strategic alignment, and the six-power consortium framework for financial cooperation—would add a measure of stability to relations among the treaty powers. Together, these structures had the potential to support the 'open door' as long as the political conditions underpinning them remained intact. But neither would survive the fall of the Qing Dynasty and the First World War, a 'twin collapse' of political order in the 1910s that transformed the 'Far Eastern question'.

Amid the instability that followed the Xinhai Revolution of 1911-1912, the consortium would actually do more harm than good by controlling China's access to needed funds. In late 1911, Yuan Shikai, a former military commander and governor of Shandong, was appointed Prime Minister of the Imperial Cabinet, and as the Qing fell from power that winter he seized his moment and became President of the new Chinese Republic. In the upheaval Yuan was only able to form a fragile governing coalition; sensing his insecure position, he sought more and more loans from the foreign powers to uphold his rule although he had less and less assets with which to secure them. Ultimately, the Reorganization Loan Affair of 1912-1913, in which Yuan secured a large loan with China's customs revenue and confirmed the consortium's monopoly over all lending to his government, ended up causing the consortium to unravel. Woodrow Wilson, who was elected US President in 1912, saw the Reorganization Loan as a violation of the 'open door' because it interfered with China's 'administrative integrity'. In response, he withdrew US participation in the consortium and initiated a unilateral approach, encouraging American investors to operate outside of its auspices.⁹⁶

The war then isolated Germany from the other powers; their bankers were ejected from the consortium in 1916, reducing it to the four wartime allies and rendering it irrelevant in China's search for capital. This was because each power's financial

⁹⁵ Best (2010, 27-28).

⁹⁶ "History of the China Financial Consortium, 1895-1918," Appendix I in Foreign Office memorandum, "Consortium," 10 October 1921, FO 412/118, Annex III.

sector continued to engage in individual loans during the war, which naturally favored the US and Japan. Britain began to grow concerned: a 1916 US loan excluded the consortium powers; so did Japan's 1917 'Nishihara loans', discussed below. In 1916 Britain clung to the idea of financial cooperation as "essential to avoid anything in China in the nature of a 'financial scramble' or free competition" during wartime, and therefore attempted to bring Japan and the US back into the arrangement. To this end, even though Anglo-Japanese economic frictions had intensified after German competition was removed, the British Ambassador in Tokyo offered assurances that the Japanese would be included in any reconstituted consortium. Wilson too, upon US entry into the war in 1917, recognized that Japanese finance was being used as a means to extract concessions from a capital-starved China. In 1918 he signaled that the US was willing to reenter the consortium, even though by then Bolshevik Russia as well as Germany had been excluded.⁹⁷

Restoring international financial cooperation would require the realignment of American and Japanese China policy. During the war, the two Pacific powers began to incubate incompatible visions for China's future, a dispute that centered on the contradiction between their interpretations of the 'open door' and 'sphere of influence' principles. In the Root-Takahira agreement of 1908 the US acknowledged Japan's 'special interests' in Manchuria, effectively confirming the transfer of Russia's exclusive economic rights, yet as time went on the US grew increasingly weary of increasing Japanese financial control over the region. However, the real break occurred due to Japan's wartime policy in 'China proper', which presented Chinese 'territorial and administrative integrity' with its greatest challenge since 1902.

Between 1911 and 1914 a second scramble in post-Qing China did not occur, suggesting that the international political and economic structures built after 1907 were robust enough to preserve the former empire's 'territorial integrity'. However, when the European treaty powers went to war, these structures were no longer sufficient to deter Japanese expansionism. The impact of the monumental events of 1914-1915 cannot be underemphasized, for they not only drove a wedge between the US and Japan; they completely transformed political conditions in China, and from a British perspective

⁹⁷ "History of the China Financial Consortium, 1895-1918," Appendix I in Foreign Office memorandum, "Consortium," 10 October 1921, FO 412/118, Annex III.

also cast doubt on its ally's intentions to uphold the 'open door'. The effects would reverberate after the peace, requiring new structures to stabilize the Far East.

In August 1914, when Britain declared war on Germany, it requested its ally's assistance in preventing the German Navy from raiding its commercial shipping in the China seas. As a Foreign Office memorandum prepared for Britain's Washington Conference delegation recalled, this had "two undesired results". First, "it played into [Japan's] hands and gave her the opportunity she wanted to seize Tsingtao" (i.e., Germany's Jiaozhou Bay concession); and second, it "enabled Japan to announce that, in doing so, she was acting at our request and under the Anglo-Japanese Alliance". The British government attempted to limit Japanese wartime involvement to the protection of shipping, but "it was too late: Japan had decided on war". This put Britain in a predicament. On 10 August, it sought a Japanese assurance that their actions in Shandong would "keep specially in view the independence and integrity of China as provided for under the Alliance", which was duly provided. However, when asked to participate in a "joint public declaration" revealing the assurance and confirming that Germany's concession would be eventually restored to China, Tokyo vetoed the request.⁹⁸

After activating the alliance, Japan seized the German concession along with the Shandong railroads, inheriting Germany's 'sphere of influence' as it had Russia's in 1905. In January 1915, Japan went further and capitalized on its 'chance of a thousand years' by presenting Yuan's government with what became known as the 'twenty-one demands'. These were divided into five groups, three of which are relevant. The first two confirmed Japan's new 'sphere' in Shandong and expanded its 'sphere' in south Manchuria and east Inner Mongolia. Combined, these new rights put Britain's Yangtze valley interests under direct challenge while at the same time closing two productive regions to British trade, via Japanese control of concession railways. But the secret fifth group of demands was the most controversial. They sought to put Chinese finances and police services under joint Japanese administration, and to have Fujian Province (strategically located north of Hong Kong and west of the Taiwan Strait) ceded to Japan. The Chinese Republic, unable to resist Japanese pressure, appealed to Britain and the US for assistance, revealing the fifth group of demands to rally foreign support for the

⁹⁸ Foreign Office memorandum, "Shantung," 10 October 1921, FO 412/118, Annex XVI.

‘open door’.⁹⁹ In the face of international pressure Japan dropped this last group, but offered Yuan loans if he complied with the rest of them. Given a 48-hour deadline and no hope for Western intervention, Yuan complied and signed the Sino-Japanese treaty of 1915. The domestic backlash soon brought his imperial ambitions to an end.

The Japanese government then undertook a series of diplomatic maneuvers to have their claims recognized. In 1917, it entered into a secret agreement with Britain regarding the former German possessions in China and the Pacific, and signed the ‘Lansing-Ishii note’ with the US—a note that continued an ambiguous mix of ‘open door’ and ‘spheres of influence’ principles, as it committed both parties to uphold the ‘equality of commercial opportunity’ in China while acknowledging Japan’s ‘special interests’ in Manchuria. That same year Japan agreed to provide Duan Qirui, the new Chinese Premier, with a series of government-backed loans to assist him in his quest to defeat rival warlords. The continuance of these ‘Nishihara loans’ was tied to Duan’s accession to the secret Sino-Japanese treaty of 1918, an arrangement that provided for a joint defense of Manchuria amid the chaos of the Russian Revolution, and again confirmed the transfer of Germany’s possessions in Shandong. The terms were only revealed at the Paris Peace Conference, which destroyed Duan’s precarious domestic position. By then, although China had entered the war in 1917 in the hopes of accruing allied goodwill, Japan’s claims were secured by assurances from the other powers.

Britain was deeply concerned with its ally’s “unusual methods” during the war.¹⁰⁰ The expansion of the Japanese ‘sphere’ from Manchuria to Shandong augured the imminent decline of the ‘open door’ policy and its replacement with a form of economic penetration that wrested new exclusive privileges from a weak and cash-strapped China. In many ways, these conditions were strategically worse for Britain than before the war, when Germany and Russia had contributed to a regional balance of power. Of more immediate concern for postwar British policy, however, was the effect of the Shandong settlement on US perceptions of the Anglo-Japanese alliance. Although Britain had attempted to limit Japan’s invocation of the alliance to seize the Jiaozhou Bay concession, in American public opinion the two events were indelibly linked. By 1918 the alliance had become an impediment to any Anglo-American approach to

⁹⁹ Foreign Office memorandum, “Shantung,” 10 October 1921, FO 412/118, Annex XVI.

¹⁰⁰ Jordan to Balfour, 23 December 1918, *DPFP*, Vol. VI, p.566-583.

support the ‘open door’ and stabilize the deteriorating situation in China. With Germany and Russia marginalized in the Far East, and the ‘spheres of influence’ they claimed during the ‘scramble’ now both in Japanese possession, a new regional political structure and economic program for China was needed. For this to be sustainable, Anglo-American-Japanese cooperation first had to be restored.

But the three powers were more divided, and the ‘Far Eastern question’ more complex and interconnected, than had been the case in 1902. After the peace, it was difficult to address any single aspect—US-Japan antagonism, China’s revenue problem, the Shandong question, the future of the alliance, or the contradiction between the ‘open door’ and ‘spheres of influence’—without impacting the others. These issues had become deeply entangled over two decades, and as British policymakers would discover in the immediate postwar years, they would need to be disentangled simultaneously. The problem was finding a venue in which this could occur.

2.3 The unfinished peace in the Far East, 1918-1920

The Paris Peace Conference and the Treaty of Versailles it produced were not intended to solve the ‘Far Eastern question’. When the Allies met during the winter of 1918-1919 to discuss the terms of peace with the Central Powers, the only pertinent aspect that could be addressed in that setting was the status of Shandong, not the ‘open door’ or China’s economic treaties. Yet the Shandong settlement failed to stabilize relations among the allied coalition, consisting of Britain, France, Italy, Japan, and the US, as well as China in a lesser capacity. In fact, it exacerbated the tensions of 1918 in two key ways.

First, as Britain and France had during the war acknowledged Japan’s claim to formerly German Shandong, they were committed to not opposing Japanese efforts to have those claims confirmed at Paris. The Chinese delegation was nevertheless optimistic they could garner US support and block confirmation, although their argument to appeal to American sympathies was based on the coercive ‘twenty-one demands’ since the Beijing government had sent them to the conference unaware of the secret Sino-Japanese treaty of 1918. When Japan revealed the latter’s terms, the Chinese delegates were stunned to learn Duan had effectively relinquished Shandong. Wilson

attempted a compromise but it was deeply unpopular; unwilling to sign another treaty recognizing Japan's claims, the Chinese walked out of the conference.¹⁰¹

After this experience the Beijing government began to seek opportunities beyond the 'treaty system'. Germany had lost its treaty rights in China as a result of the war, leaving it outside the grouping of foreign powers with 'most-favored-nation' status. This offered China an initial step to regain its sovereignty by concluding new Sino-German treaties, beginning with tariff autonomy and extraterritoriality. The Peace Conference therefore marked a turning point in China's relations with the treaty powers. It would no longer stand by while the powers negotiated agreements regarding China issues among themselves.

Second, the Shandong question brought US-Japan tensions to the surface. As the negotiations to reinvigorate the financial consortium in 1919 and 1920 illustrated, their regional differences centered on the conflict between the 'open door' and 'sphere of influence' principles, particularly Japan's 'special interests' in Manchuria and Mongolia. Britain hoped that eventually the two powers could settle their disputes under the auspices of the League of Nations, but when the US Senate failed to ratify the Versailles Treaty, it became clear that the League would not become a forum where US-Japan tensions could be ameliorated. This left Britain with no obvious path toward bridging the divide between its longtime ally and preferred postwar partner in the Far East.

These two developments constrained what was diplomatically possible after the unfinished peace. Any arrangements negotiated among the great powers would need to be much more conscious of China's interests than had been the case before the war, even though China appeared more divided than ever under the politically and financially unstable Beijing government. Moreover, they would also have to take into account rising US-Japan antagonism, their conflicting interests in China, and differing visions for the region. The origins of the Washington system can be found in the British attempt to work within these constraints—coupled with the need for naval arms reduction to prevent US-Japan rivalry from sparking a new great war in the Pacific—as the US refusal to enter the League actually opened up the possibility for a revival of 'conference diplomacy' to solve the multifaceted 'Far Eastern question'.

¹⁰¹ Foreign Office memorandum, "Shantung," 10 October 1921, FO 412/118, Annex XVI.

2.3.1 The new China: Shandong and the pursuit of tariff autonomy

The Beijing government sent its delegates to Paris with several objectives that, if achieved, would have adjusted China's status in the postwar international system. Although they had hoped against the odds to leverage the Wilsonian energy animating the Peace Conference to restore Chinese 'territorial and administrative integrity', these aims were not realized. Shandong made it on the agenda; China's commercial treaties, the issues of customs revenue and tariff autonomy, and the eventual end of extraterritoriality did not. As the Chinese delegation quickly recognized, the conference had not been called to address these questions.

For this reason, China's hopes at Paris rested on a favorable Shandong settlement. As a member of the Allied powers, the Chinese believed they were entitled to the recovery of all German claims in the province, including the now Japanese-controlled railways. But the transfer of these claims had already been recognized in Japanese treaties with the European powers as well as China. To recap, in 1917 Japan acquired a secret British assurance that, in exchange for naval assistance, its Shandong claims would not be opposed; similar notes were signed with Russia, France, and Italy. Then in 1918, Japan entered into a secret treaty with China in which the latter accepted the transfer in exchange for loans.¹⁰² It was this revelation of this treaty that would doom China's diplomatic strategy in Paris.

Although Britain was committed to Shandong's transfer to Japan, it still sought to ensure the 'door' for trade would remain open. The most controversial issue was the Tsingtao-Tsinanfu railway, a key artery for German trade that before the war had raised British 'open door' concerns. Britain foresaw Japanese control over the railway as a problem as early as 1915 and worried that it could lead to the establishment of a permanent 'sphere of influence' in Shandong. As a Foreign Office memorandum prepared for the British delegation to the Washington Conference noted, the railway controversy was "the crux of the whole problem" at Paris:

If [Japan] should acquire the privileges [in Shandong] which she aimed at in her 1915 and 1918 negotiations with China, if under the form of a Sino-Japanese company she obtained control of the Shantung Railway [...], if she

¹⁰² Foreign Office memorandum, "Shantung," 10 October 1921, FO 412/118, Annex XVI.

were to form an exclusive Japanese settlement [...] in the most vital part of Tsingtao, then Tsingtao would quickly become a second Dairen [i.e., Dalian port in Manchuria], a base for privileged Japanese expansion in China.

So long as Japan refrained from using the railway to solidify a Shandong ‘sphere’, the transfer of German claims would not interfere with Britain’s economic rights secured under the China treaties. Thus in 1919, British Foreign Secretary Arthur Balfour sought to ensure the ‘open door’ was upheld in the province. On 8 May, he wrote from Paris to the Lord President of the Council, Lord Curzon, who was supervising the Foreign Office in Balfour’s absence, that Japan “gave the most explicit assurances” to maintain the “equal treatment of the commerce of all nations [in Shandong]. With these statements everybody but the [...] Chinese Delegation appeared to be content”.¹⁰³

But the Chinese delegation was more than discontent. When the 1918 treaty and assurances from the European powers were revealed, they were outraged, causing a Sino-Japanese deadlock that “threatened to break up the conference at a time when all the world was longing for peace”.¹⁰⁴ Wilson therefore attempted to broker a Shandong compromise. As Japan had insisted, the peace treaty would distinguish between the ‘economic’ privileges to be retained by Japan, and the ‘political’ rights that would be restored to China; but in order to assuage Japan’s *amour propre*, these political rights were to be first transferred from the Germans to the Japanese before being restored to China in a separate diplomatic agreement. In exchange, Japan agreed to drop its demand for Germany’s concession at Jiaozhou Bay and extraterritorial rights for Japanese subjects in Shandong.¹⁰⁵

The Wilson compromise, supported by Balfour, represented a new iteration of the longstanding Anglo-American approach in China: a mixture of ‘open door’ and ‘sphere of influence’ principles designed to avert another scramble. What distinguished this compromise from prewar diplomatic agreements was that, in receiving economic but not political rights, Japan would not technically have a ‘sphere of influence’ in Shandong, only an investment in the railway. But this distinction was unacceptable for the new China, which bristled at the limiting treaties concluded with and between the

¹⁰³ Balfour to Curzon, 8 May 1919, *DPFP*, Vol. VI, pp.563-566.

¹⁰⁴ Foreign Office memorandum, “Shantung,” 10 October 1921, FO 412/118, Annex XVI.

¹⁰⁵ Elleman (2002, 81-84).

powers. Balfour observed the inability of some Chinese delegates—led by Wellington Koo and Alfred Sze, who would represent China at the Washington Conference—to understand the international legal consequences of the 1918 Sino-Japanese treaty: “[W]hatever might be said of the Treaty of 1915, the Treaty of 1918 was a voluntary transaction between sovereign States, and a transaction which gave important pecuniary benefits to China”. The First World War had been fought to uphold the sanctity of international treaties, and although the ‘twenty-one demands’ had been coercively obtained, Balfour reasoned that Britain could not support China’s claims that the more recent 1918 treaty was invalid; the consequences of such a position risked undermining the legal foundation of the entire ‘treaty system’. Furthermore, Balfour thought China should have been grateful for Wilson’s compromise, as “by the efforts of Japan and her Allies, China, without the expenditure of a single shilling or the loss of a single life, had restored to her the [political] rights [in Shandong] which she could never have recovered herself”.¹⁰⁶

However, Britain underestimated the Chinese reaction to the old mix of ‘open door’ and ‘sphere of influence’ policies. Koo and Sze protested vigorously against Wilson’s compromise. When their protest failed, they “decided not to appear at the signature of the Treaty of Versailles”, sparking an eruption of anti-foreign unrest across China’s cities in 1919. This ‘May Fourth Movement’ weakened Duan’s Beijing government, contributing to the vacuum of power that would eventually lead to years of ‘warlord era’ competition. Moreover, Britain’s commercial interests were targeted in the uprising, as its recognition of Japan’s Shandong claims had damaged its reputation in China. By 1919 Britain was beginning to regret its wartime assurances to Japan. A Foreign Office memorandum later recalled that the Anglo-Japanese assurance “took a step which, though no doubt forced upon us by the military necessities of the moment, has since reacted upon our prestige in the Far East”.¹⁰⁷

The Shandong question illustrates how by 1919 the application of the ‘open door’ had become more complicated. Wilson’s ‘new diplomacy’, based in part on the right of national self-determination and collective security, was not in conflict with the ‘open door’ principles of ‘equality of commercial opportunity’ or ‘territorial and

¹⁰⁶ Foreign Office memorandum, “Shantung,” 10 October 1921, FO 412/118, Annex XVI; Balfour to Curzon, 8 May 1919, *DPFP*, Vol. VI, pp.563-566.

¹⁰⁷ Foreign Office memorandum, “Shantung,” 10 October 1921, FO 412/118, Annex XVI.

administrative integrity'. Yet it was antithetical to 'spheres of influence' and alliances, two of the instruments on which Britain had relied to prevent China's partition since 1898. Shandong, seized by invoking the Anglo-Japanese alliance and recognized by secret assurances, was thus a symbol for the postwar distance between the British and American visions for China.

But in 1918, the US was the only power available to check Japan's expanding influence. The US had no 'sphere' in China and thus was more popular than Britain, it possessed the requisite capital to challenge Japanese financiers, and the war had seemingly brought about an Anglo-American *rapprochement* based on a shared linguistic heritage and cultural identity. However, for Britain to enter into a closer alignment with the US in the Far East, more than just the Anglo-Japanese alliance would have to be sacrificed. Such an arrangement would also require Britain to abandon its 'sphere' in the Yangtze valley.

Sir John Jordan, the long-standing British Minister in Beijing, thought this trade was worth it. On the eve of the Peace Conference, he outlined his views in a letter to Balfour in Paris. Postwar economic cooperation with the US would "demand the abandonment of established British interests and of our claim to a special sphere of influence". Although this was risky, as it would remove Britain's 'insurance policy' if Japan triggered a new scramble in the future, Jordan advised that "if we are to make such concessions it appears only reasonable that we should expect a similar policy on the part of other nations". For him the answer was clear: the era of 'spheres of influence' was over.¹⁰⁸

Britain could hardly coerce the Japanese into relinquishing the 'special interests' that it had recognized time and again. The only way forward, it appeared, would be to internationalize the foreign concessions and financial investments. In his letter to Balfour, Jordan therefore outlined two "paths" or policy options should the issue come up at Paris. Britain could either stick to its prewar policy and continue the "struggle" to maintain a 'sphere' in the Yangtze basin, or chart a new course "along the lines of free co-operation and internationalisation". Jordan observed that, in his view, leased territories and concessions were "largely a heritage" of an earlier period, "known as the 'Break-up of China' [which] has passed". It was therefore in Britain's interests to

¹⁰⁸ Jordan to Balfour, 23 December 1918, *DPFP*, Vol. VI, p.566-583.

recognize the postwar changes, help “reconstitute a healthy and reunited China, and to insist that she should recognise her obligations and responsibilities in the Family of Nations”. Otherwise, Britain might lose its stake in China to American or Japanese competitors, or perhaps even be drawn into a new war in Asia. As Jordan argued: “The present web of international agreements [...] are a perpetual menace to peace. Their power of evil can only be abolished by the substitution of some greater policy”. He envisioned “a policy of reconstruction by which the Powers would bind themselves to recreate, instead of dismember, the corporate entity of China”.¹⁰⁹

This idea went beyond the ‘open door’. The disunity in China could not be overcome through the old policy, which reduced international competition while weakening China’s central government—the entity that ultimately enforced domestic compliance with the powers’ economic treaties. Nevertheless, as there was no plan to discuss Chinese economic questions at Paris, Jordan’s plan was not raised. But in his letter to Balfour he acknowledged that the issues of tariff autonomy and extraterritoriality, the most important infringements on Chinese ‘administrative integrity’, would be difficult to resolve given China’s disordered internal politics. It was a true dilemma: the young Republic could not be sufficiently strengthened to resist Japanese encroachment unless it regained its sovereignty; but its foreign treaties could not be abrogated until it had greater domestic political cohesion. One of the only things that Britain could do to improve the Beijing government’s internal situation was to assist in stabilizing Chinese finances.

Indeed, Jordan had made some progress on the tariff issue. As noted above, when the powers agreed to raise the Chinese customs tariff to an ‘effective 5%’ in 1902, they calculated this amount by taking price averages from the late 1890s; China was also promised that this rate would be recalculated in the future to account for price fluctuations. Although prices continued to rise over the next decade, the powers failed to unanimously agree on adjusting the import tariff to an effective 5%. This was one reason why the Chinese Republic had been forced to turn to foreign loans. The collapse of Qing rule in 1911 and the war in Europe combined to prevent a price reassessment from occurring until June 1918, when the 1902 rate was adjusted based on average prices from 1912 through 1916. Jordan, as dean of the Ministers representing the

¹⁰⁹ Jordan to Balfour, 23 December 1918, *DPFP*, Vol. VI, p.566-583.

powers in Beijing, consented to revise the tariff again two years after the war. This was later clarified over the autumn of 1918 to mean “two years from the ratification of the general Treaty of Peace”. Thus in May 1919, as negotiations wrapped up in Paris, Curzon told Jordan to convey Britain’s “formal assent” to the arrangement, meaning the tariff would be revised in 1921.¹¹⁰

In the meantime, the Chinese Republic became more and more determined in its quest for tariff autonomy, emboldened in part by its participation in the war as one of the Allied Powers. Entry into the war had initially seemed to provide an opportunity, for on Christmas Day 1917, the Beijing government put forward a declaration introducing a “general tariff” for non-treaty powers (i.e., those without ‘most-favored-nation treatment’), ranging from 5% on “necessities” to 100% on “luxuries”. This general tariff was designed on the one hand to discriminate against Germany’s trade, for as an “enemy state” it lost its treaty rights in 1917. On the other hand, Jordan recognized it as a clever tactic to get around the treaty restrictions, as the general tariff applied to all non-treaty states, and it introduced a ‘certificates of origin’ system that would make goods coming from non-treaty countries taxable at a higher rate despite their being imported by British firms (or those of other treaty powers).¹¹¹

When tariff autonomy did not make it on the agenda at Paris, China sought another avenue. In July 1919 it asked the representatives of the treaty powers in Beijing to consent to the general tariff arrangement. The powers responded with identical notes on 8 October 1919, which stated that “by virtue of the most-favoured-nation clause all the treaty Powers have the right to claim the [5% duty]”, even when importing goods from non-treaty states. In other words, the general tariff scheme could only be applied to “those goods which were originally manufactured in non-treaty countries and imported from non-treaty countries by [their] nationals”.¹¹²

¹¹⁰ Chinese Foreign Ministry to Jordan, 24 June 1918; Jordan to Chinese Foreign Ministry, 26 November 1918; Curzon to Jordan, 21 May 1919, both in Foreign Office memorandum, “Tariff Revision in China,” 10 October 1921, FO 412/118, Annex XVIII, Appendix 3.

¹¹¹ Chinese Foreign Ministry to Jordan, 23 July 1919; Jordan to Chinese Foreign Ministry, 8 October 1919, both in Foreign Office memorandum, “Tariff Revision in China,” 10 October 1921, FO 412/118, Annex XVIII, Appendix 5.

¹¹² “Memorandum respecting Chinese General Tariff and Certificates of Origin,” 8 October 1919, in Foreign Office memorandum, “Tariff Revision in China,” 10 October 1921, FO 412/118, Annex XVIII, Appendix 5.

China was probing the treaty system for cracks it could exploit to regain its sovereignty. Jordan elaborated in a letter to Curzon, enclosing a memorandum drawn up by the legation that noted how China “carefully balanced” the two ideas of tariffs and extraterritoriality. The Beijing government had, on 27 April 1919, “reiterated that subjects of non-Treaty Powers [would be] subject to Chinese law in matter[s] of taxation and litigation”, and that if these nations were to conclude a treaty with China in the future, they would need to do so on a “footing of equality”. Then, on 22 June, it issued new regulations declaring that the nationals of non-treaty powers would “not enjoy extra-territorial privileges, but would be subject to Chinese law”. As Jordan advised Curzon, the general tariff “was no doubt designed to penalise the subjects of non-treaty Powers, and so to place in the hands of the Government a lever for the redemption of certain privileges which have been alienated by the treaties of the last eighty years”.¹¹³ This represented the erosion of the ‘most-favored nation’ principle that had united the foreign powers during the heyday of the ‘treaty system’. A two-tiered approach appeared to be emerging wherein China would establish new norms for certain foreigners operating on its territory, norms that would gain legitimacy and in the future be expanded to cover nationals from the treaty powers as well.

Britain would need to be sensitive to the changes in China. As Jordan explained to Curzon:

China is seeking, in fact, to retain her tariff autonomy and to abolish consular jurisdiction. [...] Until [non-treaty powers] are able to secure entry for their products [under the 5% tariff], trade will be impossible for them on a competitive basis. They will thus be forced to make some concession to Chinese susceptibilities and [...] the Chinese have indicated a way—they will be tempted to surrender their demand for extra-territorial privileges in return for a tariff position which is not less favourable than that accorded to the present treaty Powers. Such a surrender might prove a useful weapon to Germany in re-establishing treaty relations.¹¹⁴

¹¹³ Jordan to Curzon, 8 October 1919, in Foreign Office memorandum, “Tariff Revision in China,” 10 October 1921, FO 412/118, Annex XVIII, Appendix 5.

¹¹⁴ Jordan to Curzon, 8 October 1919, in Foreign Office memorandum, “Tariff Revision in China,” 10 October 1921, FO 412/118, Annex XVIII, Appendix 5.

Should this approach succeed, the treaty powers would no longer operate under the same status in China. Jordan realized that this would inevitably impact Britain's interests, and therefore it should preemptively shift its own policy:

It is highly undesirable that any revolutionary measures should be forced upon us by the action of the non-treaty Powers when re-establishing relations with China, either in regard to tariff or extra-territoriality. [But the] awakening national consciousness of China [appears] to demand from us some reconsideration of our old treaty status. [...] And the requirements of trade necessitate one uniform tariff, which might well be on a more generous and more scientific basis if trade was freed from the exaction of *li-kin*. It appears to me desirable therefore that we should now hold ourselves in readiness to discuss with the Chinese Government the general question of treaty revision, and that before they commit themselves to any new arrangements with Germany, they should receive some indication that the questions of tariff and of consular jurisdiction are open to sympathetic consideration by [Britain].¹¹⁵

This analysis correctly surmised China's strategy: Beijing would seek to divide the powers, starting with Germany, in order to pursue the parallel goals of tariff autonomy and the abolition of consular jurisdiction. The proclamation that the non-treaty powers would be subject to Chinese law also outlined a series of steps to be taken to reform the legal system to bring an end of extraterritoriality, envisioned as beginning in 1921. According to the text provided to Jordan, China expected that "within a period of twenty years properly-organised law courts would be established" throughout its territory. He forwarded this to Curzon in July 1919, telling the acting Foreign Secretary that it was "safe to infer" that the government considered establishing an "efficient judiciary" as necessary to end extraterritorial privileges. This, it will be recalled, had been agreed in the Mackay Treaty of 1902. Jordan therefore advised setting a "time-limit within which we should be ready to fulfill our part under [Mackay], provided the Chinese were ready for that step", drawing Curzon's attention to his December 1918 memorandum in which he had urged doing so "in co-operation with America". But in 1919, China's judiciary was "largely at the beck and call of the military authorities, with the result that justice is unobtainable in the large proportion of cases in which they are

¹¹⁵ Jordan to Curzon, 8 October 1919, in Foreign Office memorandum, "Tariff Revision in China," 10 October 1921, FO 412/118, Annex XVIII, Appendix 5.

concerned or interested”. Stabilizing and reforming China so as to promote the conditions needed to adjust the ‘treaty system’ would have to be the basis of British policy going forward.¹¹⁶ Indeed, China’s tactic of tying the issues together did put pressure on the British government to move in the direction of tariff reform, as this was seen as more immediately feasible than ending extraterritoriality. The hope was that higher tariff rates would increase the Beijing government’s revenues, while preventing Germany from reentering the market under a parallel system.

American and Japanese cooperation would be essential for any British attempt at stabilizing or reforming China. But even if Britain could bring Japan and the US back into alignment behind the ‘open door’, which was far from certain in 1919, the unsatisfactory Shandong settlement had helped drive Britain’s ally and preferred partner apart just as it transformed China’s internal politics and diplomatic posture. Crucially, the three powers faced a completely different China than had existed when the ‘open door’ policy was conceived, and Chinese diplomacy would be a constraint on the way any future treaties could be arranged. These could no longer be negotiated among the great powers alone; the new China would insist on being a participant in formulating any agreement that touched on its national interests. As the 1921 Foreign Office memorandum concluded, if “China ever does become a united self-conscious nation, the beginnings of such a development will date back to the Shantung question”.¹¹⁷

In short, after the Paris Peace Conference, Shandong represented more than just the ‘old diplomacy’. It was a symbol of the old China, one that no longer existed outside of the treaties inherited from its past.

2.3.2 The US-Japan divide: Postwar order and the consortium

Woodrow Wilson’s dream for postwar order rested on American ascension to the League of Nations. Since the US President was the architect of this new institution, Britain had every reason to expect that the League would soon provide a forum for cementing the Anglo-American wartime alignment, stabilizing international politics, and eventually solving the ‘Far Eastern question’. But on 19 November 1919, when the US Senate failed to sanction League membership, it became clear to many observers in

¹¹⁶ “Judicial Reform,” 1 July 1919; Jordan to Curzon, 10 July 1919. Both in Foreign Office memorandum, “Extraterritoriality,” 10 October 1921, FO 412/118, Annex VI, Appendix 1.

¹¹⁷ Foreign Office memorandum, “Shantung,” 10 October 1921, FO 412/118, Annex XVI.

London that the wave of Wilsonian idealism that had crested in the opening days of the Paris Peace Conference had now receded.

Britain and Japan had both joined the League, creating two problems for postwar order in the Far East. First, without US participation it was unlikely that the League could ever function as a suitable venue to pursue trilateral cooperation and manage rising instability in China. This meant the British would need to engage the Americans outside of the League's auspices, and although alignment with the US was seen as essential to the future stability of the empire, a number of strategic challenges left unsettled at Paris inhibited Anglo-American cooperation.

Second, the League of Nations Covenant constrained the future viability of the Anglo-Japanese alliance, based on the treaty of 1911. The European alliance system was perceived to be one of the causes of the First World War, and therefore exclusive military pacts were no longer deemed to be acceptable for League members. According to Article 20 of the Covenant:

[T]his Covenant is accepted as abrogating all obligations or understandings *inter se* which are inconsistent with the terms thereof, and solemnly undertake that they will not hereafter enter into any engagements inconsistent with the terms thereof. In case any Member of the League shall, before becoming a Member of the League, have undertaken any obligations inconsistent with the terms of this Covenant, it shall be the duty of such Member to take immediate steps to procure its release from such obligations.¹¹⁸

This implied that going forward the Anglo-Japanese alliance would have to be abrogated or at least modified to bring it into consistency with the Covenant.

Britain therefore faced a dilemma. Somehow the Anglo-American and Anglo-Japanese relationships would have to be adjusted outside the League to provide the basis for cooperation in China. However, any moves toward the US would isolate Japan, while any attempts to retain the alliance would arouse American antipathy.

As it searched for a solution, Britain hoped to build on the only concrete example of multilateral cooperation in China: the financial consortium. There was some reason for optimism, as between 1919 and 1920 the consortium had been restored; but in the process, the contradiction between Japan's 'special interests' in Manchuria and

¹¹⁸ See "The Covenant of the League of Nations" (1919).

the American conception of the ‘open door’ had been brought to the surface. This experience, and the constraints of the postwar order, colored Britain’s approach to resolving its dilemma—leading to the idea of replacing the alliance with a ‘tripartite concert’ with the US and Japan.

During the war, Britain, France, and Russia had tried to convince the Americans to offset Japan’s expanding financial position in China by rejoining the consortium. As outlined above, the US recognized that if it continued its unilateral lending the consortium would come to be dominated by Japanese bankers, so in 1917 it arrived at a diplomatic agreement with Japan. This ‘Lansing-Ishii note’ obtained a new Japanese enunciation of the ‘open door’ policy, but in exchange the US recognized that ‘territorial propinquity’ gave Japan ‘special interests’ in northeast China. In other words, it papered over the dispute in the short-term interest of stability, allowing Wilson to prepare the way to reenter the consortium.

Britain, France, Japan, and the US were thus able to sign a new four-power consortium agreement in May 1919; but a few months later the Japanese government sought assurances that the Lansing-Ishii arrangement would still stand in the post-Versailles international system. Ostensibly confirming the consortium agreement, they stated on 17 August that Japan’s participation was “conditional” on the understanding the consortium would not “operate to the prejudice of the special rights and interests possessed by Japan in South Manchuria and Eastern Inner Mongolia”. France agreed with the US that this violated the spirit of the consortium, as it had been designed to ensure all powers would share in underwriting any loans to China. As Secretary of State Robert Lansing told US Ambassador John Davis in London, the US was “unalterably opposed” to Japan’s reservation. Urging discretion so as not to tip his hand to the Japanese, Davis was to inquire “whether the British Government and the British group” of bankers would be open to establishing a trilateral “Consortium without Japan”.¹¹⁹

The US was effectively challenging Britain to align against their ally; and in doing so, forcing Japan to choose between isolation or compromising on its longstanding claim to geographic ‘special interests’. At that time, isolation was a major concern for the Japanese government, as it sought a way to justify its China policy in

¹¹⁹ Japanese Embassy to Department of State, 17 August 1919, *FRUS* (1919), Vol. I, 480; Lansing to Davis, 17 August 1919, *FRUS* (1919), Vol. I, 480-481.

the era of ‘new diplomacy’.¹²⁰ This concern was evident in Japan’s flailing response to the American challenge once it recognized the US was attempting to get the other consortium powers to create a unified front.

Davis notified the Foreign Office of Lansing’s position on 29 August, but he had not been discreet enough: “within hours” the Japanese had “orally informed” Britain that they “greatly desired” to participate in the consortium “with reservations affecting not so much Manchuria and Mongolia as certain districts or portions thereof.” In the end the US preferred to go ahead with an Anglo-French-American consortium than agree to this non-concession. France, however, feared the three-power consortium would alienate Japan, driving it into the arms of the Germans. The French government urged Britain to induce its ally “to enter the consortium without any reservations as to spheres of influence” as this prewar concept was “contrary to the present idea of the Allied international policy”. For Britain, this was an opportunity to put pressure on Japan to restore the ‘open door’ in Manchuria and Mongolia, as well as to create a postwar forum where the major powers investing in China could cooperate. Curzon thus assented to France’s request and began to attempt to coax Japan back into the consortium. He spoke regularly and “frankly” with the Japanese Ambassador, urging “large-minded statesmanship” and “conciliatory action” in China, while denouncing the “systematic” nature of Japan’s economic conduct.¹²¹

But throughout October, Lansing attempted to corral the erstwhile European members into a three-power bulwark against Japan’s ‘special interests’. He sent a lengthy defense of the American position to Curzon, noting the US “confidently relies upon Great Britain [to decline] the proposal for an immediate advance by the old consortium inasmuch as it would [...] create a situation in which it would be difficult for Great Britain and France to withhold Japanese pretensions in South Manchuria”. The text alludes to geographic “understandings” as instruments of the ‘old diplomacy’ represented by ‘spheres of influence’. If applied in Manchuria and Mongolia, the US was concerned this would outrage the “legitimate national feeling of China” as well as “the interests of the Powers”. On 28 October, Lansing finally replied to Japan’s August

¹²⁰ Asada (2006, 214).

¹²¹ Davis to Lansing, 29 August 1919, *FRUS* (1919), Vol. I, 481-482; Davis to Lansing, 4 September 1919, *FRUS* (1919), Vol. I, 482; Phillips to Davis, 16 September 1919, *FRUS* (1919), Vol. I, 486-487; Wallace to Lansing, 16 September 1919, *FRUS* (1919), Vol. I, 487-488; Curzon quoted in Louis (1971, 28).

attempt to attach conditions to its consortium membership. He insisted that it “would be a calamity if the adoption of the consortium were to carry with it the recognition of a doctrine of spheres of interest”, and refused to accept “a geographical reservation which would not but lend itself to implications which are foreign to [its] purposes”.¹²² By the end of October the talks had reached an *impasse*.

This presented a problem. Britain’s aim of using the consortium talks to align the major powers behind a common China policy had only exposed the distance between the US and Japanese positions. Moreover, when the US Senate refused to ratify the Versailles Treaty in November, the options for fostering international cooperation in the Far East narrowed. Britain hoped that further debate would eventually overcome the Senate’s objections and allow the US to enter the League of Nations; in the meantime, this uncertainty suggested that the Anglo-Japanese alliance would still have some utility in the postwar environment as a device to retain British influence over its ally’s China policy. Alston summarized the situation in an October 1919 memorandum to Curzon: Britain needed to maintain an *entente cordiale* with the Japanese for the purpose of stabilizing China, as it could not “afford to break away from Japan” unless it could “rely upon the constant support of the League (i.e. America)”.¹²³ But on 19 March 1920, the Senate refused to ratify the Versailles Treaty for the second time and the League ceased to be synonymous with American support. With this background, the consortium *impasse* took on a wider and more ominous significance.

When a US-Japan understanding on the consortium was reached, it was a hard bargain. Stung by its international isolation, Japan partially conceded; and faced with deadlock, the US retreated to the spirit of the Lansing-Ishii note. On 2 March 1920, after months of stalling, Japan first attempted to explain the reasons for its ‘special interests’. The essence of the Japanese argument was that, because “the regions of South Manchuria and Eastern Inner Mongolia [are] contiguous to Korea [and] stand in very close and special relation to Japan’s national defense and her economic existence”, economic issues “often involve questions vital to the safety of the country”. Therefore, “to throw open to the common activities of an international financial combination even

¹²² Lansing to Davis, 11 October 1919, *FRUS* (1919), Vol. I, 493-496; Department of State to Japanese Embassy, 28 October 1919, *FRUS* (1919), Vol. I, 497-499.

¹²³ Alston to Curzon, 7 October 1919, *DBFP*, vol. VI, No. 522; enclosed memorandum from C. Wingfield.

those enterprises in the regions of South Manchuria and Eastern Inner Mongolia” that “vitally affect the economic existence and national defense of Japan” was “no safe way of providing for the national peace and security”. In response the US argued that “there would appear to be no occasion to apprehend on the part of the Consortium any activities directed against [Japan’s] economic life or national defense”. As the reply pointed out, the security principle was “implicit in the terms” of the Lansing-Ishii note, as well as the Franco-Japanese Agreement of 1907 and the Anglo-Japanese alliance of 1911, so Tokyo could “rely upon the good faith of the US [and Britain and France] to refuse their countenance to any operation inimical to the vital interests of Japan”.¹²⁴ Similar language would reappear in the Nine-Power Treaty at the Washington Conference. But the cause of the *impasse*—whether the consortium’s geographic scope should be conditioned with political guarantees—remained.

Partially reassured by the American response, Japan offered a concession: instead of geographically defining its ‘special interests’, it requested instead to keep specific railway investments outside the consortium. Curzon told Sir Beilby Alston, the British chargé d’affaires in Tokyo, that if the Americans and French could agree to the circumscribed Japanese claims he was willing to offer British assurances that these ‘special interests’ would be respected. His diplomats in Beijing considered such an assurance to be “far preferable politically and less objectionable” to China than the demands of October 1919. The new British Ambassador to Japan, Sir Charles Eliot, confirmed that this assurance had been accepted by the Japanese government on 16 April 1920. But that same day, Permanent Under-Secretary of State for Foreign Affairs Lord Hardinge wired Alston (who had just been transferred to Beijing) to tell him that there would be a delay. The British government, acquiescing to American pressure, had decided to await Washington’s decision before officially acknowledging that the railway could be kept outside the consortium.¹²⁵

The US still resisted any government recognition of Japan’s ‘special interests’ no matter how circumscribed; it was, however, “prepared to agree to the terms of the compromise proposed by Mr. Lamont in Tokyo”. Thomas Lamont, a banker and partner

¹²⁴ Japanese Embassy to Department of State, 2 March 1920, *FRUS* (1920), Vol. I, 500-503; Department of State to Japanese Embassy, 16 March 1920, *FRUS* (1920), Vol. I, 512-513.

¹²⁵ Curzon to Alston, 3 April 1920, *DBFP*, Vol. XIV, No. 1; Lampson to Curzon, 5 April 1920, *DBFP*, Vol. XIV, No. 2; Eliot to Curzon, 1 April 1920, *DBFP*, Vol. VI, No. 803; Hardinge to Eliot, 16 April 1920, *DBFP*, Vol. XIV, No. 10.

at JP Morgan, had been instrumental in setting up the consortium, and to break the *impasse* he offered assurances as a private financier to respect Japan's 'special interest' in the railways as a substitute for any formal political assurance from his government. The US simultaneously threatened to withdraw American "financial assistance" if Japan continued to press for official recognition.¹²⁶ With this, Japan dropped its protest, claiming they were "inspired by no other desire than to make an appeal to the spirit of general cooperation which forms the foundation of the Consortium". Just to be sure the private nature of Lamont's assurance was understood, the US noted it was "deeply gratified to observe" Japan "has no intention of insisting upon the explicit assurance or consent of the [US] Government".¹²⁷ It was an important distinction: unlike the Lansing-Ishii note, which was a formal diplomatic commitment, all Japan received was a promise from the leading figure in the American consortium group.

The four-power consortium was restored. But the whole episode foreshadowed the Nine-Power Treaty negotiations, while also harkening back to the mixture of 'open door' and 'sphere of influence' principles that defined the prewar diplomatic structure. In light of the tense diplomacy over Japan's 'special interests' in China, it was unclear whether the new consortium agreement could form a preliminary step towards the reinvigoration of the 'open door' and the fostering of cooperative relations among the powers. If anything, the negotiations revealed the gulf between the American and Japanese governments on China policy, demonstrating how difficult it would be for Britain to bring them together. They also led Britain to rethink its position between Japan and the US: bilateral relations with both powers would need to be adjusted to avoid future *impasses* and establish a new Far Eastern equilibrium.

Unfortunately in 1920 there was no setting in which such a readjustment could occur. But this challenge also presented an opportunity; in fact, the US failure to enter the League of Nations would indirectly set the stage for the Washington Conference in three ways. First, since Britain could no longer expect the League to become a venue for international cooperation, after the consortium negotiations were completed Curzon and the Foreign Office began investigating the feasibility of another approach: whether the

¹²⁶ Japanese Embassy to Department of State, 3 April 1920, *FRUS* (1920), Vol. I, 523-526; Department of State to Japanese Embassy, 29 April 1920, *FRUS* (1920), Vol. I, 526-529.

¹²⁷ Japanese Embassy to Department of State, 8 May 1920, *FRUS* (1920), Vol. I, 539-541; Department of State to Japanese Embassy, 8 May 1920, *FRUS* (1920), Vol. I, 541.

Anglo-Japanese alliance could be expanded into a ‘tripartite concert’ including the US, extending to security relations what the consortium sought to achieve for financial cooperation. The next section will focus on the evolution of this approach to harmonize the Anglo-American and Anglo-Japanese relationships and thereby bridge the US-Japan divide.

Second, to this end there were other avenues for Britain to pursue that were potentially more workable than the League machinery. Conference diplomacy, in which the major powers could meet in a multilateral setting and adjust their policies, was actually Britain’s preferred method for transforming the modes of international politics after the peace. As British cabinet secretary Sir Maurice Hankey observed, ‘diplomacy by conference’ evolved from the wartime meetings between the principal ministers of the Allied Powers, and over the course of 1915 these meetings became formalized and produced concrete results. Hankey would recall in 1920 that “in a single day’s conference more was accomplished to bring about unity of policy than could have been effected in weeks of inter-communication by ordinary diplomatic methods”. Moreover, Prime Minister David Lloyd George was an “enthusiastic advocate of the principle of diplomacy by conference”, and he credited the victory over the Central Powers in part to the allies’ ability to align their military as well as economic policies at frequently held meetings. Thus this “machinery which had stood the test of war inevitably became the nucleus of the [Paris] Peace Conference”. There, the Council of Four—the leaders of Britain, France, Italy, and the US, sometimes accompanied by the Japanese representative—extended the wartime conference system to craft the terms of what would become the Versailles Treaty.¹²⁸

Beyond the peace, Lloyd George looked favorably on the idea of a great-power council to manage international affairs. For instance, as part of Britain’s preparations for the Paris talks in December 1918, the Imperial War Cabinet had endorsed the idea of an international “concert” among the allied powers. Lloyd George described this alternative to the League not as “a body with executive power”, but rather “a body whose authority rested with the governments” and where meetings between world leaders could make “all the difference in international relations”. In short, the British preference was for a concert of great powers—the wartime allies—committed to a

¹²⁸ Hankey (1946, 15, 18, 26).

minimalist conception of multilateral obligations, such as a requirement to hold conferences to settle disputes before resorting to force, and charged simply with coordinating their policies, facilitating economic reconstruction, and developing sustainable regimes for international exchange.¹²⁹ This ‘concert’ idea had only been abandoned due to Wilson’s commitment to the League, but conference diplomacy had been used to negotiate the Turkish Treaty in 1920. In this context, it presented another option for facilitating postwar cooperation in the Far East.

Third, the League had also been expected to debate arms reduction in order to reduce international suspicions and the pressure on postwar budgets. At the signing of the Versailles Treaty, with America and Japan ascendant in the economic and naval arenas, and the need for financial retrenchment and imperial consolidation weighing on London, it was hoped the League would soon provide a forum for the reduction of naval expenditure. But as Lloyd George had argued in 1918, this might be easier to accomplish in a great-power concert, and he even envisioned a conference system merging the objectives of postwar disarmament and dispute resolution.¹³⁰

The most immediate challenge was the emerging US-Japan naval arms race and the effect this would have on Britain. The US Naval Act of 1916 called for a vast expansion of shipbuilding to surpass any other power, and with the decline in US-Japan relations, the policy was preserved into the postwar period. This not only heightened Japanese suspicions, leading to its own naval construction program, it threatened to outpace the Royal Navy since postwar economic constraints prevented Britain from competing with the Pacific powers. Avoiding this scenario would require accepting that the traditional British naval policy, underpinned by the ‘two-power standard’ (wherein the British fleet would be larger than the combined strength of the world’s second and third biggest fleets), was outdated and needed to be abandoned. With the US absent from the League structure, Lloyd George wondered whether institutionalized great-power conferences could merge the ‘new diplomacy’ with Britain’s longstanding security traditions—dominance on the high seas and the arbiter of the power balance in Europe—and in doing so perhaps create a platform for Anglo-American cooperation.¹³¹

¹²⁹ Imperial War Cabinet, 24 December 1918, CAB 23/42.

¹³⁰ Imperial War Cabinet, 24 December 1918, CAB 23/42.

¹³¹ Egerton (1991, 48-50); Goldstein (1994, 28-30).

‘Diplomacy by conference’ might need to be revived in the interests of stabilizing the Far East, as there were serious challenges on the horizon. The tense consortium negotiations brought the conflict between ‘spheres of influence’ and the ‘open door’ to the surface, highlighted the seemingly incompatible Japanese and American visions for the region, and suggested the subtle relationship between the two principles that had defined the prewar China treaties could no longer be sustained. But this US-Japan divide had implications beyond China. By early 1920, bilateral tensions presented the new order with a deteriorating strategic situation in the Pacific Ocean. Britain was fearful the next great war would begin in Asia, pitting its longtime ally against its ideal postwar partner.

Sooner or later, before a naval arms race or tensions over China put the US and Japan on an unstoppable spiral toward war, Britain would have to choose. Yet it would be costly to either abandon Japan or alienate America. It would be far more desirable to extend the consortium framework to a multilateral platform where, in pursuit of a wider regional equilibrium, the Anglo-American postwar political alignment and the Anglo-Japanese strategic partnership could be reconciled. The question was whether such a forum could be found before rivalry in the Pacific triggered a disastrous conflict, one that the British position in the Far East was unlikely to survive intact.

2.4 Britain between Japan and America, 1920-1921

The US-Japan divide undermined British Far Eastern policy by limiting the range of stable diplomatic arrangements available to the three powers. While the prospects for a naval arms race were compounded by disagreements over China policy and the uncertain status of the Anglo-Japanese alliance in the postwar order, the roots of the various problems preventing regional cooperation had been planted twenty years earlier. Over the course of 1920 and early 1921, it became clear that these seemingly disparate issues—China’s political and economic weakness, Japan’s challenge to the ‘open door’, and naval rivalry in the Pacific—were interconnected and could not be resolved independently.

The Washington treaties disentangled these issues, a fact that somewhat obscures their inherent linkage. This is not the case when one examines the diplomacy

leading up to the Conference. Crucially, the political side of the Washington Conference, addressing the alliance and the various issues facing the ‘open door’ in China (including the customs tariff and Shandong settlement), was not part of the original American vision for naval arms reduction. Although the naval side was conceived by the US, the political side was attached to the Conference following months of British internal debates and diplomatic probing. These efforts, which can be traced back over a year before the Conference opened, had one overarching objective: Anglo-American-Japanese cooperation in China and the Pacific. The connection between naval arms reduction, the alliance, and the ‘open door’ in China was that none could be discussed in isolation, as China’s weakness created the political conditions for the alliance, which in turn contributed to the strategic context for US-Japan naval rivalry.

In short, the Washington Conference was not arranged solely by the US: its two ‘sides’ came together between 1920 and 1921 in large part due to British diplomacy aiming to reach an overall settlement on the major issues preventing regional cooperation. Britain saw trilateral cooperation across all issue areas as the best-case scenario, as this would support its overarching postwar strategy of cooperating with the Americans to manage global challenges. Moreover, there was an element of time pressure forcing a decision on British Far Eastern policy. Because the future of the alliance was constrained by the terms of the League Covenant, Britain and Japan had to notify the League of their intentions in advance of its scheduled expiry or renewal in 1921. By the Imperial Conference that year Britain had settled on a strategy of merging the Anglo-American and Anglo-Japanese relationships into a ‘tripartite concert’, and as this section will show, British diplomacy shaped the contours of the Four-Power and Nine-Power treaties before talks even began in Washington.

2.4.1 The dilemma: Alignment with America or alliance with Japan

Bridging the US-Japan divide was not a straightforward task. Curzon and the Foreign Office had been searching for a way to cooperate with both powers, but Britain’s relations with one tended to harm its relations with the other. However, by February 1920 a path forward began to unexpectedly emerge from these contradictions—one that

would allow Curzon to pursue a pivot strategy aimed at bringing the US into a ‘tripartite concert’ replacing the alliance.

The alliance’s ten-year term was due to end on 13 July 1921, and Britain was tempted either to allow it to expire or else adapt it to comply with the League Covenant. In a Foreign Office memorandum of 21 January 1920, the status of the alliance was clarified: “unless either party shall have notified [the League] of its intention of terminating [the alliance, it] shall remain binding until [...] one year from the day on which either [ally] shall have denounced it”. This imposed a deadline of 13 July 1920 for the allies to declare their intent. Curzon fully realized “the necessity of avoiding any danger” of Anglo-American “misunderstandings”, and sought to reinforce to the US “the difficulty for Great Britain [to conduct] a policy in the Far East in harmony with both the United States and Japan”.¹³² But without US League membership, it was unclear how to facilitate Anglo-American-Japanese cooperation. The alliance therefore seemed to offer the safest route to securing Britain’s China interests.

Still, if the alliance were to persist, Curzon recognized that some change in the agreement would eventually have to be made. There were two issues with the alliance agreement as it stood: one legal and one political. Legally, the Covenant’s Article 20 meant that Britain had to move away from exclusive military alliances, mutual recognition agreements, and regional understandings in the Far East and elsewhere. Politically, with the US out of the League and its future policy unclear, Anglo-Japanese relations had to be sustained to secure British interests in China.¹³³ H.G. Parlett, a Counsellor at the British Embassy in Tokyo, put the dilemma starkly: “Unless we have a very definite promise of American co-operation & support we cannot afford to leave Japan isolated & thus potentially an enemy”. Curzon agreed. The Foreign Secretary noted his fears that if the League forced the two allies to abandon their warm relations, Japan would seek out new partners to balance against an Anglo-American front, arguing: “it would be well to provide a counter-acting influence by continuing the Japanese Alliance with such modifications as may be required in order to comply with the spirit of the [League] Covenant”.¹³⁴

¹³² Foreign Office memorandum, 21 January 1920, *DBFP*, Vol. VI, No. 789, fn.1.

¹³³ Kajima (1980, 421).

¹³⁴ Parlett’s comment on memorandum by Ashton-Gwatkin, 23 March 1920, *DBFP*, Vol. VI, No. 789, fn. 1; Foreign Office memorandum, 21 January 1920, *DBFP*, Vol. VI, No. 789, fn.1.

On 18 February 1920, Herbert Malkin, assistant legal adviser at the Foreign Office, sent Curzon a memorandum on how to reshape the alliance in light of the Covenant's Article 20. He noted that a defensive alliance "does not appear to be necessarily inconsistent with the provisions of the Covenant"; and although certain aspects of the 1911 treaty were out of date, Malkin advised that, should the alliance be renewed, the new treaty should clearly state two points. First, Britain and Japan, as League members, would "fully intend to carry out the provisions of the Covenant", and second, their renewed alliance would serve only as a "sort of re-insurance in the case of the Covenant failing to prevent a rupture".¹³⁵ This framing recalls Salisbury's 'insurance policy' in case the 'open door' broke down during the scramble of 1898, this time using the alliance as a stopgap should the League be unable to enforce collective security.

Curzon would use Malkin's advice to devise a diplomatic strategy aimed at preserving the alliance as well as incentivizing Anglo-American cooperation in the Far East. The time pressure imposed by the alliance's looming expiry in June 1921 was a key motivating factor for active British diplomacy to ameliorate tensions between its ally and preferred international partner.¹³⁶ Another factor was the need to protect British interests and sustain the 'open door', to which Japan was now the main threat, causing the existence of the alliance to alienate the new China from Britain. On 28 February, C.H. Bentinck of the Foreign Office's Far Eastern department wrote a lengthy memorandum on the effect of the Anglo-Japanese alliance on Britain's relations with the US and China. He stated the situation plainly: "Generally speaking the interests of Great Britain and the United States of America in China are similar, whereas they are often in conflict with those of Japan". Building on this fact, he made two observations. First, despite their "similarity of interests", securing an Anglo-American "working agreement" in China would be of "extreme difficulty"; however if Britain were "able to count with certainty upon the active co-operation of the United States, the need for an alliance with Japan would not be apparent". Second, Bentinck noted that one object of the alliance had been "the defence of China"; Japan, however, "apparently desires to retain a disunited and feeble China where she can fish in troubled waters. It is in the interests of Great Britain that China should be united and strong enough to hold her own

¹³⁵ "Memorandum by Mr Malkin on the Anglo-Japanese Alliance as affected by the Covenant of the League of Nations," 18 February 1920, *DBFP*, Vol. VI, No. 744.

¹³⁶ Nish (1972); Goldstein (1994).

against aggression".¹³⁷ Combined, these factors exerted profound pressure on Curzon to recast Britain's relations with the US, Japan, and China before June 1921.

At the end of March 1920, Curzon forwarded Malkin's legal advice to Ambassador Eliot in Tokyo with instructions to consider its implications but refrain from revealing the policy to Japanese officials. The Foreign Secretary was looking for a way to at least preserve the alliance within the League and he anticipated the Japanese would approach Britain first. Meanwhile, the Americans had been hearing rumors for months about a possible alliance renewal, which was highly unpopular. The British Ambassador in Washington, Auckland Geddes, warned Curzon in April about how risky not only "an eventual decision to renew the Alliance" would be, but also "the neglect of an opportunity to terminate it". Failure to do so would heighten anti-British sentiments and ruin any prospect for the League to be reconsidered after the 1920 US election. But if US League membership proved elusive, Geddes stressed that Britain would need to employ diplomatic finesse in order to avoid threatening Japan or damaging the last opportunity for American engagement to defend the 'open door' in China. Accordingly, Britain and Japan should "agree to issue a joint declaration that the definite renewal of the alliance was deferred to allow the establishment of the League on a basis so firm as to render it superfluous", or, echoing Malkin's advice, "at most necessary as a kind of re-insurance against a breakdown in the machinery of the League".¹³⁸

Geddes' suggestion goes to the heart of the British dilemma between the conferences at Paris and Washington. If the 'new diplomacy' malfunctioned, could an 'old diplomacy' great-power instrument, embedded into its architecture, act as a safety mechanism? The Malkin memo seemed to provide the legal basis for such an arrangement.

As events would prove, Geddes' fears were not unwarranted. On 10 May, US Ambassador Davis received a concerned message from Washington noting that despite the formation of the League it "seemed likely" that Britain and Japan would renew their alliance. Nevertheless Secretary of State Colby was "hopeful" Britain would "insist upon including in the terms of the Alliance such provisions as shall safeguard the

¹³⁷ "Foreign Office memorandum on effect of Anglo-Japanese Alliance upon foreign relationships," 28 February 1920, *DBFP*, Vol. VI, No. 761.

¹³⁸ Curzon to Eliot, 31 March 1920, *DBFP*, Vol. VI, No. 744; Geddes to Curzon, 30 April 1920, *DBFP*, Vol. XIV, No. 24.

principle of equal opportunity in China and the rights of China more effectively”; furthermore, he was optimistic these new terms would also clearly state that the alliance was “not aimed at America”. Davis was instructed that, if the alliance’s role could be transformed in this way, he should hint that the US would lend Britain assistance in checking Japan. Although he did not “consider this an appropriate or opportune time to take this matter up officially”, Colby asked Davis whether “it would be practical” to suggest to the British in an “unofficial and personal manner that [such a change] would be a great aid to Anglo-American cooperation in the Far East and be very pleasing to American public opinion”. Interestingly, Colby also suggested the allies incorporate a clause employing the language of the ‘open door’ taken from the Lansing-Ishii note into the preamble of any renegotiated treaty. Davis, after advancing the Secretary’s idea to Foreign Office officials, replied that he had been given an assurance the suggestions would be fully considered and, if the alliance were to be renegotiated in order to bring it into line with the Covenant, it would be made “quite clear” that the US would not be its target.¹³⁹

Curzon, cognizant of the American feeler on alliance renewal, sensed that there was an advantage to being situated between the US and Japan after all. Like Britain itself, the US was willing to countenance the alliance’s persistence as long as its *raison d’être* could be refashioned into a harmless force that brought the ‘new diplomacy’ into Asia—in other words, an instrument to contain Japan and defend the ‘open door’ in China while leaving the US unthreatened. But now that the US was almost certainly not going to enter the League, its leverage for abrogating the alliance was reduced. In this environment, it appeared that the American request to render the alliance compatible with the ‘open door’ and direct it away from its own Pacific interests could coincide with Curzon’s ideal of an Anglo-American-Japanese “tripartite understanding in the Far East”. As Victor Wellesley of the Foreign Office’s Far Eastern department argued in a 1 June memorandum: “The closer our co-operation with America, the wider the open door”. Because the general ‘open door’ principles “upon which the Anglo-Japanese Alliance ostensibly rests accord with the policy pursued by the United States in China”, if the agreement were adjusted to fit the Covenant “so that all pledges of armed assistance disappear” it would “help make American adhesion to a purely self-denying

¹³⁹ Polk to Davis, 10 May 1920, and Davis to Polk, 7 June 1920, *FRUS* (1920), Vol. II, Nos. 471 and 900.

ordinance all the easier".¹⁴⁰ The key for British strategy would be, on the one hand, to decline to state in the allies' joint declaration to the League that the 1911 treaty would be automatically continued; and on the other hand, to also not declare it would be automatically abrogated in 1921. In this way, the Americans could either join with Britain and Japan, or else see the alliance renewed as an 'insurance mechanism'.

This diplomatic ploy represents the true origin of the Washington Conference. Moreover, it is worth reiterating how Wellesley already anticipated that any Anglo-American-Japanese tripartite concert would not feature military commitments. The experience of the Senate's debate over the Versailles Treaty made it abundantly clear that the US would not adhere to an international agreement that contradicted its traditional diplomatic principles. In this way, British officials understood that any tripartite agreement would need to both comport with the League Covenant and survive Senate ratification. Both factors would constrain its terms and render any prewar style alliance commitments impossible; but this would also incentivize the US to align with Britain and Japan without entering into a military pact.

On 3 June, Curzon asked Ambassador Eliot in Tokyo to approach the Japanese with the legalistic argument from the Malkin memorandum. Reframing the alliance in light of the League Covenant had the advantage of implying some midpoint where the aims of the 'new diplomacy' might be safeguarded by traditional great-power understandings. Therefore, Curzon instructed Eliot to suggest to Japanese Foreign Minister Yasuya Uchida that, before 13 July 1920, the allies should jointly inform the League that the 1911 treaty would "only be continued after July 1921 in a form which is not inconsistent with the Covenant". The key term is "not inconsistent", and what this meant under Article 20 was left deliberately unclear. A final decision could be made in the autumn, after the planned Imperial Conference and US presidential election. As Curzon observed, such a step "would put us right with the League and in the eyes of the world, and need not commit the Dominions to anything". This was important, as like the US, Australia was concerned that an Anglo-Japanese rupture would expose it to a Pacific conflict. In a similar notification to Geddes, Curzon added an assurance for the Americans. It was critical that the language of a new Anglo-Japanese agreement both neutralized any perceived threat on the part of the US as well as restrained Japan's

¹⁴⁰ "Memorandum by Mr Wellesley on Anglo-American co-operation in the Far East," 1 June 1920, *DBFP*, Vol. XIV, No. 40.

freedom of action in China. Curzon thought this carefully worded Anglo-Japanese joint notification to the League would “appear to meet the difficulty” noted by Geddes on 30 April (regarding the balancing act between America and Japan on alliance renewal) and “be preferable to anticipating in any way a breakdown in the machinery of the League”.¹⁴¹

The drafting process for the League notification reveals Britain and Japan operating between the ‘old diplomacy’ and the ‘new’. On 8 June, Eliot gave Uchida a document that closely echoed the Malkin memo and Curzon’s preferred language, providing “all assurances which [the] League can require”:

[The Japanese and British governments] have come to the conclusion that the Treaty of Alliance [...] though in harmony with the spirit of the Covenant [...] is not entirely consistent with the letter of that Covenant, which both Governments earnestly desire to respect. [They therefore jointly] inform the League that they recognize the principle that said treaty *can only* be continued after July 1921 in a form which is not inconsistent with that Covenant.

Uchida was opposed to inserting “any phrase implying that perhaps [the alliance] will not be renewed in any form”, but he agreed to send it up the chain of command.¹⁴² Curzon approved the draft on 17 June and the Japanese Cabinet followed six days later. The negotiations then moved to London.

Japanese Ambassador Sutemi Chinda reported to Curzon on 22 June that his government hoped to add a line noting that “both Japan and Britain desired in principle to have the Alliance continued”.¹⁴³ This would imply that the Anglo-Japanese treaty was naturally moving toward another decade were it not for the artificial obstacles imposed by the Covenant. Instead, Curzon shifted to a more ambiguous middle ground. For months he had avoided making an explicit commitment on the future of the alliance. In fact, the value of notifying the League of the alliance’s status in the first place was to prepare the ground for folding Anglo-Japanese security relations into a new framework that could include the US. Leaving the future of the alliance implicit meant that in the

¹⁴¹ Curzon to Eliot, 3 June 1920, *DBFP*, Vol. XIV, No. 41; Curzon to Geddes, 3 June 1920, *DBFP*, Vol. XIV, No. 42.

¹⁴² Eliot to Curzon, 8 June 1920, *DBFP*, Vol. XIV, No. 46; Eliot to Curzon, 8 June 1920, *DBFP*, Vol. XIV, No. 45 (emphasis added).

¹⁴³ Quoted in Kajima (1980, 425). See also Eliot to Curzon, 22 June 1920, *DBFP*, Vol. XIV, No. 55.

final draft, both the Japanese and the Americans (and Dominions) would be reassured by the idea of it evolving into an appendage of a future League-based security arrangement for the Far East. Thus Curzon only agreed with the following nuanced language: “*if* the said Agreement be continued after July 1921, *it must be* in a form which is not inconsistent with the Covenant”.¹⁴⁴

Meanwhile, the American Embassy in Tokyo was paying close attention to Japanese sentiment. In a survey of the press, the chargé d'affaires wrote to Washington that although the general consensus in Japan was to keep the alliance, there was a sense that the changed international environment rendered it of “little material value”. Germany and Russia had been removed as strategic actors in Far Eastern affairs, and the alliance could not be activated against the US, Japan’s chief postwar antagonist. But significant apprehension remained that if the alliance were renewed, Britain would introduce additional changes “for the benefit of British colonies and America”. Most importantly, there was also talk in Japan of “enlarging the Anglo-Japanese Alliance to include America” suggesting that “a new international agreement embodying the spirit of the Hay Declaration, the Root-Takahira and Ishii-Lansing Agreements and the Franco-Japanese Agreement” might be possible. Although this was seen as less effective than “an offensive and defensive alliance”, it “might be better than an emasculated alliance between Great Britain and Japan without the participation of America”.¹⁴⁵ In this sense, Curzon’s hedge was proving successful: he was keeping the alliance open to spur a possible *rapprochement* with the US outside the League, while also nudging Japan closer to his ideal tripartite arrangement.

Britain and Japan thus began the process of converting the Anglo-Japanese alliance into something compatible with the Covenant. On 8 July 1920, they jointly notified the League, using Curzon’s wording, that the alliance “though in harmony with the spirit of the Covenant” was not “entirely consistent with the letter”.¹⁴⁶ In other words, their current treaty would neither automatically expire nor be renewed. As shown below, in 1921 it would become apparent that the two allies had different interpretations

¹⁴⁴ League of Nations Journal, No. 5, 8 July 1920, 252-253 (emphasis added). In Hardinge to Japanese Chargé d’Affaires, 9 July 1920, *DBFP*, Vol. XIV, No. 65.

¹⁴⁵ Bell to Polk, 11 June 1920, *FRUS* (1920), Vol. II, No. 590; Foreign Office memorandum, “A Tripartite Agreement,” 10 October 1921, FO 412/118, Annex K.

¹⁴⁶ Eliot to Curzon, 8 June 1920, *DBFP*, Vol. XIV, No. 45.

of this statement; but Britain had bought at least a year to discuss the particulars and find a way to escape its dilemma between the US and Japan.

2.4.2 The road to Washington: Naval and Far Eastern questions

Between mid-1920 and mid-1921 the British government became increasingly aware of the linkage between the different aspects of the ‘Far Eastern question’. The future of the Anglo-Japanese alliance was not an issue that could be considered in isolation, as it was fundamentally related to two additional factors: offsetting the Royal Navy’s strategic responsibilities in the Far East, and committing Japan to upholding the ‘open door’ in China. Moreover, naval rivalry between Japan and the US in the Pacific had been exacerbated by political disputes over the ‘open door’, as revealed in the consortium talks. If it continued, Britain could not afford to uphold its ‘two-power standard’ and match the projected combined expansion of the American and Japanese fleets.

In this context, the seeds of the Washington Conference began germinating in the summer of 1920, and over the next year British policy respecting the future of the alliance would merge with the US desire to hold a conference on naval arms limitation, as well as the need to address the Chinese tariff. Both the alliance and the tariff would require definite answers by 1921—an element of time pressure that dovetailed with the new Harding Administration’s interest in reducing naval armaments. It became apparent during this period that the best way to solve all these issues was to revive ‘diplomacy by conference’ as a means to facilitate an across-the-board settlement.

The issues were, after all, interconnected, and British records indicate this linkage was understood as early as July 1920. As Alston travelled from Tokyo through Washington on his way back to London that month, he gathered an impression of rising US-Japan naval tensions that he thought might provide a motivating factor for advancing the larger program of Anglo-American cooperation. During a dinner with Secretary of State Colby, Ambassador Davis, and US Ambassador to Japan Morris, Alston suggested “the only satisfactory solution of the Far Eastern problem” was “a clear understanding and intimate cooperation” between the US and Britain. As the two nations had “almost identical” interests, this understanding “might comprise some agreement to maintain the balance of Naval Power in the Pacific [...] and at the same time some notification to China” that the powers were willing to support Beijing “in

maintaining her integrity and independence". Here, naval questions and the 'open door' in China are brought together for the first time as a way to facilitate an Anglo-American alignment, and Colby "expressed his entire concurrence" with Alston's views.¹⁴⁷

In a separate memorandum, Alston to a limited extent foreshadowed the equilibrium produced by the Washington treaties:

If there is one quarter of the globe in which Anglo-American interests must be considered identical, it is the Pacific. [...] If the policies to which both Governments have committed themselves [in that region] have not been realized, the Anglo-Japanese Alliance has chiefly been to blame. The only serious menace to Anglo-American interests in the Far East today is to be found in the aggressive tendencies of Japan's policy [...]. If the Peace Treaty and League of Nations Covenant mean nothing, Japan might become a very serious menace to Great Britain and America in the Far East. [But] the knowledge that close co-operation existed between the British and American [naval] squadrons would alter the whole complexion of the Far Eastern problem. [...] And we might confidently expect [that] an Anglo-American-Japanese understanding regarding Chinese, Siberian, and Pacific questions [would as a result emerge]. It should suffice to reach a definite understanding as to the balance of naval power in the Pacific [...] and at the same time to notify China that Great Britain and the United States, if she so desired, were willing to support her in maintaining her integrity and independence and Open Door policy [...].¹⁴⁸

Although Alston's views were not yet shared by the Foreign Office, they illustrate the interlocking nature of naval, great-power, and China issues, suggesting that none could be solved in isolation.

Alston's memorandum would factor into the various debates leading up to July 1921, when the future of the alliance had to be decided. On 1 September 1920, Wellesley at the Foreign Office's Far Eastern department submitted a report offering four alliance options. The first was simply to not renew it. The second and third options

¹⁴⁷ "Memorandum by Sir B. Alston respecting conversations at Washington, July 26-27," 1 August 1920, *DBFP*, Vol. VI, No. 79.

¹⁴⁸ "Memorandum by Sir B. Alston respecting conversations at Washington, July 26-27," 1 August 1920, *DBFP*, Vol. VI, No. 79; "Memorandum by Sir B. Alston respecting suggestions for an Anglo-Saxon policy in the Far East," 1 August 1920, *DBFP*, Vol. VI, No. 80.

suggested altering the alliance to comport with the Covenant, the only difference being in the latter case to do so “in a form less in the nature of an Alliance and with the addition of an adhesion clause with a view to the ultimate participation of the US and other powers”. The final option, which Wellesley endorsed, was to renew the treaty “without an adhesion clause and aim at a parallel agreement [with the US] with a view to an eventual consolidation”. He concluded: “The only way in which Japan can hope ultimately to be able to withstand an Anglo-American combination would be by obtaining complete control of the resources of China.” If Japan were to expand its ‘sphere of influence’ from Manchuria and Shandong into the Yangtze basin and beyond, and secure control over the weakened Beijing government, the result would be a powerful Sino-Japanese juggernaut that could potentially eject Britain from the Far East. However, if Britain “were eventually to succeed in substituting a multilateral Treaty” for the alliance “Japan would find it much more difficult to pursue an active and aggressive policy”.¹⁴⁹

Ambassador Geddes, in a 15 November note to Curzon, concurred with Wellesley. Geddes was optimistic due to the Republican victory in the 1920 election, which essentially ended the debate over US entry to the League, but also opened up the possibility of resurrecting the British vision for a great-power concert. He had been speaking with the incoming Secretary of State Charles Evans Hughes and Elihu Root, both of whom would eventually become members of the US Washington Conference delegation. Geddes had “no doubt” that most “sober-minded” Americans like Root would “welcome an exchange of identic[al] notes between Britain, America, and Japan, affirming [...] adherence to the policy of the open door in China, and simultaneously the conclusion of an Anglo-American [naval] understanding”. At the same time, he briefed Curzon that the new government in Washington seemed more inclined to pursue a naval arms limitation agreement, which Britain could use as a vehicle to maneuver for the exchange of the aforementioned ‘identical notes’.¹⁵⁰

The 1920 US election took place while a Foreign Office committee was studying Wellesley’s options and recommendations. This committee, after meeting from 19 October and 30 November, released its secret report on 21 January 1921. The

¹⁴⁹ “Memorandum by Mr Wellesley respecting the Anglo-Japanese Alliance,” 1 September 1920, *DBFP*, Vol XIV, No. 97.

¹⁵⁰ Geddes to Curzon, 15 November 1920, *DBFP*, Vol. XIV, No. 162.

“unanimous conclusion” was that the alliance “should be dropped”, and “if possible, be substituted [by] a Tripartite Entente between the United States, Japan, and Great Britain, consisting [of] a declaration of general principles which can be subscribed to by all parties without the risk of embarrassing commitments”. Thus it was already understood in London that this could not be a true alliance, but rather an arrangement crafted to ensure it would survive Senate ratification. If this were to prove unworkable, the committee recommended pursuing Wellesley’s third option—the ‘insurance mechanism’ alliance should the League break down. The report highlighted the alignment of Anglo-American interests in China, namely the “principles which have hitherto formed the basis of all British policy in the Far East”. These were the traditional foundations of the ‘open door policy’: “the maintenance of peace, the security of [British] possessions and interests [...], and the preservation of the independence and integrity of China and equal opportunity for all in matters of trade and commerce”. As Britain faced “heavy naval obligations” due to the American and Japanese shipbuilding programs, the report observed that a separate naval agreement under the auspices of this ‘tripartite concert’ would “discourage, rather than encourage naval competition”. The committee also approached the question of alliance renewal “not solely as a matter affecting the Far East, but from a broader standpoint of world politics, which are dominated by [Britain’s] relations with the United States [as] the prime factor in the maintenance of order and peace throughout the world”. In sum, the report not only suggested engineering an Anglo-American-Japanese *entente* that could both support the ‘open door’ in China and allow for the reduction of naval expenditures, it also noted the linkage between the issues and presaged the Washington system with remarkable foresight.¹⁵¹

However, in the first six months of 1921 there were no expectations that a forum could be arranged where the powers could discuss these complicated and interconnected issues. By late May, the Cabinet’s consensus was that the alliance should be renewed to comport with the League Covenant unless a tripartite concert with the US could instead be substituted for it. As the alliance’s scheduled expiry date approached, Curzon recognized that the pact with Japan could not be abrogated until after some

¹⁵¹ “Report of the Anglo-Japanese Alliance Committee,” 21 January 1921, *DBFP*, Vol. XIV, No. 212.

international conference involving the US had occurred.¹⁵² With none on the horizon, Curzon met with the Japanese Ambassador in May to suggest notifying the League that the alliance would be continued until October in order to ensure there would be adequate time to discuss the subtle differences in the allies' positions. Japan had interpreted the joint declaration of July 1920 to imply that the alliance would be modified if a "new agreement" could align it to the Covenant, and if not, the "old agreement, in so far as it was consistent with Covenant, would remain in force"; whereas Britain interpreted the statement to mean that the alliance would be automatically abrogated if it were not modified before 13 July.¹⁵³ Curzon's suggestion thus extended the ambiguous strategy of the previous year, giving Britain more time to arrange a forum to address all the 'Far Eastern questions' at once.

Britain's dilemma was heightened. Geddes, reporting from Washington, warned Curzon that renewing the alliance would ruin any chances for Anglo-American cooperation. But he also began probing the US view regarding a tripartite agreement. The US was concerned with the Japanese preference for the alliance's automatic renewal; as a result, it was now more willing to come to a broader Anglo-American-Japanese understanding than it had been the previous year. Secretary Hughes had "seemed pleased" with the idea of a "declaration of policy embodied in identic[al] notes" exchanged between the three powers, as long as there was "agreement on [the] essential character of [the] declaration and practical application of [its] principles".¹⁵⁴ This was a sign in the right direction, but the question remained whether the new Republican administration would actually follow through. Compared with the alliance and its concrete treaty commitments, the British Cabinet did not think the Americans could be counted on as reliably as the Japanese.

Curzon also wanted time to discuss the alliance at the Imperial Conference in London between 20 June and 5 August. Britain's dilemma was not just between the US and Japan; the Canadian and Australian delegates to the Imperial Conference were similarly divided on the issue of alliance renewal, but were open to a new Anglo-

¹⁵² Louis (1971, 48).

¹⁵³ Eliot to Curzon, 11 June 1921, *DBFP*, Vol. XIV, No. 302; "Note from Earl Curzon to the Japanese Ambassador," 27 June 1921, *DBFP*, Vol. XIV, No. 310.

¹⁵⁴ Geddes to Curzon, 6 June 1921, *DBFP*, Vol. XIV, No. 294; Geddes to Curzon, 24 June 1921, *DBFP*, Vol. XIV, No. 307; Geddes to Curzon, 24 June 1921, *DBFP*, Vol. XIV, No. 308.

American-Japanese agreement.¹⁵⁵ In the ensuing debate, it became clear that unless a tripartite concert was negotiated at a potential Pacific conference, the alliance could not be abrogated.

The naval issue also began to be seen as the most likely way to arrange for such a forum. On 21 June, in his opening speech to the Imperial Conference, General Smuts called for a ‘Pacific conference’ to be held to deal with naval limitation, possibly under the auspices of the League. Across the Atlantic, the subject also was gaining traction in the US and especially in Republican circles. As the British Consul-General in New York reported, American newspapers were suggesting that continuing the alliance for one year would “enable America to call [a] conference on disarmament, which it is believed will affect the [domestic political] situation”. Geddes cautioned Curzon that the US would greet any continuation of the alliance as implicit support for Japan’s policy in China, but he also echoed the Consul-General’s suggestion that a disarmament conference would provide a better forum for pursuing trilateral cooperation. The Ambassador noted: “Within the last few days opinion on the subject of naval disarmament has tended to crystallize round the termination of [the] Anglo-Japanese Alliance”, but should this prove infeasible, the “possible outlines” for a “tripartite declaration of common policy in the Pacific” were “vaguely in [the US government’s] mind”.¹⁵⁶

The final word on the alliance came on 30 June, when Lord Birkenhead, the Lord Chancellor, issued a judgement that Britain’s view was in line with that of Japan—the alliance would not be automatically abrogated on 13 July. The US response was mixed. Hughes did not appreciate press rumors that London was secretly planning for Washington to join the Anglo-Japanese alliance. Naval arms reduction, however, was more popular; and since Hughes’ discussion with Geddes, the issue began to be tied to the alliance’s future status. Moreover, such a tripartite declaration, Geddes advised, could not be limited to the alliance and naval armaments. Both issues were inextricably linked to the ‘open door’ in China, and thus any declaration would have to include guarantees for Chinese ‘territorial and administrative integrity’.¹⁵⁷ All had to be dealt

¹⁵⁵ Vinson (1962).

¹⁵⁶ Curzon to Eliot, 8 July 1921, *DBFP*, Vol. XIV, No. 328; Armstrong to Curzon, 6 July 1921, *DBFP*, Vol. XIV, No. 324; Geddes to Curzon, 7 July 1921, *DBFP*, Vol. XIV, No. 326.

¹⁵⁷ Geddes to Curzon, 7 July 1921, *DBFP*, Vol. XIV, No. 326.

with simultaneously, or the chances of crafting a stable diplomatic equilibrium would be minimal.

In summer 1921, before the Washington Conference had been scheduled, Britain already saw the various issues as interlocking. Although naval arms reduction was essential to reducing the postwar budget, it was completely intertwined with the future of the alliance and ‘open door’ in China, and could not be resolved without first securing a declaration of a common Anglo-American-Japanese policy for the region.¹⁵⁸ Furthermore, China would have to be invited to any future conference addressing these concerns—it could not be trilateral—even though this introduced another complication. As both Shandong and the demand for tariff autonomy would undoubtably be on the Chinese agenda, if an across-the-board settlement including these questions remained elusive it risked impacting the more important alliance and naval talks.

This is the background for the Washington Conference. When Curzon realized the US was considering calling a naval conference, he used the opportunity to suggest a parallel meeting on the political issues that had inhibited cooperation over the preceding two decades. Curzon’s strategy was initiated on 28 June, when the US Ambassador to Britain, George Harvey, called on him to discuss the difficult alliance issues that were arising at the Imperial Conference. The moment Curzon had anticipated came when the US suggested that “it might be desirable” to discuss naval strength in the Pacific with Britain and Japan. He inquired into whether Harvey “thought this covered the whole of the ground” or whether it “might not be possible to contemplate an investigation in which the whole future fortunes of the Pacific, political and economic, as well as military and naval”, were “passed under review” to arrive at “some constructive policy for the future”.¹⁵⁹ The American Ambassador responded enthusiastically. But Harvey’s diplomacy during the summer of 1921 is notorious for having caused many unnecessary misunderstandings—he had a tendency to go beyond his instructions from Washington and also to send dangerously inaccurate reports of his meetings with Curzon and other British officials. Here it is only necessary to observe briefly that his unprofessional diplomacy (he was, in fact, a career journalist) generated an impression in Washington that Britain was attempting to hijack the talks on naval limitation to force the US into an

¹⁵⁸ Louis (1971, 84-85).

¹⁵⁹ Curzon to Geddes, 29 June 1921, *DBFP*, Vol. XIV, No. 313.

understanding with Japan.¹⁶⁰ What is more relevant is that unfounded US fears of Britain usurping its initiative led to a rapid series of events that ended with an official American invitation to a conference in Washington.

Curzon was unaware of these US suspicions when—relying on Harvey’s assurances and enthusiasm—he began reaching out to Japan and China with General Smuts’ proposal from the Imperial Conference. On 4 July, he met separately with Chinese Minister Wellington Koo and Japanese Ambassador Gonsuke Hayashi to gauge their reaction to Smuts’ ‘Pacific conference’ idea. Koo thought that the fact that China would be invited to a prestigious conference with the great powers could help stabilize the weak and embattled Beijing government, and Curzon left the meeting with the sense that China would be grateful for the opportunity. In his discussions with Hayashi, the Foreign Secretary went into greater detail:

Our idea was to propose to the American Government the summoning at an early date [of] an international conference [...] at which should be represented America, Japan, Great Britain, and China and the British Dominions [and possibly] other Powers [...] such as France.

A limit on the number of powers attending the proposed conference was necessary due to the large scope of the agenda. Hayashi thought China “would be the most difficult problem for the conference”, but promised to forward Curzon’s proposal to Tokyo. To this Curzon gave a telling response that captures the advantages of a combined disarmament and Far Eastern conference: “We could not escape discussing [China] sooner or later, and, if [the] proposed conference covered the wide area I anticipated, it might be desirable that these questions be taken in hand”.¹⁶¹

It seemed the ground had been prepared for Britain to reach out to the US, via the American Ambassador. On 5 July, Curzon met with Harvey and told him: “the idea of a conference had found universal favor” and that the other powers had assented to the British “inviting the American Government to summon such a conference at no distant date”. As far as the agenda was concerned, Curzon suggested there should be two dimensions. First, it was necessary to come to an agreement among “all parties concerned, which would ensure peace of the Pacific for many years to come”—in other

¹⁶⁰ Buckley (1970); Goldstein (1994).

¹⁶¹ Curzon to Alston, 8 July 1921, *DBFP*, Vol. XIV, No. 327; Curzon to Eliot, 8 July 1921, *DBFP*, Vol. XIV, No. 328.

words, some type of multilateral declaration of common policy respecting naval armaments and security questions. Second, “we must agree about the future of China”. He closed with a “formal suggestion” that the US call a conference in the autumn or winter of 1921, later telling Harvey that “no time” should be lost. Hughes responded on 8 July by directing Harvey to “informally” ascertain whether Britain would accept an invitation to “participate in a conference on limitation of armament [...] to be held in Washington”. Similar messages were wired to the US Ambassadors to Paris, Tokyo, and Rome.¹⁶² Now there was a forum for the powers to recast their relations in the Far East.

The next chapter will examine the Anglo-American diplomacy that resulted in a joint naval and Far Eastern conference, but before closing it is necessary to turn briefly back to the tariff issue. As Curzon put it, the powers would have to agree about China’s future for the naval and security questions to be solved in a durable way—and crucially, this agreement could not be made among the powers alone; it would also need to be accepted by the new China. To this end, Britain had been engaged in negotiations with the Beijing government regarding an increase in Chinese revenue at the same time as it was searching for solution to the Anglo-Japanese alliance dilemma. The timing of the alliance’s expiry coincided with the promised 1921 recalculation of the Chinese tariff rate to an ‘effective 5%’, as promised in 1918, and Britain was aware the new China was bound to raise the issue of tariff autonomy. This was another problem that would require international cooperation to resolve, and like the alliance, had an element of time pressure forcing a decision by 1921.

For their part, the Beijing government, following its failure to persuade the powers to accede to the general tariff scheme in 1919, had already attempted to get Britain to reassess the tariff rate by fulfilling the terms of the Mackay Treaty. The Chinese understood that British traders in Shanghai preferred the Mackay arrangement to the ‘certificates of origin’ plan, and sought to obtain the increased tariffs promised in that treaty in exchange for removing transit taxes between China’s interior provinces. Thus on 23 February 1920, acting Foreign Minister Lu Zhengxiang—who had headed China’s delegation to the Paris Peace Conference—formally requested the

¹⁶² Curzon to Geddes, 9 July 1921, *DBFP*, Vol. XIV, No. 330; Hughes to Harvey, 8 July 1921, *FRUS* (1921), Vol. I, No. 28; Harvey to Hughes, 8 July 1921, *FRUS* (1921), Vol. I, No. 29.

implementation of the Mackay Treaty's terms: an increase of the duties on imports to 12.5% and on exports to 7.5%, in exchange for the abolition of *likin* transit taxes.¹⁶³

Jordan forwarded this request to Curzon. Having not received a reply by 2 July, Lu asked Alston, who had become Jordan's replacement, to press the issue while requesting that the price reassessment on imports scheduled for 1921 be conducted a year earlier. Prices were again on the rise, and China was failing to collect the effective 5% tariff. One can sense some financial desperation in China's attempt to advance three proposals—to reexamine the effective 5% rate in 1920; to raise rates and abolish *likin*; and to establish certificates of origin—all at the same time. Apparently China hoped it could obtain some advantage by persuading Britain to opt for an immediate change in the tariff rates, but it had no leverage. Chargé d'affaires Robert Clive quickly replied to Lu that it was "unlikely" any revision could occur before 1921. On 10 November 1920, China's certificates of origin plan was again rejected, as this would involve, in Curzon's words, "a distinct derogation from British treaty rights". Yet unlike in October 1919, this rejection contained a sliver of hope for China: Curzon instructed Clive to tell Lu that "the subject should be allowed to stand over till question of tariff revision comes up for consideration" in 1921.¹⁶⁴ Now both tariff revision and a potential effective rate increase under the terms of Mackay were on the table.

As 1921 opened, Curzon began to maneuver diplomatically to get the other treaty powers to sign agreements with China that echoed the British pledge to accept increased tariffs in exchange for the abolition of *likin*. After all, Japan and the US had signed treaties similar to Mackay in 1903. Curzon's 'multilateral Mackay' plan explicitly sought to move beyond the system of periodically reassessing prices to ensure China received an effective 5% on imports; he instead wanted to formalize a new rate of 12.5% to increase Chinese revenues. This was what the traders in China wanted. The Board of Trade had advised the Foreign Office it would be simpler for British merchants to move forward with the Mackay Treaty's terms than to continue recalculating the tariff rate while paying transit taxes. Therefore, on 11 January 1921, Curzon wrote to Alston and requested that the British Minister consult the representatives of the other powers

¹⁶³ Clive to Lu, 3 July 1920, *DBFP*, Vol. XIV, No. 60.

¹⁶⁴ Clive to Lu, 3 July 1920, *DBFP*, Vol. XIV, No. 60; Curzon to Clive, 10 November 1920, in Foreign Office memorandum, "Tariff Revision in China," 10 October 1921, FO 412/118, Annex XVIII, Appendix 5.

and “ascertain whether they have been authorised to adopt a similar attitude towards the request of the Chinese Government”.¹⁶⁵

The ‘multilateral Mackay’ concept had currency, for it offered a way to temper China’s dissatisfaction regarding customs revenues and schemes for obtaining tariff autonomy. Like all of China’s treaties with ‘most-favored-nation’ clauses, the tariff rate could not be altered without the unanimous consent of the treaty powers; this is what had doomed the Anglo-American-Japanese approach of 1902-1903. But when Alston attempted to gather support in March, he realized the other powers were unwilling as a whole to consider it because the Beijing government did not appear to be in the position to abolish *likin* anytime soon. He replied to Curzon on 28 June: “I find that with the exception of my United States colleague general opinion is that in view of present political situation in China it would be premature to raise [the] question of abolition of internal taxation”. The “lack of unanimity” regarding the “suggestion of abolition of *Likin*” meant it was “inadvisable for this legation to put forward any proposals on the subject unless question is raised by the Chinese Government”.¹⁶⁶

In the meantime, however, China had issued identical notes requesting the 1921 tariff revision. The US was willing to work with the British approach, but Japan, concerned about its own postwar price fluctuations and the political instability in China, preferred to postpone discussions and substitute a temporary surtax to meet Beijing’s immediate financial needs. Alston suggested that Curzon’s reply to China should indicate that Britain was “now prepared to discuss a further revision provided that other powers are willing to do so [but] that it might be advisable to defer revision until [the internal political] situation is more normal”. On 26 July, Curzon approved this course of action. After much negotiating, China proposed a 25% surtax in line with the Japanese proposal in early November, but discussions were postponed just as the Washington Conference was opening.¹⁶⁷

Britain therefore had to address both Anglo-Japanese alliance and the Chinese tariff in 1921, while in the US the main plank of Republican foreign policy was arms limitation. It was in this environment that the proposals for the Washington Conference

¹⁶⁵ Curzon to Alston, 11 January 1921, *DBFP*, Vol. XIV, No. 200.

¹⁶⁶ Alston to Curzon, 28 June 1921, *DBFP*, Vol. XIV, No. 312.

¹⁶⁷ Alston to Curzon, 28 June 1921, *DBFP*, Vol. XIV, No. 312.

emerged. Not unlike the origins of the ‘open door’ notes, the combined political-naval conference was introduced by the Americans but based on British ideas, especially with respect to its political component.

This ‘political dimension’ to the Conference was only possible because in 1920 Britain resisted the urge to select between its traditional ally and its desired future partner, as choosing to align with one would damage British relations with the other. In doing so, the US had been incentivized to join a tripartite concert rather than see the alliance renewed, and Japan was likewise encouraged to back away from its expansionist policy in China to improve relations with both Britain and the US. These issues—ranging from the Anglo-Japanese alliance to the future of the ‘open door’ in China—were the ‘British side’ to the Washington Conference, a fact that becomes apparent in Curzon’s drive to link the issues of naval arms limitation to ‘Far Eastern questions’. In other words, rather than being subjected to an ‘American initiative’ to remake the international order, Britain had already recognized that a Pacific conference would be essential to resolve the dilemma between its alliance with Japan and alignment with the US over the ‘open door’. It would lead to the emergence of an Anglo-American-Japanese equilibrium by the end of the year.

2.5 Conclusion

The postwar challenge of naval rivalry, and the new war it threatened to trigger, provides the immediate context for the Washington Conference. But as this chapter has argued, it also created an opportunity to solve problems with a much older lineage. Britain understood that no naval arms limitation agreement would be durable unless the political issues driving tensions in the Pacific were first ameliorated: on the one hand, China’s political and economic weakness incentivized great-power competition for ‘spheres of influence’ and special privileges; on the other hand, conflicts of interest prevented the powers from cooperating to stabilize the Chinese government’s finances and internal legitimacy. This was the seemingly intractable ‘Far Eastern question’, a compounding dynamic that predated the war.

For twenty years, the British approach to curbing this spiral of competition and instability rested on embedding the ‘open door’ principle into a series of diplomatic

agreements that it hoped would facilitate international cooperation and prevent a second ‘scramble for China’. Some of these agreements were economic in character, such as the Mackay Treaty and the financial consortium. Others reflected the security dimension to the ‘open door’, including the Anglo-Japanese alliance and the mutual recognition agreements exchanged between the powers regarding their respective ‘spheres’. But the rapid transformation of the strategic environment between 1902 and 1918 undermined the elaborate diplomatic structure built around the ‘open door’ policy. As the above discussion sought to emphasize, this had a dramatic effect on Anglo-American-Japanese relations.

The three powers had initially cooperated based on a shared interest in deterring China’s partition and keeping its market open; however, over the years the US had adopted a more maximalist conception of the ‘open door’ while Japan drifted toward a policy of economic penetration in China that gave it ‘special interests’ due to ‘geographic propinquity’. The fall of the Qing Dynasty and the First World War accelerated the US-Japan divide, presenting a dilemma for British Far Eastern policy. Unless this divide was overcome and trilateral cooperation restored, it was unclear how a new diplomatic framework to support the ‘open door’ could be constructed, one that expressed a common vision for the region, cemented Anglo-American ties, and negated the need for vast fleets in the Pacific.

By 1921 Britain thought any attempt at naval arms limitation would be impossible unless it also included a trilateral diplomatic structure to support it. The Washington Conference would therefore have to address the maze of underlying political issues that had become entangled over the previous two decades and inhibited cooperation. This was not envisioned as a radical approach, as it would build off of Britain’s longstanding policy preferences and relations with the US and Japan. Yet there was one crucial difference. Rather than embed the ‘open door’ in a series of bilateral agreements, Britain now had the opportunity to facilitate a multilateral solution to the various aspects of the ‘Far Eastern question’, disentangling the old diplomatic structure and refashioning it into what was expected to be a more durable cooperative framework.

There were also unique postwar constraints on what would be possible. Traditional alliance commitments for military assistance appeared out of step with the League of Nations Covenant, as well as the views held in the US Senate, where any

agreement would need to be ratified. Defining the ‘open door’ in China would have to take into account Japan’s ‘special interests’ in Manchuria, which it saw as vital to its economic security, while also being acceptable to the new China. Most of all, a Shandong settlement would need to be negotiated that avoided the pitfalls of ‘Wilson’s compromise’ at the Paris Peace Conference. These were serious obstacles. But if ‘diplomacy by conference’ prevailed in Washington, it would not only prevent naval rivalry in the Pacific from sparking an arms race—it might even institutionalize a better method of international politics for the new era of peace.

3 The Anglo-American-Japanese equilibrium

3.1 Introduction

Secretary of State Charles Evans Hughes opened the Washington Conference with a dramatic speech announcing the US proposal for a limitation on capital ships. Delivered on 12 November 1921, three years and one day after the Armistice, his rhetoric articulated the postwar hope that wars could be prevented by limiting the armaments with which they could be fought. This radical proposal was the real ‘American initiative’, and it resonated so profoundly that it tends to overshadow the subsequent months of Conference diplomacy.

However, arms limitation represented just one of the two official Conference committees. The other, tasked with solving ‘Pacific and Far Eastern questions’, was not shaped by such a dramatic ‘American initiative’, although the Washington system literature reinforces this perception.¹⁶⁸ Chapter 2 argued that the linkage between these two aspects of the Conference agenda was simple: arresting naval rivalry in the Pacific, and the shipbuilding programs underpinning it, would not be possible unless the political issues driving regional suspicions were correspondingly settled. But the US was not in the position to assert a simple formula that could solve these intricate and interconnected questions. They could only be addressed through bargaining, a process that would hopefully reveal the relevant powers’ bottom lines, reconcile conflicts of interest, and ultimately lead to an enforceable across-the-board deal that could be ratified by their respective governments.

There were only so many ways that such a deal could be arranged so as to satisfy all the actors in a multilateral setting. For the Washington treaties to have any chance of producing a stable equilibrium in the Far East, their terms would need to be acceptable to any powers able to unilaterally defect from them in the future. But if the content of the treaties covering the various issues under discussion could produce net

¹⁶⁸ As noted in Chapter 1, this is particularly the case with Iriye (1965).

benefits, minor disagreements in one area could be acquiesced to in the wider interest of securing an overall settlement.

This raises an important distinction. The Washington Conference as a whole and the individual content of the Washington treaties are both different from the ‘Washington system’ concept. Chapter 1 has shown that historians—particularly in Japan—have used the concept in an attempt to capture the linkage between the three key Conference outcomes: a shift in Anglo-American-Japanese relations from competition to cooperation, as represented by the Four-Power Treaty; and two readjustments of the *status quo* with respect to the naval balance and China, as represented by the Five-Power Treaty on the one hand, and the Nine-Power, Chinese Customs, and Shandong treaties on the other. However, many of the complex issues dealt with in the Washington treaties are not directly relevant to the Washington system. What is relevant is how Conference diplomacy generated these three outcomes, specifically whether the treaties emerged interdependently and if they interlocked in such a way so as to be mutually reinforcing. This chapter will argue that the expected benefits of a naval treaty created an opening in which the major powers were willing to come to an agreement on the corresponding political questions.

It is worth noting at the outset how the organization of the Washington Conference influenced the three outcomes mentioned above. The main conference, marked by seven plenary sessions, essentially served as an umbrella covering several distinct sub-conferences, none of which could have taken place in the absence of the others. Moreover, as this chapter will show, a series of behind-the-scenes negotiations held between the chief British, American, and Japanese delegates during the first month of the Conference resulted in a critical mid-December equilibrium—the necessary condition for either formal committee’s success. For a conference ostensibly based on the idea of ‘open diplomacy’, it is interesting that the naval ratio, the quadruple agreement, and the initiation of the Shandong talks were all negotiated outside the formal committees without the participation of other powers. Nevertheless, it is difficult to see how the Conference could have produced the results it did without recognizing the role of these organizational and procedural characteristics.

Because the Washington treaties were designed to cover distinct issue areas, the literature on the Conference—as well as the British archival materials—tends to take

these treaties as given in order to analyze the negotiations that produced them individually. Such an approach is useful in terms of crafting a narrative for a conference that covered wide-ranging issues. But in doing so the literature overlooks how, in the initial Anglo-American-Japanese discussions held outside the formal committees, several important choices were made to disentangle the issues from each other. This obscures the linkage between the treaties, and as a consequence, how they were designed to reinforce one another and recast the diplomatic structure of the Far East.

The discussion below resists assessing the treaties individually; rather, it takes a sequential approach not found in the extant literature to show how the centerpiece of the Washington system emerged through bargaining. Crucially, because the various aspects of the ‘Far Eastern question’ were deeply intertwined, the form the final treaties would take—the number of powers involved as well as their content—was unknown when the Conference opened. As this chapter will argue, process of separating these issues in the first month of the Conference and rearranging them was what created the Washington system, a process in which Britain played a major role as a mediator between the American and Japanese delegates. After the Anglo-American-Japanese equilibrium emerged in mid-December, naval and China issues were dealt with separately and no longer interacted. The detailed naval negotiations lie outside the scope of this thesis, and the diplomacy of the China treaties will be covered in Chapter 4. But as shown below, tentative agreements on key issues—the naval ratio, a replacement for the alliance including the US, the Pacific fortifications proposal, and the start of the Sino-Japanese Shandong talks—were arrived at almost simultaneously, shifting the Conference’s dynamic toward general cooperation. The way this occurred is evident when the first month of talks is viewed sequentially.

Section 3.2 outlines how Curzon’s failed bid during the summer of 1921 for a preliminary London conference meant the two issues of naval disarmament and political stability would have to be addressed side by side, and the formal conference was indeed organized into two committees to deal with them separately. But this was only the formal conference. Two other critical questions, the future of the Anglo-Japanese alliance and the status of Shandong, would be resolved outside the conference’s official auspices by the powers concerned. Hanging over all the talks was the tantalizing

prospect of a naval arms reduction treaty, the expected benefits of which created the conditions for a settlement of the political issues.

Section 3.3 surveys Balfour's draft treaties, provided to Hughes a day before the Conference opened. It shows how Balfour made the decisive move to separate the alliance's security clauses from the Anglo-Japanese recognition of the 'open door', which led Hughes and the US delegation to accept bifurcating the Far Eastern agreements. Special attention is given to how separating the issues covered in what would become the Four-Power and Nine-Power treaties was intended to make them more effective in reinforcing each other. This section also notes how the opening of Sino-Japanese Shandong talks was a precondition for a tripartite arrangement to supersede the alliance.

Section 3.4 begins with the American naval initiative, proposing a 5:5:3 ratio in capital ships for Britain, the US, and Japan, respectively. But this initiative was not present in the alliance and China talks. In the former case, the initiative came from Britain and Japan, as they were the allies in search of a tripartite agreement with the US; in the latter case, as will be detailed in Chapter 4, the initiative came from China. Although the ability of the nine powers to reach an understanding on general 'open door' principles was the first success of the Conference, enabling progress on the transformation of the Anglo-Japanese alliance into a tripartite concert, this chapter focuses only on how this development eased the talks outside the formal committees. It also introduces the relationship between these committees and the informal, behind-the-scenes talks.

Section 3.5 covers the diplomacy of the Four-Power Treaty, noting its relationship with the naval ratio and Shandong questions. Briefly, until the Chinese and Japanese delegations agreed to discuss Shandong, the US could not sign on to a tripartite agreement, the central prerequisite for securing the 5:5:3 ratio. In these discussions there is no evidence of an American initiative to end the 'diplomacy of imperialism'. The US Senate merely acted as a constraint on the type of treaty that could be created (i.e., no military or alliance clauses), something well understood and accepted by Balfour before the negotiations began. The inclusion of France in the treaty was also accepted by the British delegation, both to ensure ratification and to bring the other major Pacific power into the agreement.

Section 3.6 concludes with the emergence of the Anglo-American-Japanese equilibrium. Once the alliance was superseded with a ‘quadruple arrangement’, a tentative agreement on the naval ratio quickly followed. Both emerged in mid-December, the midway point of the Conference, marked by the Fourth Plenary Session. Although two months of detailed negotiations remained ahead, the Washington system had emerged. Afterwards, the naval and political dimensions of the Conference ceased interacting with one another—the French and Italian naval ratio would be discussed in one committee, while China questions would be debated in the other—setting the stage for the analysis of the China treaties in Chapter 4.

In sum, the 5:5:3 naval ratio—the central result of the Conference—required a corresponding *status quo* agreement for Pacific fortifications and a replacement for the Anglo-Japanese alliance involving the US, which in turn required a multilateral treaty defining the three powers’ China policy and a settlement of the Shandong dispute. This was the relationship between the Washington treaties. However, the Conference’s organization tends to obscure the links between the issues negotiated privately between the British, American, and Japanese delegates outside the two official committees. In order to draw out these links, the diplomacy leading to the Anglo-American-Japanese equilibrium is arranged sequentially below.

3.2 British objectives and the origins of the Washington Conference

One of the critiques raised by Ian Nish, as discussed in Chapter 1, is that Britain had no “master plan” for the Conference.¹⁶⁹ This is only half true; although chief delegate Arthur Balfour was hastily sent to Washington without an all-encompassing strategy, this was in part due to the uncertainty surrounding how the negotiations would play out. All that could be done before the Conference was to determine what minimally had to be accomplished, and the British government essentially gave their delegation wide latitude to secure the basic objectives decided in London; moreover, because Curzon and the Foreign Office had been considering the fate of the alliance for over a year, the constraints on what was diplomatically possible were well understood. Britain was also instrumental in determining the Conference’s organizational contours: the separation

¹⁶⁹ Nish (1977, 141).

and inclusion of issues, the determination of which powers would be invited to discuss them, the scope of these talks—all would shape how the final treaties would be constructed. This section begins the examination of Britain's role in this process.

First, the Washington system concept rests on the central link between the Four-Power and Nine-Power treaties. Had the American plan for a naval arms limitation conference proceeded without Curzon's intervention, it is doubtful whether the 'political pillar' of the Washington system would have been created. As shown below, the idea of a 'Pacific conference' to address the political and China questions alongside naval arms reduction was a direct result of British diplomacy. Interestingly, Curzon stressed the need to address the two 'sides' of the Conference in sequence, with the political questions being settled first to facilitate a naval agreement. Despite Hughes insistence on simultaneous negotiations, it turned out Curzon's instinct was basically correct. This further suggests that without a corresponding 'political pillar', agreement on the 'naval pillar' of the Washington system would have been unlikely.

Second, once the US had agreed to hold two parallel conferences, British planning in the Committee for Imperial Defence and the Foreign Office anticipated the basic parameters of the Four-Power and Nine-Power treaties. The preparatory materials assembled by the Foreign Office support the argument that outside the naval arms limitation proposal no surprise 'American initiative' occurred at Washington. But because Britain did not have a fixed strategy, Balfour, the chief British delegate, had a degree of flexibility. This let him assess Conference conditions to determine how to go about securing British objectives.

Third, based on these preparatory materials, Balfour formed an impression of how Britain's objectives could best be achieved: dividing the great-power issue of the tripartite pact from the 'open door' and other China questions. Two draft treaties prepared during his voyage to North America illustrate his approach. In other words, Balfour played an important agenda-setting role at the Conference that has not been factored into the Washington system literature.

3.2.1 The two conferences: Sequence, organization, and scope

In July 1921, as the future of the Anglo-Japanese alliance was being debated at the Imperial Conference in London, the US put out feelers for a potential conference on

naval arms limitation. As shown in the previous chapter, Curzon seized the opportunity to use the naval talks as rationale for holding parallel discussions on the complex political issues facing British foreign policy after Versailles. However, in the Anglo-American diplomatic misunderstanding that followed, three themes arose that hinted at the limits to what was possible in Washington.

First was the issue of sequence. Briefly, Curzon had suggested holding a ‘preliminary conference’ in London among the great powers to reach a settlement on ‘Pacific and Far Eastern questions’ before heading to Washington to deal with naval arms limitation. Ostensibly this was to make matters more convenient for the Dominion Premiers, already in London for the Imperial Conference meetings. But US Ambassador Harvey’s careless communication style began to foment suspicions in Washington: in his meeting with Curzon, Harvey had assented to this proposal but apparently only told the State Department of Curzon’s intention to discuss these matters at the arms limitation conference—not that the proposal was for a *preliminary* conference in London.

Curzon saw the two issues as fundamentally sequential; the importance of the London proposal was to ensure that the complex and sensitive negotiations surrounding the alliance and ‘open door’ were handled somewhat privately before settling naval questions. Hughes was unaware of this, and moreover, he did not think sequencing was a significant factor. He was also concerned that the British may try to hijack the talks. On 9 July, the Secretary of State replied to Harvey’s version of Curzon’s proposal. Because the limitation of armaments was related to ‘Pacific and Far Eastern questions’, as Curzon had argued the day before, Hughes proposed to send a second invitation informing the powers the naval conference had been extended to cover these issues, and that China would be invited. That evening, Harvey presented the President’s draft invitation to Lloyd George, who “wholly” approved. Thus on 11 July the formal invitation was sent to Britain, France, Italy, China, and Japan.¹⁷⁰

Upon receipt, Curzon found the new invitation “disconcerting”. Harvey reported on 14 July that the US saw the Pacific and disarmament conferences as “indispensable parts of the same whole” and thought “the proposal for the Pacific

¹⁷⁰ Hughes to Harvey, 9 July 1921, *FRUS* (1921), Vol. 1, Nos. 32 and 33; Harvey to Hughes, 10 July 1921, *FRUS* (1921), Vol. 1, No. 36.

Conference [in London] was a device to postpone the holding of the Disarmament Conference in Washington". Curzon attempted to clarify his position, noting:

[T]he idea of a Pacific Conference emanated, not from President Harding, but from ourselves, and it was solely out of deference to the President that, instead of taking the initiative ourselves, we had surrendered it to him, and had appeared to accept an invitation which we had ourselves suggested.

The advantage of obscuring Britain's role in conceiving the political side of the disarmament conference had backfired, undermining Curzon's hunch that sequence would be essential for an agreement. But more troubling was the vastness of the American agenda, which "appalled" Curzon, leaving him with the impression that there were "still a good many difficulties to be overcome before either conference can take place". To him it seemed the US, out of diplomatic inexperience, was focused on details that would generate animosity rather than "the enunciation and common acceptance of certain broad principles, whether these take the form of a guarantee of the *status quo* [...] or of provisions for common action in the event [the region] were disturbed". Trying to solve all the nuances of the 'Far Eastern question' would, in Curzon's view, be detrimental to achieving the Conference's main aims. It would have been better to use the agenda to set the stage for a realizable outcome, a critique that reflected his preference for two sequential conferences. In short, he believed:

[A] successful Disarmament Conference is impossible without a successful Pacific Conference preceding it. If the latter is a failure the former will fail also. [...] All our efforts therefore should be devoted to creating the antecedent conditions which will make Disarmament possible.¹⁷¹

Still, the US protested against the idea of a preliminary conference. Britain had prompted the US to convene an international gathering, but it was slow to recognize that in doing so it had implicitly ceded the initiative to Washington. By 1 August, Curzon relented and wrote Geddes that it would be best to leave the "exclusive responsibility" to the US. Once Curzon withdrew the London proposal, Anglo-American relations and the prospects for the dual conference improved dramatically.¹⁷²

¹⁷¹ Curzon to Geddes, 14 July 1921, *DBFP*, Vol. XIV, No. 335; "Memorandum by the Marquess Curzon [...] on the situation re proposed Conference at Washington," 24 July 1921, *DBFP*, Vol. XIV, No. 337.

¹⁷² Curzon to Geddes, 1 August 1921, *DBFP*, Vol. XIV, No. 349; Eliot to Curzon, 1 August 1921, *DBFP*, Vol. XIV, No. 350; Eliot to Curzon, 15 October 1921, *DBFP*, Vol. XIV, No. 397.

The second theme is the British consensus on the need to hold some meetings outside the multilateral conference's official committees, as not all the issues required or would even benefit from the presence of the other powers. One of these was Shandong, as it was suspected the Chinese delegation would seek to challenge Japan's rights under the Versailles Treaty in front of the whole conference. The Japanese Foreign Ministry also hoped to discuss the future of the Anglo-Japanese alliance in bilateral talks, perhaps inviting the US to join later if they proved fruitful. Balfour had come to the same conclusion as early as the summer. At the Imperial Conference on 26 July, he had argued the future of the alliance should not be approached at the Washington Conference "as an item" on the agenda, as it was a bilateral concern.¹⁷³ Isolating the issues would make it easier for an Anglo-American-Japanese understanding to emerge, before tackling the China questions.

For one thing, Britain was conscious of Japan's fears of being isolated on these political issues; in fact, the Japanese had only wanted to discuss the alliance and naval armaments. As Ambassador Eliot in Tokyo observed, Japan preferred emphasizing the "disarmament portion of the programme" and to "discuss principles rather than concrete [cases]". By August 7 a "remarkable unanimity" had emerged in the Japanese press "in favour of disarmament and a general, if a reluctant, acceptance of a conference on Far Eastern affairs, provided [...] discussion is confined to general principles".¹⁷⁴ It would be risky to allow Chinese questions to be addressed in detail, effectively creating a tribunal to judge Japan's wartime conduct, as this might undermine the central objective of Anglo-American-Japanese cooperation. But in private talks centered on general principles, the probability that Britain could facilitate a US-Japan *rapprochement* appeared to be much higher.

This was the third theme: the need to reduce the scope of the Conference to general principles rather than the most complex and vexing details of the 'Far Eastern question'. In terms of the Nine-Power Treaty, it was perhaps also the most important. As argued below, the purpose of the 'general principles' for China was not to establish a radical new order but rather to provide a common declaration of policy, in order to facilitate an Anglo-American-Japanese understanding to supersede the alliance, which

¹⁷³ "Memorandum by Mr Lampson as to whether the Anglo-Japanese Alliance should be directly discussed at the Washington Conference," 18 August 1921, *DBFP*, Vol. XIV, No. 363.

¹⁷⁴ Eliot to Curzon, 1 August 1921, *DBFP*, Vol. XIV, No. 350.

in turn would support naval arms limitation. These were the three key outcomes necessary for the Conference to be a success. Matters of detail would, in the British view, be better handled by experts in Beijing, removing the risk of damaging the prospects for a naval deal by litigating the differences over China questions at an international conference.

Britain understood that not all differences needed to be settled in order to achieve a naval agreement or bring the US into a tripartite concert with Japan; in fact, attempting to deal with minutiae risked exacerbating the US-Japan divide that had nearly scuttled the consortium talks the previous year. But now that Curzon's 'preliminary conference' plan had to be abandoned, there could be no assurance that the political questions could be solved in time to ease the way for a naval arms limitation agreement. Therefore, the British strategy would be to attempt to bridge the gulf between the US and Japan in private, informal discussions away from the Chinese delegation, using its relatively good relations with the two powers to ease them toward a consensus on general principles to guide their conduct in the Far East.

3.2.2 The US agenda and Curzon's preparations

Britain had an image of what needed to be achieved at Washington, but there was no clear plan of how to get there. Even the appointment of Balfour as chief British delegate was done in a hurry. Lloyd George had actually been expected to personally head the British delegation, as he had at the Paris Peace Conference, but in the autumn of 1921 his attention was occupied by domestic considerations, the most important of which was the final stages of the Irish negotiations. His inability to attend in person may have contributed to the Prime Minister's low expectations for the Conference, echoing Curzon's concerns about the problems stemming from ceding the initiative to the Americans.¹⁷⁵

Balfour was thus selected to head the delegation somewhat last minute in late September 1921. He would be given a relatively free hand in the negotiations—a factor that had a discernible influence on the shape of the final treaties—because both Lloyd George and Curzon trusted his judgement.¹⁷⁶ But the haste surrounding Balfour's

¹⁷⁵ Goldstein (2022, 27-28).

¹⁷⁶ Louis (1971).

appointment also meant that he would have to operate on instinct at Washington with only a minimal sense of how to achieve British objectives; interestingly, this left him with the flexibility to take advantage of shifts in the nuances of the Conference discussions.

Balfour was a good choice, as he had played a major role in the origins of the Anglo-Japanese alliance and was Prime Minister when it was renegotiated in 1905. He was also a former First Lord of the Admiralty, and was thus familiar with naval issues as well. Moreover, Balfour's long career in foreign affairs put him quite literally 'between the old diplomacy and the new'. In 1921 he was serving as the British delegate to the League of Nations, but had spent decades mastering prewar diplomatic methods. At the Imperial Conference he had even remarked:

The Old Diplomacy has for many generations done much in the cause of peace, and those who see in it merely a costly method of embittering international relations and snatching national advantages, completely misread the lessons of history.¹⁷⁷

Nevertheless, Balfour was cognizant of how important it was for Britain to align with the US in order to secure its interests in the postwar environment. Neither radical plans like the League nor old-fashioned agreements like the alliance would cohere with American diplomatic sensibilities. As the remainder of this chapter will show, this experience led to his pragmatic approach at the Washington Conference.

On 12 September, just before Balfour somewhat reluctantly signed on as chief British delegate, the American ambassadors to the eight invited countries officially issued a tentative Conference agenda. Although Curzon was sensitive of the need to limit the discussion of 'Far Eastern questions' to general principles, the US agenda was much wider in scope than he had anticipated. The copy sent to him opened by noting the agenda was presented "in continuation" to his conversations with Harvey over the summer, although it went far beyond a declaration of common policy. As expected, the US divided the agenda into two sections for the two conferences: the limitation of armaments and Pacific and Far Eastern questions. The latter heading included Siberia and the mandated islands as proposed subjects for discussion, however it is only relevant here to list the sub-headings addressing "Questions relating to China". These

¹⁷⁷ Nineteenth Meeting of the Imperial Conference, 8 July 1921, CAB 32/2.

were divided in two—"Principles to be applied" and "Application"—with the following subjects enumerated:

Territorial integrity; Administrative integrity; Open door—equality of commercial and industrial opportunity; Concessions, monopolies or preferential economic privileges; Development of railways, including plans relating to Chinese Eastern Railway; Preferential railroad rates; Status of existing commitments.¹⁷⁸

Curzon sought to prepare the ground before the Conference opened, attempting to find a way to harmonize the US and Japanese positions as well as to handle the expected difficulties posed by a discussion of the China treaties in a multilateral setting. In the diplomatic communications that followed, it is important to note how the Washington Conference presented multiple obstacles to achieving an Anglo-American-Japanese understanding on the major questions. In a sense only a superficial strategy could be devised due to the uncertainty over how the initial discussions would go. But one thing was clear: it would be essential for some type of trilateral agreement to be arranged in order to manage both the naval and China questions. This was to be Balfour's chief task, and to make it easier, Curzon sought to do as much as he could before the Conference commenced.

The Foreign Secretary would first reassure Britain's ally. As noted above, the Japanese government was hesitant about the Conference, anticipating it would end up in a dispute with China that would alienate the US. For instance, Ambassador Eliot reported that Tokyo found the American agenda "rather embarrassing" because the US had worded it in a way that would permit "matters of detail" to be discussed, which "would be distasteful [to Japan] and in any case lead to prolonged and unprofitable debate". Foreign Minister Uchida added that Japan could not permit discussion of the 'twenty-one demands' and, should the Shandong issue be raised, it was not prepared to "obey" any Conference decision. Curzon replied that he was "most anxious" to get Japan's views before replying to the Americans, advising Eliot to emphasize that "obviously we cannot commit ourselves to anything without a previous understanding with Japan". He still clung to his hopes that he could broker an Anglo-American-Japanese agreement before the Conference opened in order to ensure the China talks

¹⁷⁸ Harvey to Curzon, 12 September 1921, FO 414/453, No. 1.

would be approached from a common position. It was not until 15 October that Uchida, after being pressed repeatedly by Eliot, decided to accept the agenda, leaving no time for such an arrangement.¹⁷⁹

Uchida told Eliot that Japan still regarded arms reduction as the principal goal of the Conference and saw any discussion of ‘Pacific and Far Eastern questions’ as “subservient to that object”. But he also noted Japan would welcome a discussion regarding the possible conversion of the alliance into a tripartite pact, as long as this occurred outside the Conference committees between the three powers involved. Eliot had “no doubt” that Japan hoped “Pacific problems will be treated as secondary” to the naval conference. He also thought Tokyo was under the impression that preliminary Anglo-Japanese discussions would not be “regarded with favour at Washington”; therefore Japan apparently sought to avoid any communications that could be construed as allied collaboration. Adding to the difficulty, officials from the US Embassy, including the Ambassador, had told the Japanese in October that while the US had organized the popular disarmament conference, “the proposal to discuss Pacific problems was our [i.e., Britain’s] work”. On the one hand this was concerning, as Britain did not wish to alienate its ally going into the Conference, yet on the other hand, Japan’s hesitancy to collaborate suggested its delegates were conscious of how American concerns could scuttle any plans for a tripartite concert.¹⁸⁰

Curzon then approached the Americans. He probed US intentions to hopefully gain a clearer picture of what the vague agenda would address in practice, as well as to inquire about the Conference’s proposed sequence. The Foreign Secretary told Geddes that, in his opinion, a discussion of the alliance or “any matters of Pacific policy” must occur only “between the three great naval Powers” and “only at a conference of principals”. This unwillingness to bring the alliance talks in front of the whole Conference was similar to Japan’s position. Geddes replied that although “nominally” there would only be one Conference, Secretary Hughes hoped that “early in the meetings” technical committees would be set up to work on disarmament “in order to appease popular expectation and then to proceed in [the] main meetings with

¹⁷⁹ Eliot to Curzon, 17 September 1921, *DBFP*, Vol. XIV, No. 376; Curzon to Eliot, 18 September 1921, *DBFP*, Vol. XIV, No. 378.

¹⁸⁰ Eliot to Curzon, 15 October 1921, *DBFP*, Vol. XIV, No. 397.

consideration of Pacific problems".¹⁸¹ This was welcome news for Curzon, who did not want Pacific issues like the China treaties to be overshadowed by the more pressing naval concerns.

Even better intelligence came on 21 September, when Geddes reported a "complete change in the atmosphere" in the US toward Britain—the "sorenness and suspicion engendered in July" over Curzon's push for a preliminary London conference had "vanished". Hughes was now expecting Anglo-American cooperation to "mark the conference," and had even told Geddes that "as far as general principle is concerned" the US would "welcome a tripartite arrangement [...] in private negotiations". In a confidential letter to Curzon, Geddes added that American optimism was steadily rising as the Conference approached. As long as "no untoward incident" took place beforehand, it would likely "convene in an atmosphere charged" with the "expectation that Britain and America will find themselves standing together as the leaders of the world in the direction of world peace". The concept of the "English-Speaking People as a world unit" and a pillar for postwar order had emerged in the wake of the Senate's refusal to ratify the Versailles Treaty; moreover, Geddes opined, this "ideal unit [...] has a vitality that the League of Nations lacks". Curzon was relieved by this response and began his preparations around the idea of merging Anglo-Japanese and Anglo-American ties into trilateral cooperation at the Conference. He instructed Geddes to assure Hughes that Britain "heartily reciprocate[d] his views" and British delegates would be instructed to "co-operate with him along the lines [Hughes had] indicated".¹⁸²

However, China questions were still expected to be the stumbling block for any US-Japan alignment. Back at the Foreign Office, Curzon asked Sir John Jordan to draw up an analysis of the US agenda with respect to China that would be given to Balfour. On 17 October Jordan presented his point-by-point assessment. Regarding the "principles to be applied", he observed that they merely consisted of those already instantiated in the 1911 Anglo-Japanese alliance treaty, the Root-Takahira note, and elsewhere, adding: "No fault has ever been found with these principles. It is their non-observance that has led to so much trouble in China". This was particularly true of the

¹⁸¹ Curzon to Geddes, 18 September 1921, *DBFP*, Vol. XIV, No. 377; Geddes to Curzon, 21 September 1921, *DBFP*, Vol. XIV, Nos. 379, 380, 381.

¹⁸² Geddes to Curzon, 21 September 1921, *DBFP*, Vol. XIV, Nos. 379, 380, 381; Curzon to Geddes, 28 September 1921, *DBFP*, Vol. XIV, No. 387.

‘open door’, which had been “more honoured in the breach than in the observance”. Jordan did not think Japan would balk at making another ‘open door’ declaration. But regarding “application”—the more complicated matter—he suggested that a “tribunal” be set up in order to allow China or any other power to “appeal against any violation of the principles” agreed at the Conference.¹⁸³

Next Jordan addressed the US agenda’s sub-headings in order, which are briefly summarized below. Jordan noted that the powers infringed on China’s ‘territorial integrity’ in four key ways: leased territories; foreign-owned railways “used as a means of peaceful penetration”; ‘spheres of influence’; and declarations referring to non-alienation of territory. He argued that the powers “should mutually undertake to seek no further concessions”, that Britain should make a “tentative attempt” to return some of the leased territories, including Weihaiwei—if this could induce France and Japan to return theirs—and that it should try to abolish ‘spheres of influence’ in order to avoid the “perpetual friction” of the past. Jordan observed that China did not administer “large tracts” of its territory, particularly in South Manchuria, Inner Mongolia, and Shandong, where sizable Japanese populations constituted “the negation of territorial sovereignty”. Japan also limited the application of the ‘open door’ in these regions. Although Jordan saw little hope for Manchuria, he thought it was still possible to prevent Shandong from becoming a “Japanese preserve”. He believed railways were “the keynote of the whole internal problem in China”: these had been funded with foreign capital, due to the economic weakness of the Chinese government, which sparked a “continual struggle” between officials and foreign owners attempting to safeguard the interests of railway investors. Finally, he thought dealing with ‘administrative integrity’ would be difficult in light of China’s debts. Of the “three great Services” run by the treaty powers, foreign control of the Chinese customs and salt revenue was an “imperative necessity in the interests of foreign bondholders” because revenues from these sources had been pledged to secure loans. Only the foreign postal services could conceivably be abandoned at the Conference.¹⁸⁴

¹⁸³ “Memorandum by Sir John Jordan respecting American suggestions for Agenda for the Conference,” 17 October 1921, *DBFP*, Vol. XIV, No. 399.

¹⁸⁴ “Memorandum by Sir John Jordan respecting American suggestions for Agenda for the Conference,” 17 October 1921, *DBFP*, Vol. XIV, No. 399.

Jordan saw a potential solution to these China questions in the principles undergirding the four-power financial consortium, as it had already established a “policy for replacing international competition [with] international co-operation”. Such a solution would require a multilateral understanding on the meaning on the ‘open door’ that went beyond finance. Although China exhibited “no signs of accepting this arrangement”, the memorandum concluded with a striking blend of realism and optimism:

China is politically disorganized and so weak as to be almost a negligible international entity. [...] But during the last few years there have been indications—still faint it is true—of a desire to throw their lot with the militaristic party in Japan. In spite of her political confusion, China is making steady progress [but] it will take many years to adapt her ancient civilization to the requirements of modern progress and unless she receives the sympathy and support of Foreign Powers she may fail the task. There is no royal road to the solution of the China problem. Foreign intervention, financial control, and all the other remedies which are suggested are more likely to aggravate the evil than to cure it. China must in the main work out her own salvation and, given time, those who know her believe she can do it.

As he had argued in 1918, the era of ‘spheres of influence’ and associated policies was over. Now the issue was the stability of China, an issue no conference could solve. Thus the discussions with the Chinese delegation could only be expected to touch on the most basic problems, aiming to strengthen and stabilize the Beijing government, creating the conditions where it could hopefully resist further Japanese control. In Jordan’s view, this reflected Britain’s interests. The Washington Conference, he believed, “will have done a great service if it convinces the Powers that China should be conserved as the greatest potential market in the world and that in their own interests they should accord her their benevolent sympathy and reasonable time for putting her house in order”.¹⁸⁵

These pre-Conference assessments of Japan, the US, and China indicate that while Britain did not have a strategy *per se*, it certainly had an image of what needed to be accomplished to facilitate a naval agreement. Anglo-American-Japanese cooperation would be the priority, with China questions constituting a secondary issue. The

¹⁸⁵ Memorandum by Sir J. Jordan respecting American suggestions for Agenda for the Conference,” 17 October 1921, *DBFP*, Vol. XIV, No. 399.

diplomacy leading to the China treaties will be surveyed in Chapter 4, but here it is relevant only to note that Britain recognized that some common understanding would be necessary to achieve a wider trilateral deal on the more important priorities.

3.2.3 Balfour's 'impression' of British objectives

As he prepared for his voyage across the Atlantic, Balfour was conscious of the fact that the political and China-related aspects of the US agenda were salient insofar as agreements on these issues would support his chief objective: to reduce the financial pressure imposed by naval shipbuilding on government coffers. The need to prevent a naval arms race was the central dynamic behind the Conference, for if the naval talks fell apart, there could be no hope for a political equilibrium; and likewise, the expected security and economic gains from a possible naval agreement were so alluring that the mere willingness of the major powers to enter into discussions on this issue opened up the potential for corresponding political settlements regarding China and the Pacific.

Balfour "formed a clear impression" of his government's overarching aims for Conference during the final Cabinet discussions before he departed London. Elements of postwar idealism were present in Britain's disarmament policy, however the incentive to reduce naval expenditures was largely motivated by realistic economic concerns. As a study prepared for Lloyd George in late October 1921 concluded:

Anything which minimises the risks of war, with all that economic loss which it entails over generations, would be an economic boon for which a great price might well be paid. If a reduction in armaments can [...] be such a minimising influence, then it is worth facing a great economic cost to secure it. But [...] there is no question whatever of it involving a sacrifice or cost—it is, on the contrary, in itself a great economic boon, and imperatively worth doing for the world's good, even in the unlikely event of its ultimate effect on the prevention of war proving negligible.

This perspective was echoed in a key document provided by the Committee of Imperial Defence (CID) summarizing Britain's objectives for naval armaments limitation. The CID memorandum observed: "Unless a considerable [naval] reduction can be effected in the estimates for 1922-23, there is a serious danger that the Budget cannot be balanced without additional taxation, which would be politically most undesirable and

economically most prejudicial to the nation's interests". The CID agreed with the Admiralty that "the only method which is sufficiently simple to be really practicable" would be "an international agreement [limiting] the number of capital ships".¹⁸⁶

It will be recalled that British naval strategy had long operated under the principle of a 'two-power standard'. Now, given the postwar financial and security conditions, the CID recognized that it could only afford to maintain a 'one-power standard'—matching the naval capabilities of the American fleet alone, not that of the US and Japan combined. An agreement to cap the tonnage of capital ships would, in this context, secure Britain's global interests by precluding a naval arms race while it got its postwar finances in order.

Therefore, the CID instructed Balfour "to achieve the largest possible reduction" in armaments expenditure "subject to two fundamental considerations". The first was to safeguard the "vital interests of the British Empire". In particular, the security of Hong Kong relied on Britain's possession of Kowloon and the New Territories, and these had to be retained at all costs. The CID advised that "if the question of leased territories in China is raised [...] the interests of the British Empire will be best served by pressing for the maintenance of the territorial *status quo* in the Far East". In their view, even Weihaiwei should be retained. Second, any treaties would have to be of "a stable character" and "not liable to be dislocated by any miscalculation of national or political elements concerned, such as had occurred after the Paris Peace Conference, owing to the refusal of the [US Senate] to ratify the instruments drawn up".¹⁸⁷

Whatever was agreed at Washington, Britain's interests would need to be safeguarded in an enforceable treaty addressing both naval and political questions, one that the Americans could not back out of during the ratification process. The CID had already linked naval and political questions in terms of enforceability, as a naval balance could not be expected to be upheld over the long term if regional tensions were not correspondingly reduced. In a letter to Lloyd George on the eve of the Conference's opening, Balfour summed up this subtle albeit important link:

¹⁸⁶ Balfour to Lloyd George, 11 November 1921, FO 414/453, No. 2; Memorandum by J.C. Stamp, "The Economic Effects of Disarmament," 30 October 1921, CAB 30/1B, BED 74; Committee of Imperial Defense, "Memorandum by the Standing Sub-Committee," 24 October 1921, CAB 30/1A, CID 67.

¹⁸⁷ Committee of Imperial Defense, "Memorandum by the Standing Sub-Committee," 24 October 1921, CAB 30/1A, CID 67.

If satisfactory and durable results are to be achieved in regard to naval disarmament, which mainly affects the British Empire, the United States of America and Japan, an agreement must also be reached in regard to certain political problems which have arisen in China and the Pacific. [...] Apart from the problem of the Anglo-Japanese Alliance, there are a number of problems related to China which have to be considered before we can hope to reach [such] a satisfactory and durable scheme.¹⁸⁸

But the warning about US ratification underlined Balfour's larger objective, which was behind his entire strategy at Washington: Anglo-American cooperation was seen as the cornerstone to Britain's global position in the postwar strategic environment. With the US failure to enter the League of Nations, the Washington Conference offered the first tantalizing opportunity to reinforce the wartime Anglo-American alignment.¹⁸⁹

Thus Balfour was to ensure that its results would not suffer same fate as the League.

Balfour and his staff sailed from Liverpool bound for Quebec on 2 November with the CID's recommendations fresh in mind. Their six-day voyage across the Atlantic was "devoted to a close study, in consultation with the experts, of the very complete material [regarding] the various questions likely to come before the Conference". This material consisted of 36 memoranda prepared by Wellesley and the Foreign Office in the early autumn, many of which covered topics that never came up for discussion. But it was detailed enough to allow Balfour to formulate a strategy that would shape the initial phase of the talks.¹⁹⁰

In a covering memorandum to this set of documents dated 20 October, Wellesley had summarized the three British aims for the Conference as: "Peace in the Far East and Pacific"; "Security for British possessions"; and "Security for British economic interests and equal opportunity with other nations for the expansion of British enterprise". He argued that Britain's objectives should be limited to what was possible in pursuit of these aims:

[T]he closer one examines all the facets of the many-sided problem of the Pacific the more one is forced to the conclusion that it should be our aim to

¹⁸⁸ Balfour to Lloyd George, 11 November 1921, FO 414/453, No. 2.

¹⁸⁹ Goldstein (2022).

¹⁹⁰ Balfour to Lloyd George, 11 November 1921, FO 414/453, No. 2.

eliminate, as far as possible, from the agenda of the Conference all questions not of basic importance upon which international agreement is a necessary preliminary precedent to the building up of a policy in detail. [On this point] there are only two desiderata: 1. A tripartite agreement or declaration of policy between the United States, Japan and Great Britain. 2. A naval agreement as regards the Pacific.¹⁹¹

All other subjects, including China, were “merely contributory but not basic in character” and if “fully discussed the danger of a breakdown of the Conference is enormously increased”. Balfour was duly instructed to concentrate on the main issues and not to get lost in minutiae. If the Conference broke down over an *impasse* on these China questions, Wellesley anticipated that “the political atmosphere [would] be infinitely worse for, while at the present the conflict of aims is to a certain extent veiled, the failure of the Conference would leave us with a situation of open and undisguised animosities”. He therefore concluded: “British policy should concentrate on an agreement on these two main issues which, if achieved, would constitute a real success, leaving all subsidiary matters for subsequent settlement by whatever means may seem most suitable—ordinary diplomatic action or special conferences for special purposes”. At Washington, the main aim was Anglo-American-Japanese cooperation.¹⁹²

Meanwhile, the Cabinet was clear that the Conference should not appear to be a British-dominated affair. Curzon’s failed attempts at holding a preliminary London meeting over the summer had revealed the degree to which the Americans were suspicious of Britain’s aims to hijack the Conference. Furthermore, any resultant treaties would be more stable, durable, and likely to be ratified by the Senate if the US were perceived to be their main author. In the disarmament discussions the CID advised Balfour to “allow the other delegations to put forward their proposals, and submit them to criticism. The result of this is likely to be the adoption of the Admiralty plan” to deal mainly with the ratio of capital ships, based on “the accepted one-Power standard”. He received similar advice from the Foreign Office with respect to political questions: “Any [British] formula [for a tripartite agreement], should be held in reserve. It is

¹⁹¹ Memorandum by Wellesley, “General Survey of Political Situation in Pacific and Far East with reference to the forthcoming Washington Conference,” 20 October 1921, FO 412/118.

¹⁹² Memorandum by Wellesley, “General Survey of Political Situation in Pacific and Far East with reference to the forthcoming Washington Conference,” 20 October 1921, FO 412/118.

desirable that the Americans should first suggest a formula of their own. If and when their suggestion proves impracticable, it will be time enough to state our own formula as a basis for discussion".¹⁹³

As the Americans had been the driving force behind the disarmament conference, Balfour was content to follow CID's advice and wait for Hughes to propose the terms of a naval agreement. On board the ship, however, he realized that it would be "desirable to clear my own mind" about Britain's regional and political aims "in order to have some definite idea to lay before my colleagues [...], and, so far as may prove advisable, before members of the Conference, as to the manner in which our business can most expeditiously be handled". Like Curzon, Balfour believed "the logical sequence" for the Conference would be "to deal with the political side of the Pacific question before the final decisions have to be taken on the subject of naval diminution of armaments".¹⁹⁴ Thus his plan was to preempt the Conference's opening by putting forward draft treaties that would ensure the talks at least somewhat held to his and Curzon's 'logical sequence'.

Britain had, after all, been instrumental in expanding the Conference to address these political issues. But during the preparation phase, it was clear that the initiative had been ceded to the Americans. As the next section will show, Balfour's decision to play an agenda-setting role by composing two draft treaties would attempt to somewhat recover this initiative and influence the way the political issues would be discussed. His plan would build on the advice he had received from the CID and the Foreign Office, focusing on general principles and the central objective of Anglo-American-Japanese cooperation, hoping to settle political questions before tackling naval arms reduction.

3.3 Setting the stage: Balfour's two draft treaties

Between bouts of seasickness, Balfour used his time during the Transatlantic voyage to prepare two draft treaties that foreshadowed the Four-Power and Nine-Power treaties. These drafts were prepared on his own initiative, and it is noteworthy that while Hughes

¹⁹³ Committee of Imperial Defense, "Memorandum by the Standing Sub-Committee," 24 October 1921, CAB 30/1A, CID 67; Foreign Office memorandum, "A Tripartite Agreement," 10 October 1921, FO 412/118, Annex K.

¹⁹⁴ Balfour to Lloyd George, 11 November 1921, FO 414/453, No. 2.

and his aides were drawing up a detailed naval proposal, Balfour focused on drafting a tentative tripartite pact and ‘open door’ agreement for China. All three of these preliminary proposals bear a marked resemblance to the final treaties produced at the Conference, reflecting Balfour’s deep experience in dealing with the various facets of the ‘Far Eastern question’ for over twenty years.

One question left unsettled when the British delegation departed London was the status of China in a potential Anglo-American-Japanese arrangement. For example, the Anglo-Japanese alliance had contained ‘open door’ clauses in its preamble, and during the preparations for the Conference the assumption had been that this would be retained in any tripartite agreement with the US. However, as Balfour wrote in a covering memorandum presented on 11 November to Hughes along with both drafts:

I am disposed to think that our Far Eastern Arrangements should be embodied in two Treaties rather than one. The first of these would deal with the preservation of peace and the maintenance of the territorial status quo: it would be tripartite and would replace the existing Anglo-Japanese Alliance. The second would deal with China.¹⁹⁵

It could be argued that this separation of China and the ‘open door’ from the proposed tripartite pact was the true origin of the Washington system. Unlike the Anglo-Japanese alliance, Balfour’s draft treaties isolated the China questions from the proposed trilateral coordination system, making this arrangement a kind of ‘diplomatic superstructure’ that was less likely to be disturbed by the US-Japan divide over the ‘open door’ and ‘spheres of influence’.

There were several practical benefits from this bifurcated approach. The two draft treaties can be read as Balfour’s attempt to ensure that the arms limitation talks were supported by a two-level foundation: the first forming a basic initial agreement to replace the alliance, encompassing the second, which restated the allies’ commitment to upholding the ‘open door’. This bifurcation usefully separated the number of powers invited to accede to either treaty, allowing the former to be discussed outside the Conference while leaving the latter to be taken up by all nine powers.

However, it is important to reiterate that Balfour had not been instructed to isolate the great-power alignment of the Anglo-Japanese alliance from their mutual

¹⁹⁵ “Memorandum by Mr. Balfour, of the British Delegation,” 11 November 1921, *FRUS* (1922), Vol. 1, No. 2.

recognition of the ‘open door’. In fact, the two issues were generally seen as linked. As one preparatory Foreign Office memorandum had argued: “For the purposes of British policy [...] a multilateral agreement, which does not include the United States, would be of no value at all; for by adhering to such a document we should be merely losing our present hold over Japan”—and an Anglo-American-Japanese agreement was “all that is really required”. If this could be achieved, then “the advisability of admitting other parties (especially China) having interests in the Pacific may well be considered”. Hints that China issues might be embedded in a tripartite understanding also surface in Jordan’s draft formula, provided in the preparatory Foreign Office memoranda. His three proposed clauses—for Britain, the US, and Japan to respect each other’s territorial possessions; to support the independence and integrity of China and the ‘open door’; and to communicate with each other in the event of a crisis, as well as “consider in common” what measures should be taken to resolve it—formed a “tripartite declaration of policy” that would be “furnished to the Chinese Government, who will be invited to adhere to the principles it enunciated”.¹⁹⁶

Even when China was not considered as a possible member of the pact, as in the case of Geddes’ summary of US thinking prepared in July, establishing the ‘open door’ on a “firm basis” was still seen as central to any tripartite agreement. But Balfour, in consultation with his advisors, began to formulate a procedural strategy that severed this link. The issue of the ‘open door,’ after all, was a concern for all the powers whereas any security treaty to replace the alliance would need to minimize the number of participants to be effective. As Wellesley had observed, the alliance was not formally on the agenda and any Anglo-American-Japanese discussions regarding a future pact were “not a question for the Conference at all, but for the three Powers concerned”.¹⁹⁷

So rather than insert ‘open door’ pledges into a proposed tripartite agreement, Balfour composed two draft treaties to address the issues separately. He would not present these publicly in the formal Conference proceedings, but rather share them in private, informal discussions with Hughes and Japanese delegate Admiral Tomosaburo Kato in order to discreetly shape the initial contours of a political settlement. This

¹⁹⁶ Balfour to Lloyd George, 11 November 1921, FO 414/453, No. 2; Foreign Office memorandum, “A Tripartite Agreement,” 10 October 1921, FO 412/118, Annex K, Appendix B.

¹⁹⁷ Foreign Office memorandum, “A Tripartite Agreement,” 10 October 1921, FO 412/118, Annex K, Appendix A; Memorandum by Wellesley, “General Survey of Political Situation in Pacific and Far East with reference to the forthcoming Washington Conference,” 20 October 1921, FO 412/118.

section argues that Balfour's instinct to make the first move in addressing political questions affected how the Conference would subsequently unfold. After surveying both draft treaties, it closes with an examination of another issue that needed to be resolved before either could move forward: the Sino-Japanese dispute over Shandong.

3.3.1 The draft tripartite 'arrangement'

The transformation of the bilateral alliance into the Four-Power Treaty is the centerpiece of the Washington system. This is widely recognized in the Japanese literature, where the standard view of the Four-Power Treaty's origins begins with Balfour's draft for a tripartite arrangement. However, Iriye claims the British delegate hoped to retain the Anglo-Japanese alliance's military clauses in the new agreement, and it was only when faced with American opposition that Japanese delegate (and Ambassador to the US) Kijuro Shidehara eliminated these clauses.¹⁹⁸ This subsection begins a critique of this claim that will be continued later in the chapter, arguing that the military clauses were only included in Balfour's draft to assuage Japan's sense of abandonment by their ally. In fact, Balfour was willing to remove them once the US pushed back as expected.

Any continuation of the alliance was the "[f]irst and foremost" obstacle to a great-power naval agreement. But US diplomatic traditions precluded a true military alliance, and the British delegates were under no illusions that such an agreement would emerge from the Conference. As Balfour wrote to Lloyd George following his arrival in Washington, several factors made substituting a new arrangement for the alliance the most important political task; however, a substitute that was unacceptable to the US Senate would be effectively worthless. Thus although the language of the final Four-Power Treaty differed from Balfour's draft, it is important to note that from the outset his tripartite pact was never envisioned as a true military alliance.¹⁹⁹

There were four reasons for dropping the security clauses. First, the alliance's unpopularity in the US made "render[ing] the conclusion of a satisfactory and enduring arrangement for the limitation of armaments extremely difficult to negotiate". Second, the collapse of Russia into civil war and Japan's wartime seizure of German possessions in the Pacific meant "the conditions which brought the Anglo-Japanese Alliance into

¹⁹⁸ Iriye (1965, 16-17).

¹⁹⁹ Balfour to Lloyd George, 11 November 1921, FO 414/453, No. 2

existence have disappeared for the time being, though it would perhaps not be prudent to assume that they will never be re-created". Still, Britain was "bound to give the utmost consideration to the feelings of an ally who has loyally stood by his engagements and rendered us valuable support [...] and we cannot contemplate any action calculated to alienate, must less outrage, Japanese sentiment". Third, the paradox of the alliance was that it antagonized the US while it restrained Japan. Frank Ashton-Gwatkin of the Foreign Office's Far Eastern department urged replacing it with a tripartite agreement so as to preserve two key features that allowed Britain a measure of influence over Japanese foreign policy, namely the "open recognition" of Japan's "position as a Great Power and the equal of European States"; and as Japan's "security against isolation, with which she is otherwise threatened". Indeed, the alliance's "popularity" had been "revived" in Japan as tensions with the US mounted after 1919. It was not hard to imagine an isolated Japan coming into conflict with the US over China.²⁰⁰

However, as the Foreign Office guidance on a potential tripartite agreement made clear, the fourth factor was by far the most important. It would be necessary to eliminate "all military commitments" present in the extant alliance, "for otherwise the United States can never be induced to become a party. Stripped of military clauses, the [proposed tripartite agreement] loses its character as an alliance and becomes merely a declaration of policy of a nature similar to that of the Takahira-Root or Ishii-Lansing Agreements".²⁰¹ In short, before the Conference opened the British understood that an agreement with security clauses that failed in the Senate would be worse than no agreement at all.

Balfour was optimistic about the tripartite pact; for one thing, the Harding Administration had signaled since July that it was open to a trilateral "declaration of common policy". This was urgently needed. Several memoranda prepared for the British delegation touched on the potentiality of a US-Japan war, which "would be a calamity" for Britain's interests in the Far East "so overwhelming, that no remedy presents itself short of prevention". Such a risk could only be ameliorated by a naval arms limitation agreement and an expansion of the alliance to include the US. Even the

²⁰⁰ Balfour to Lloyd George, 11 November 1921, FO 414/453, No. 2; Foreign Office memorandum, "A Tripartite Agreement," 10 October 1921, FO 412/118, Annex K.

²⁰¹ Foreign Office memorandum, "A Tripartite Agreement," 10 October 1921, FO 412/118, Annex K.

Japanese government had warmed to the idea by the eve of the Conference: Uchida had told Ambassador Eliot that Japan would welcome discussions regarding the “possible conversion” of the alliance into a tripartite agreement at Washington. All three powers therefore arrived fully prepared to substitute a cooperative arrangement for the alliance in order to reduce the risk of war and, of more immediate importance, facilitate a naval treaty.²⁰²

To draft a treaty that would be acceptable to the US as well as Japan, Balfour drew from the Foreign Office memoranda. One document warned that any “formula for an agreement on a tripartite basis must necessarily be confined to general principles of policy and therefore be of a somewhat anodyne nature”. In order to harmonize the “partially conflicting elements” involved in the Anglo-American-Japanese relationship, Balfour devised a “simple formula” focused on “the preservation of peace and the maintenance of the *status quo*”. It had five objects:

- (a) To enable the Americans to be parties to a tripartite arrangement without committing themselves to military operations.
- (b) To bring the existing Anglo-Japanese Alliance to an end without hurting the feelings of our Ally.
- (c) To leave it open for us to renew a defensive alliance with Japan if she should again be threatened by Germany or Russia.
- (d) To frame a Treaty which will reassure our Australasian Dominions.
- (e) To make it impossible for American critics to suggest that our Treaty with Japan would require us to stand aside in the case of a quarrel between them and Japan, whatever the cause of that quarrel might be.²⁰³

Balfour gave his draft tripartite treaty to Hughes, in a memorandum prepared for specifically for him, not the Japanese delegation. In fact, it was not even sent to London in advance. Intended as an opening to satisfy both the Americans and the Japanese, this draft treaty was only transmitted to Lloyd George on 11 November, the same day it was presented to Hughes. The document stated:

²⁰² Foreign Office memorandum, “A Tripartite Agreement,” 10 October 1921, FO 412/118, Annex K; Memorandum by Ashton-Gwatkin, “British Neutrality in the event of a Japanese-American War,” 10 October 1921, FO 412/118, Annex B; Memorandum by Ashton-Gwatkin, “Present Situation in Japan,” 10 October 1921, FO 412/118, Annex F; Foreign Office memorandum, “Japan and the Open Door,” 10 October 1921, FO 412/118, Annex I.

²⁰³ Foreign Office memorandum, “A Tripartite Agreement,” 10 October 1921, FO 412/118, Annex K; Balfour to Lloyd George, 11 November 1921, FO 414/453, No. 2.

With the object of maintaining the general peace in the regions of Eastern Asia and of protecting the existing territorial rights of the High Contracting Parties in the islands of the Pacific Ocean and the territories bordering thereon: It is agreed:

(I) That each of the High Contracting Parties shall respect such rights themselves and shall consult fully and frankly with each other as to the best means of protecting them whenever in the opinion of any of them they are imperiled by the action of another Power.

(II) If in the future the territorial rights (referred to in Article I) of any of the High Contracting Parties are threatened by any other Power or combination of Powers, any two of the High Contracting Parties shall be at liberty to protect themselves by entering into a military alliance provided (a) this alliance is purely defensive in character and (b) that it is communicated to the other High Contracting Party.

(III) This Treaty shall supersede any Treaty of earlier date dealing with the defense of territorial rights in the regions to which this Treaty refers.²⁰⁴

The influence of this draft on the diplomacy of the Four-Power Treaty was subtle but recognizable. Balfour came to Washington prepared to work within the constraints set by US preferences, and from the outset he envisioned an agreement without military clauses or an ‘open door’ commitment in order to open up the bargaining space to secure a deal. At the same time, the draft treaty allowed for the possibility of reactivating the alliance if the international security situation deteriorated due to a return of Russian or German power to the region, thus ameliorating Japan’s sense of insecurity.

3.3.2 The draft China treaty

Balfour’s second draft treaty attempted to consolidate existing ‘open door’ assurances into a multilateral treaty, and by doing so separate these controversial issues from an Anglo-American-Japanese tripartite agreement. Although it has never been noted in the Washington system literature, the decision to separate the envisioned tripartite treaty from China issues was, in terms of affecting Conference outcomes, a more significant

²⁰⁴ “Memorandum by Mr. Balfour, of the British Delegation,” 11 November 1921, *FRUS* (1922), Vol. 1, No. 2; Balfour to Lloyd George, 11 November 1921, FO 414/453, No. 2.

factor than its actual content. A multilateral treaty committing the powers to general ‘open door’ principles was understood as an essential corollary to a tripartite agreement stripped of all China-related clauses, but although Balfour’s draft China treaty did not have as much of an impact on the Washington discussions as his tripartite one, it is worth examining because its general provisions cohered with the final Nine-Power Treaty. This resemblance casts further doubt on claims that the latter stemmed solely from an ‘American initiative’.

As Wellesley had observed in his covering memorandum for the British delegation, the China questions included in the US agenda opened up so many complex issues for discussion that Balfour might find himself having to acquiesce to “decisions on minor issues which are not in harmony with the dominating objective of British policy”, namely naval arms reduction and a tripartite agreement. Wellesley warned that the “constant source of danger in the Far East” was twofold—“the weakness of China as much as the aggressive policy of Japan”—and this asymmetry now threatened to get in the way of the larger talks. For him, the best path forward would be to expand the multilateral consortium framework to address the more complex facets of the ‘open door’.²⁰⁵

Indeed, the formation of the four-power consortium in 1920 was a positive indicator that cooperation could be extended from finance to the other areas of friction, particularly railroads and conflicting commercial interests. This had only occurred once the US tacitly aligned with JP Morgan partner Thomas Lamont’s private assurances regarding Japan’s ‘special interests’ in Manchuria and Inner Mongolia. Wellesley therefore advised that Britain’s Conference diplomacy should remain realistic and “tempered by special consideration and sympathy for Japan’s vital need of economic expansion”. The primary and secondary British objectives—“To prevent any one nation from obtaining the mastery of the Pacific”, and “To guarantee the political *status quo* and integrity of all States on the Western Pacific”—should at all times be kept in mind. The important thing was to secure an agreement, even if it was limited to obtain Japanese adherence. All Britain should seek with respect to a multilateral ‘open door’ treaty was to “prevent, as far as possible, the integrity and independence of China from being undermined by means of the economic penetration of any other Power”, and to

²⁰⁵ Memorandum by Wellesley, “General Survey of Political Situation in Pacific and Far East with reference to the forthcoming Washington Conference,” 20 October 1921, FO 412/118.

“decide a policy of rehabilitation of China by means of international co-operation with a view to strengthening her powers of resistance against foreign encroachment”. In short, Britain’s aim should be to strengthen the ‘open door’ policy by:

[T]he extension, where possible, of the principles of international co-operation on the lines of the consortium policy to other fields of enterprise, thereby minimising the danger of China’s economic absorption by any one Power and safeguarding British vested interests and the principle of equal opportunity.²⁰⁶

As in the consortium negotiations, Wellesley saw a potential alignment with the US as the natural solution to Britain’s strategic problems, because “the aims of America are identical with those of Great Britain in that she has no territorial ambition, and only seeks security for her economic interests”. But he remained concerned that:

[The US would] set greater store by the outward success of the Conference than by a real settlement of the Pacific question, in which case it is highly probable that they will be only too ready to eschew all dangerous topics and concentrate on those only where agreement is possible or indeed probable, contenting themselves with a discussion of generalities with the usual anodyne results [...]. It can hardly be said that [the US follows] any clearly thought-out line of policy in the Far East. They profess to be animated by certain principles of an altruistic and self-denying character, but this lofty idealism is not entirely divorced from practical business interests. In point of fact, their conduct is often erratic, inconsistent and bears the stamp of political inexperience.

Moreover, he anticipated that problems would arise from the US agenda, which separated “general principles” from their “application” to complex issues of sovereignty, security, customs, infrastructure, and investment. Japan was expected to verbally commit to a restatement of ‘open door’ language at the Conference, as it had in the past, while opposing any major material policy shifts that would logically flow from such a commitment.²⁰⁷

Balfour realized that “enumerat[ing] the whole of these difficult and intricate [China] questions” was an almost impossible task, and thus it was “clear” to him that

²⁰⁶ Balfour to Lloyd George, 11 November 1921, FO 414/453, No. 2; Memorandum by Wellesley, “General Survey of Political Situation in Pacific and Far East with reference to the forthcoming Washington Conference,” 20 October 1921, FO 412/118.

²⁰⁷ Memorandum by Wellesley, “General Survey of Political Situation in Pacific and Far East with reference to the forthcoming Washington Conference,” 20 October 1921, FO 412/118.

these questions would need to be “treated on broad principles rather than in detail”. Envisioning an agreement only between Britain, China, France, Japan, and the US at this point, Balfour drafted four general principles for a multilateral ‘open door’:

- (a) The consolidation and maintenance of the general peace in Eastern Asia;
- (b) The preservation of the independence and integrity of the Chinese Republic;
- (c) The application of the principle of equal opportunity for the commerce and industry of all nations in China;
- (d) The substitution of international co-operation for international rivalry in China.

He wrote to Lloyd George that the draft was premised on “a recognition of existing facts and treaties”. In other words, it was a multilateral instrument “designed to render difficult, if not impossible, a repetition of those acts of military or economic spoliation which have contributed so much towards the weakening of China”.²⁰⁸

Chapter 4 will demonstrate that this approach to the general ‘open door’ principles was eventually taken at the Conference. Although the wording of Balfour’s draft did not make the final treaty, his phrasing was so general that it had the same effect as Article 1 of the Nine-Power Treaty. But in closing, it is important to reiterate that the main significance of this draft treaty was that it separated the ‘open door’ from the tripartite concert conceived to replace the alliance.

3.3.3 The Shandong question

Before examining the influence of these draft treaties on the opening phase of the Conference it is essential to briefly note another major issue that, like the future of the alliance, was not on the official agenda: the Sino-Japanese dispute over Shandong. This dispute had simmered since 1914, but the unsatisfactory settlement at Versailles had only exacerbated tensions. A Foreign Office memorandum summarized the problem as follows:

In accordance with the Versailles decision Japan agreed to restore Kiaochow [i.e., Jiaozhou Bay] to China in full sovereignty, retaining only the German

²⁰⁸ Interestingly, clause (a) was lifted almost verbatim from the Anglo-Japanese Alliance preamble, with the omission of India. “Further Draft Agreement relating to China,” enclosure 2 in Balfour to Lloyd George, 11 November 1921, FO 414/453, No. 2.

economic rights. In other words, she agreed to restore the shadow and retain the subversive of the principle of maintaining the integrity and independence of China, to which both Japan and ourselves are pledged.²⁰⁹

However, since China rejected Japan's proposal and walked out of the Paris Peace Conference, no progress had been made on this sensitive issue.

Britain was not a party to the Shandong dispute but it had an interest in securing a Sino-Japanese settlement. By 1921, Britain and the US saw the Shandong question as the most obvious and objectionable violation of the espoused 'open door' principles. Another preparatory Foreign Office memorandum argued that Japan's position in China presented "a real danger to the peace of the Far East" that undermined the viability of the alliance. Unless "Japan is prepared to surrender entirely her exclusive privileges in Shantung, and to accept the principle of railway nationalisation in the near future", it would be "a farce to repeat the Open Door formula in any renewal of the Alliance agreement".²¹⁰ This was another reason why Balfour had opted to draft two treaties separating the issues rather than one.

In addition, Britain saw Japanese penetration into Shandong as distinct from its 'special interests' in Manchuria, not least because of the threat the former posed to British interests in the Yangtze basin. In fact, Britain was willing to give Japan's claims in Manchuria "a certain measure of sympathetic consideration". The Foreign Office memorandum suggested that if "a real Open Door can be established in Shantung, Great Britain might be able to view a further extension of Japanese influence in the Manchurian sphere with equanimity".²¹¹ In the interests of a larger settlement, then, Britain was prepared to accept Japan's 'sphere of influence' in north China.

But Shandong and the other provinces of 'China proper' were different. The question was whether Britain should remain on the sidelines when the issue of Shandong's retrocession was taken up at the Conference, or intervene to facilitate a solution. As the Foreign Office put it:

Unless an agreement is reached by Japan and China before the Conference meets, the latter will almost certainly press for a revision of the Versailles

²⁰⁹ Foreign Office memorandum, "Shantung," 10 October 1921, FO 412/118, Annex XVI.

²¹⁰ Foreign Office memorandum, "Japan and the Open Door," 10 October 1921, FO 412/118, Annex I.

²¹¹ Foreign Office memorandum, "Japan and the Open Door," 10 October 1921, FO 412/118, Annex I.

decision in regard to Shantung, and will seek to secure American support. How far [the US is] committed to or bent on bringing up this question is difficult to say. Japan will almost certainly resist any such proposal on the ground that it is a *chose jugée*, and that the decision of Versailles must be upheld. Having ourselves been a party to that decision, our attitude must at least be neutral.²¹²

This was a complicating factor. If China persuaded the US to help force Japan to restore all economic as well as political rights in Shandong, Japan's sense of isolation would be heightened, widening the US-Japan divide and damaging the prospects for the tripartite concert. The Foreign Office therefore advised:

It would be politically unwise for [Britain] to attempt to act as mediator between China and Japan on this subject, but should the discussions at the Conference wax hot, an opportunity may present itself for pressing for a settlement on the basis of: (1) Surrender by Japan of control over the Tsinanfu-Tsingtao Railway; (2) an international settlement at Tsingtao itself. These two points constitute the crux of the problem. The first removes the most effective weapon of peaceful penetration from the hands of foreign Power, and the second places the international interests at Tsingtao on a footing of equality.

The Japanese wanted to avoid discussing Shandong in front of the other delegations and had on 7 September offered its conditional return "on a more liberal basis", although they "made no abatement in their demands as regards the railway". But China "declined the offer", hoping to extract better terms at the Conference.²¹³ How Britain could facilitate a resolution of the sensitive Shandong question was unclear.

Yet in contrast to the Foreign Office's advice, Balfour was open to assisting the Japanese and Chinese delegations in reaching a Shandong agreement. As he put it: "A solution to this question is an essential condition to the conclusion of an agreement contemplated [in his draft China treaty]", which would in turn support the core British interest in securing a tripartite arrangement. He wrote to Lloyd George that the Shandong dispute "must be dealt with separately and at a very early stage of the Conference, since it is likely to dominate the minds of the three [other] principal powers" (i.e., the US, Japan, and China). For this reason:

²¹² Foreign Office memorandum, "Shantung," 10 October 1921, FO 412/118, Annex XVI.

²¹³ Foreign Office memorandum, "Shantung," 10 October 1921, FO 412/118, Annex XVI.

The recent correspondence between the Chinese and Japanese Governments appears to me to offer a possible basis for discussion, and I propose to seek an early opportunity to raise this difficult question with [Hughes], in the hope that we may be able to reach an agreement, and to use our good offices with the Chinese and Japanese delegations.²¹⁴

In retrospect, Balfour's "broad and tentative ideas" about British objectives and his "general guide to the manner in which the various problems likely to come before the Conference should be approached" were prescient. As he anticipated, the US and Britain would eventually be forced to intervene at the last minute and break the Sino-Japanese deadlock, which as detailed in Chapter 4 threatened to upend the Conference's other achievements. But more interestingly, Balfour's 11 November dispatch to Lloyd George was explicit about the subtle interrelationship between the various issues and displays an awareness of how none could be settled in isolation: a Shandong agreement was needed to create a multilateral 'open door' policy, which was the necessary foundation for an Anglo-American-Japanese concert to allow for a reduction in naval armaments.²¹⁵ His next task would be to sound out Hughes to determine the degree to which Britain and the US were aligned.

3.4 The Conference opens: Naval ratio and sequencing

Balfour sought to advance his draft treaties the day before the Conference began. In a sense, this maneuver reflected his and Curzon's belief that a tripartite arrangement was a necessary precondition for the naval talks. However, the surprise announcement of the US scheme for the limitation of capital ships at the First Plenary Session on 12 November meant that the naval and political questions would ultimately be addressed simultaneously. This section examines how, in the first days of the Conference, the interplay between the two sets of issues set the stage for later discussions.

Balfour met with Hughes on the evening of 11 November after arriving in Washington via an overnight train from Canada. According to minutes taken by Sir Maurice Hankey, the secretary to the British delegation, the two men "discussed the

²¹⁴ Foreign Office memorandum, "Shantung," 10 October 1921, FO 412/118, Annex XVI; Balfour to Lloyd George, 11 November 1921, FO 414/453, No. 2.

²¹⁵ Balfour to Lloyd George, 11 November 1921, FO 414/453, No. 2.

position in regard to the Pacific with the greatest freedom and without reserve". Hughes asked Balfour for his thoughts on a potential tripartite arrangement, and Balfour replied by handing him the first draft treaty "provided that it was treated as strictly secret" and of a "tentative and unofficial character". As Hughes perused the document, Balfour inquired as to whether the US would object to sharing the draft with the Japanese delegation under the same conditions. Hankey recalled:

Mr. Hughes showed considerable disquietude at this request, and gave Mr. Balfour to understand that the word 'treaty' was a great difficulty. If it became known that he was discussing a 'treaty' with Mr. Balfour, it would cause the utmost disquiet throughout a great part of the United States. Mr. Balfour at once hastened to withdraw the word 'treaty' and, in his own handwriting, altered it [and substituted] the word 'arrangement' wherever employed, and further wrote words across the top to the effect that he had deliberately [done so].

Balfour also wrote in the margins that the word 'arrangement' "as used in this informal and tentative document is deliberately vague".²¹⁶ From the beginning, then, he was conscious of the sensitivity he would have to employ in bringing the US into any alliance substitute.

But the alliance was not the main topic of conversation; in fact, a "considerable extent" of the meeting was taken up by a "discussion of the problem of China"—the foundation of the 'Far Eastern question'. Hughes indicated that he was "prepared to recognise existing facts, e.g., in Manchuria", and observed that although he had "no objection" to the construction of railways "for the purpose of developing the country, he could not agree to their use as a means of political penetration, as had occurred in Manchuria". He preferred making a "definitive statement" on the 'open door' as a "[s]ubstitute for all prior statements and agreements". Balfour agreed, and at this point gave Hughes the second draft treaty on China under the same "unofficial and tentative" conditions. Hankey described the overall China conversations as "uniformly frank and

²¹⁶ Balfour to Lloyd George, 24 November 1921, FO 414/453, No. 5; "Memorandum by Sir M. Hankey respecting Mr. Balfour's interview with Mr. Hughes," 11 November 1921, CAB 30/27, SW 1; "Memorandum by Mr. Balfour, of the British Delegation," 11 November 1921, *FRUS* (1922), Vol. 1, No. 2.

cordial”, with Hughes even noting “that his point of view was evidently similar to that of Mr. Balfour”.²¹⁷

When Balfour brought up the question of naval disarmament and probed Hughes for a preview of the US proposal, however, he did not get a reply. Hughes “refused to say a word in regard to the statement he was to make the following day” at the First Plenary Session, “merely stating that he thought it would be better not to do so”. As Balfour told Lloyd George, despite the fact that the two men had conversed with ease, Hughes had “smilingly asked me not to press him as to the [speech’s] contents”. The next morning the reason became clear: the First Plenary Session opened with Hughes’ famous naval disarmament speech. Balfour later recalled “[t]he secret had been well kept, and not a word had been allowed to leak out”.²¹⁸

3.4.1 The US naval proposal

The Washington Conference’s First Plenary Session opened on 12 November 1921 with an address from President Harding, followed by Balfour’s nomination of Hughes as Chairman. Upon accepting, Hughes took the podium to deliver his much anticipated speech.

This was the dramatic announcement of the American naval arms limitation proposal. At this early stage, Hughes explicitly stated that it would only concern Britain, the US, and Japan, as he planned to have the French and Italian delegations brought in after a trilateral agreement on capital ships was completed. The US plan for the three great navies was radical: shipbuilding programs would not only be abandoned, but hundreds of thousands of tons of capital ships were also to be scrapped by each power. Hughes proposed leaving the US with 18 capital ships at 500,650 tons; Britain with 22 at 604,450 tons; and Japan with 10 at 299,700 tons. After a ten-year shipbuilding holiday, Britain and the US would have their capital ship tonnage respectively capped at 500,000 tons, with Japan limited to 300,000 tons—in other words, the three powers would have their navies constrained by a 5:5:3 ratio. The speech was “punctuated with rounds of applause”, and according to Balfour, this came “more particularly from the

²¹⁷ “Memorandum by Sir M. Hankey respecting Mr. Balfour’s interview with Mr. Hughes,” 11 November 1921, CAB 30/27, SW 1; “Memorandum by Mr. Balfour, of the British Delegation,” 11 November 1921, *FRUS* (1922), Vol. 1, No. 2.

²¹⁸ “Memorandum by Sir M. Hankey respecting Mr. Balfour’s interview with Mr. Hughes,” 11 November 1921, CAB 30/27, SW 1; Balfour to Lloyd George, 14 November 1921, FO 414/453, No. 3.

gallery allotted to members of Congress”. Although the British delegation shared their enthusiasm, as this was the ‘one-power standard’ suggested by the CID, Balfour, “in spite of his inclination to say a few general words in praise”, opted to withhold his comments on the US proposal. He “came to the conclusion that a better opportunity for [his] remarks would be afforded at the next plenary meeting, when the excitement caused by [Hughes’] announcement [...] had worn off a little”.²¹⁹

Balfour also wanted to consult his naval advisors. The next day, the Admiralty section attached to British delegation prepared a paper commenting on the US proposal. Although they were wary of the feasibility of the ten-year shipbuilding holiday, and wished to tweak some of the details of the plan, the Admiralty section stated emphatically:

The British Delegation are fully in accord with the [US] proposals [...] in regard to the capital ships to be retained, arrested in construction, and scrapped. [...] It follows that the British Delegation are prepared to accept the relative strength in capital ships [proposed by the US].²²⁰

There were some caveats to this generally positive British reception. Sir Robert Borden, the chief Canadian representative to the delegation, raised an important issue. He urged accepting the ratio as it gave the Royal Navy parity with the US Navy, noting that the Americans possessed “financial and material resources [that] would enable her to outstrip the British Empire in any competition for command of the seas”. However, Borden forecast that Hughes’ decision to not align his naval plan with a corresponding political agreement could undermine the goal of a durable peace—as he put it, the US plan was “not accompanied by any proposal to avoid war”. Borden further observed: “Hostilities with decreased armaments may be less terrible at first, but war will destroy all treaties between belligerents and the entire force of each nation will be devoted to the employment of every conceivable engine of destruction”. As a result, the proposal, despite its “great conception and remarkable courage”, might only delay a future conflict in the Pacific. His memorandum closed with an important recommendation, one that reflected Britain’s search since 1920 for a way to make up for the US failure to ratify the Versailles Treaty:

²¹⁹ First Plenary Session, 12 November 1921, CAB 30/3, PS 1; Balfour to Lloyd George, 14 November 1921, FO 414/453, No. 3.

²²⁰ “First Conference of the British Empire Delegation,” 13 November 1921, CAB 30/1A, BED 48.

The British reply should accept in principle the whole American proposal and should express willingness to advance even further along the path of disarmament leading to peace. It goes without saying that the expression of any such wish should be couched in appropriate terms so as not to convey the false impression that we desire to compete in the enunciation of pacific principles. The *amour propre* of the American Government and American people is very sensitive and must be respected in every way. [...] If it could be done without offence to the Americans I feel that the British reply should also allude to the vital necessity of finding some means for the peaceful determination of international disputes. [...] The League of Nations has created a tribunal for this purpose and the provisions of the Covenant provide the means by which the jurisdiction of that tribunal can be invoked. The United States however recognizes neither the Covenant nor the Tribunal. At some stage of the proceedings we should approach the Americans for the purpose of obtaining their view on this all important subject. At least the idea of a concert between the chief Pacific Powers on Far Eastern questions should be considered.²²¹

In this way, Borden anticipated the need to link the 5:5:3 ratio with the scheme for a tripartite concert in Balfour's draft treaty. The US interest in naval arms limitation might in this roundabout way bring it into a kind of League substitute with Britain and Japan.

When the Second Plenary Session convened on the morning of 15 November Balfour was the first delegate to offer a response to the US proposal. After praising Hughes for the boldness and simplicity of his speech, Balfour announced that Britain had "considered [the US proposal] with admiration and approval. We agree with it in spirit and principle". He continued, as applause began to build: "We think the proportions between the various countries [are] reasonable; we think the limitation of amounts is acceptable; we think it should be accepted; we firmly believe that it will be accepted". Although Balfour introduced a few of the minor issues the Admiralty section had suggested amending, he did not delve too deeply into any "questions of detail", recommending that these matters be left for consideration by the technical experts. But

²²¹ "First Conference of the British Empire Delegation," 13 November 1921, CAB 30/1A, BED 48; Memorandum by Borden, "American proposal for the limitation of armament," 14 November 1921, CAB 30/1B, BED 77.

Britain's questions about minor details did "not touch the main outline of the structure which [the US] desire erected and which we earnestly wish to help them in erecting".²²²

These words, somewhat obsequious to Hughes and the Americans, indicated the importance of aligning Britain with the US right from the start. After all, Anglo-American cooperation had been the central aim of postwar British foreign policy. The gallery again erupted in applause as Balfour—in rhetoric bound to please the US audience—moved to the conclusion of his speech, connecting the realistic economic goals of disarmament to the postwar desire to forever prevent the eruption of another great-power conflict:

[The 5:5:3] structure stands [...] clear and firm, and I cannot help thinking that in its broad outlines, whatever may happen in the course of the discussions during the next few weeks, that structure will remain as it was presented by its original architects, for the admiration and for the use of mankind. [...] It is easy to estimate in dollars, or in pounds, shillings and pence, the saving to the taxpayer [...] which the adoption of this scheme will give. [...] All that can be weighed, measured, counted, all that is a matter of figures. But there is something in this scheme which is above and beyond mere numerical calculation. There is something which goes to the root, which is concerned with the highest international morality. This scheme, after all—what does it do? It makes idealism a practical proposition. It takes hold of the dreams which reformers, poets, publicists, even potentates [...] have from time to time put before mankind as the goal to which human endeavor should aspire.²²³

Admiral Kato spoke next, though he was far more muted than Balfour in his reaction. On behalf of the Japanese delegation he accepted the US proposal "in principle" but added that the security of Japan might require "a few modifications". Despite this, Kato was also willing to leave the specifics to naval experts. He concluded his brief remarks by stating: "Japan has never claimed nor had any intention of claiming to have a naval establishment equal in strength to that of either the United States or British Empire". This statement was for public consumption and was designed to remove suspicions that Japan would wreck the Conference. In private talks, however,

²²² Second Plenary Session, 15 November 1921, CAB 30/3, PS 2.

²²³ Second Plenary Session, 15 November 1921, CAB 30/3, PS 2.

the Japanese delegates had intimated to their British counterparts that they “could not agree to the 5-5-3 standard [...] but required 5-5-3½” (i.e., a ratio of 10:10:7).²²⁴

This presented for the first time one of the Conference’s major hurdles. As shown below, Japan’s insistence on a larger share of capital ships would become intertwined with the behind-the-scenes discussions on replacing the Anglo-Japanese alliance, leading to a four-power agreement (including France) on Pacific fortifications that would constitute article 19 of the Five-Power Treaty.

3.4.2 Conference organization: The CLA and FEC

The above introduction to the key issue of the capital ship ratio is intended to provide the background for the political discussions that would take place inside and outside the Conference committees. Without a naval agreement as a ‘capstone’ for the Washington treaties, these political talks would be fruitless. Before turning to these talks, however, it will be useful to survey how the two committees would be organized. Ultimately they would be the public face of the Conference, allowing the more difficult great-power issues to be negotiated in private.

Hughes had begun his speech opening the First Plenary Session with a recognition of the historic opportunity presented by the discussion of naval and political questions at the same venue. He also laid out a tentative procedure, as he was adamant that the two issues supported one another:

The inclusion of the proposal for the discussion of Pacific and Far Eastern questions was not for the purpose of embarrassing or delaying an agreement for limitation of armament, but rather to support that undertaking by availing ourselves of this meeting to endeavor to reach a common understanding as to the principles and policies to be followed in the Far East and thus greatly to diminish, and if possible wholly to remove, discernible sources of controversy. It is believed that by interchanges of views at this opportune time the Governments represented here may find a basis of accord and thus give expression to their desire to assure enduring friendship.²²⁵

²²⁴ Second Plenary Session, 15 November 1921, CAB 30/3, PS 2; “Third Conference of the British Empire Delegation,” 16 November 1921, CAB 30/1A, BED 50.

²²⁵ First Plenary Session, 12 November 1921, CAB 30/3, PS 1.

The Secretary of State continued, indirectly addressing the sequencing dispute with Curzon over the summer. Instead of structuring the Conference to either reach a political settlement first while postponing naval talks, as Curzon and Balfour preferred, or to delay political talks until a naval agreement had been reached, as the British had anticipated the US would propose, Hughes stated:

I am unable to find sufficient reason for adopting either of these extreme views. I think that it would be most unfortunate if we should disappoint the hopes which have attached to this meeting by a postponement of the consideration of the first subject [i.e., armaments]. The world looks to this Conference to relieve humanity of the crushing burden created by competition in armament, and it is the view of the American Government that we should meet that expectation without unnecessary delay. [...] This, however, does not mean that we must postpone the examination of Far Eastern questions. These questions of vast importance press for solution. It is hoped the provision may be made to deal with them adequately, and it is suggested that it may be found to be entirely practicable through the distribution of work among designated committees to make progress to the ends sought to be achieved without either subject being treated as a hindrance to the proper consideration and disposition of the other.²²⁶

Thus the Conference's two formal committees—the Committee on the Limitation of Armament (CLA) and the Committee on Pacific and Far Eastern Questions (FEC)—would engage in separate but simultaneous negotiations. These committees held respective meetings on program and procedure, with the CLA meeting on the morning of 14 November and the FEC the same afternoon.

As the names of some of the Washington treaties imply, the Conference discussions clearly delineated between issues as well as the number of participating powers. This was mirrored in the committees. The CLA involved the five wartime allies (Britain, France, Italy, Japan, and the US), while the FEC involved them plus China and three other nations with China interests (Belgium, the Netherlands, and Portugal). Hughes observed at the CLA program and procedure meeting that when the nine-power FEC met it was “tantamount to the creation of a committee of the whole”. But a

²²⁶ First Plenary Session, 12 November 1921, CAB 30/3, PS 1.

distinction would be made between the FEC discussions and the plenary sessions, in order to “afford an opportunity for all the plenary delegates of all the interested powers to discuss relevant matters and to report their recommendations and findings to the full Conference. [This] method would facilitate cooperation and render easier the discussion when differences of opinion arose”.²²⁷ In other words, any agreements reached in either the CLA or FEC would be presented formally to the plenary sessions, which would be limited in number. The Third Plenary Session only addressed French opposition to the limitation of land armaments, and the Fourth Plenary Session was not held until mid-December. Thus the bulk of Conference discussions were intended to take place in these committees, or else behind the scenes, a factor that tends to obscure the linkage between the various issues that until mid-December were negotiated simultaneously.

After the CLA held its first meeting, Balfour reported to Lloyd George on 14 November that “the political questions of the Pacific have for the moment been somewhat overshadowed by the question of limitation of armaments”. Concerned, he inquired about the order the committee would follow to approach these sensitive questions. At the FEC program and procedure meeting later that day, Hughes told him that “no scheme had yet presented itself to his mind”. Apparently, the Americans had not considered how the FEC would settle disputes over interpreting the ‘open door’; there was also uncertainty regarding the line the Chinese delegation would take. Aristide Briand, French Prime Minister and head of its delegation, suggested that the FEC undertake a “general discussion [...] as early as possible” to, on the one hand, “ascertain by a process of elimination on what points of agreement might be found to be unanimous”, and on the other hand, “to clarify and facilitate discussion of those matters on which complex agreement might be lacking”. The issue was again raised on 16 November at the first FEC meeting. Hughes reiterated that “it was not necessary to postpone the discussion [...] until a definite agreement had been reached regarding the Limitation of Armament”. So in order to get the ball rolling on China questions, he assented to Briand’s suggestion and “then proceeded, without suggesting any particular course, to a brief discussion of principles”.²²⁸

²²⁷ “First Meeting of the Committee on Program and Procedure with respect to Limitation of Armament,” 14 November 1921, CAB 30/8, PAC 1.

²²⁸ Balfour to Lloyd George, 14 November 1921, FO 414/453, No. 3; “First Meeting of the Committee on Program and Procedure with respect to Pacific and Far Eastern Questions,” 14 November 1921, CAB 30/17, PPC 1; “First FEC Meeting,” 16 November 1921, CAB 30/13, FEC 1.

The most significant initiative in the FEC would actually come from China. Once Hughes finished his brief remarks on 16 November, Chinese delegate Alfred Sze rose to deliver a speech containing 10 proposals. These will be discussed in detail in Chapter 4, however, here it will be useful to introduce the effect of the Chinese proposals on the overall organization of the Conference. In response to Sze's speech, Hughes proposed that a subcommittee composed of the heads of the nine delegations hold a meeting to “consider the arrangement of the different topics [...] and to make recommendations to the general committee as to their classification and the order in which they should be discussed”. At the next meeting, a “general discussion” would be held “without entering into details” in the hopes that “certain topics might be found to be already agreed upon”, which would precede any deeper discussion of the “various particular topics”.²²⁹

Balfour informed Lloyd George of how the two committees would proceed: the CLA would start from the American 5:5:3 proposal while the FEC would use China's 10 proposals as a basis for future discussions. With the two committees constituted, the Conference “passed from its preliminary stages and settled down to the serious work before it”.²³⁰ This appeared to separate the naval and China issues from one another. But as the private, informal talks between Britain, Japan, and the US reveal, the issues continued to interact up until they were all nearly simultaneously resolved.

In fact, the FEC reached an agreement on general ‘open door’ principles by 21 November, the first result of the Washington Conference. But the CLA discussions were overshadowed by Anglo-American-Japanese talks outside the formal committee. All but two initial meetings were delayed until mid-December when trilateral agreements had finally been reached on the naval ratio and ‘consultative pact’ to replace the alliance; only then could the CLA move forward with its more technical work.

3.5 The evolution of the quadruple ‘arrangement’

It is somewhat poetic that the general ‘open door’ principles formed the Conference's first tangible success. As Chapter 2 has shown, the ‘open door’ represented the

²²⁹ “First FEC Meeting,” 16 November 1921, CAB 30/13, FEC 1; “Second Meeting of the FEC Sub-Committee of Heads of Delegations,” 17 November 1921, CAB 30/13, FEC 2.

²³⁰ Balfour to Lloyd George, 17 November 1921, FO 414/453, No. 4.

foundation of all major China treaties since 1899, and it was upon this principle that the diplomatic architecture under discussion at Washington had been built. Now, with the general principles accepted in the FEC, one of the interlocking issues that had stymied Anglo-American-Japanese cooperation had been dealt with, opening up room for discussing the more complex questions regarding the tripartite agreement, the naval ratio, and the initiation of Sino-Japanese Shandong talks.

All three of these discussions took place outside the formal Conference committees at private meetings in which the intertwined ‘Far Eastern questions’ were disentangled. In this section, the diplomacy respecting the naval ratio, the future of the alliance, and China questions will be presented sequentially to highlight how the issues interacted with one another. The Washington system, and the Anglo-American-Japanese equilibrium at its heart, would emerge out of this process.

3.5.1 Initial Anglo-Japanese discussions

The American and Chinese proposals “temporarily overshadowed” what Britain saw as the primary political objective of the Conference: an Anglo-American-Japanese agreement to replace the alliance. More worryingly, Balfour did not hear back from Hughes regarding his draft tripartite ‘arrangement’ in the two weeks since their 11 November meeting.

In the meantime Balfour began to approach the Japanese delegation “as a matter of good faith toward our ally” in order to inform them of “the line of policy [he] was adopting”. Concerned that any prolonged delay might stall the naval discussions, he understood that first step to bringing the US into an arrangement with Britain and Japan would have to begin with an understanding between the two longtime allies. Balfour was aware of the urgency of this task, but his first interview with Prince Tokugawa—the chief Japanese delegate and a descendant of the shoguns—on 12 November was unproductive. Due to Hughes’ unclear position, Balfour was reluctant to share his draft with Tokugawa although he did bring up the utility of a tripartite arrangement. As he later discovered, Japan had delegated all political and diplomatic questions to Shidehara, who was ill and bedridden during the Conference’s early days.²³¹

²³¹ Balfour to Lloyd George, 24 November 1921, FO 414/453, No. 5; “Mr. Balfour’s interview with Prince Tokugawa,” 12 November 1921, CAB 30/27, SW 2.

Shidehara's indisposition threatened to derail Balfour's plan to get Japan and the US to agree, as soon as possible, on a cooperative arrangement that could underpin the naval and detailed China talks. He "did not wish that any doubts should exist in the minds of the Japanese delegates as to our attitude on this question", so on Sunday, 18 November—when Shidehara sent Sadao Saburi, Counsellor at the Japanese Embassy in Washington, to visit Hankey to discuss the alliance "in an intimate and non-committal character"—Balfour seized the opportunity. Hankey had come to know Saburi when they had served on their respective country's delegations at the Paris Peace Conference, and the latter was seen as a "most discreet and trustworthy" channel. So Balfour authorized Hankey to hold a purely "informal conversation" on the "general line" the British delegation would follow.²³²

Shidehara, in turn, wanted to clarify the Japanese position and thus had asked Saburi to convey the following message:

First, that Japan desired nothing so much as the renewal of the Anglo-Japanese Alliance. Second, that she recognised that circumstances had changed, and that if [Britain] desired to extend the principles of the Alliance to cover a tripartite agreement Japan would cordially welcome it. Third, that whatever agreement might supersede the Alliance, Japan desire[s] to remain in the same position of intimate friendship with [Britain] as formerly.

Hankey returned similar sentiments. After noting that, due to the disappearance of German and Russian power in the Far East, the strategic environment that had prompted the alliance had been transformed, he suggested:

[Although] the time seemed to have come for the substitution of a Tripartite Agreement, it seemed worthy of consideration whether within that Agreement it might be possible to find some formula which would retain the power of re-constituting the Alliance in the case the old circumstances [i.e., a return of Russia or Germany as Pacific powers] should recur.

These remarks "seemed very satisfactory" to Saburi. However, Hankey also stated that "of course we [have] to reckon with the Americans, and one did not know yet what attitude they would take up". He noted that British experts had concluded that it would be "impossible for America even to discuss, much less to sign, any Treaty, and that

²³² Balfour to Lloyd George, 24 November 1921, FO 414/453, No. 5; "Conversation between Sir M. Hankey and M. Saburi," 18 November 1921, CAB 30/27, SW 3.

[an]other form of instrument would have to be found before any understanding was reached". Military clauses were thus off the table, a fact the British government had accepted beforehand. Saburi replied that he was "very familiar" with the US attitude from working at the Japanese Embassy in Washington, and Hankey recalled he "did not seem to think that this matter presented any difficulties".²³³

Contrary to the perspective put forward in the Washington system literature, Britain and Japan appeared to be aligned with respect to the constraint of US foreign policy on a tripartite pact. However, in mentioning the alliance reconstitution clause, it seems Hankey was attempting to reassure his close colleague that Japan was not about to be abandoned by Britain at the Conference.²³⁴ Article 3 of Balfour's draft in fact stated that the new arrangement would 'supersede' any existing treaties and, given Hankey's mention of 'reconstituting the alliance' in this context, it appears that he saw the draft as definitely replacing the alliance with a different, newer instrument.

The removal of military clauses was not the only change, as Balfour's draft did not include any reference to China or the 'open door.' As Hankey reported:

Saburi raised the question of the position of China toward the tripartite agreement. He himself was inclined to think that in her present state of weakness it would hardly be useful for China to become a party, and he considered the question one of great difficulty.²³⁵

Balfour had anticipated the problem of China, and the effect it could have on securing a US-Japan *rapprochement*; as noted above, this had been one reason he had severed the link between the 'open door' and the tripartite concert in his draft treaties.

But Hankey presciently used this opening to inquire about expanding the pact to powers other than China. He asked Saburi "what would happen if France wanted to come in?" On this point Saburi was "very much opposed" to "any extension of [the tripartite] arrangement". However, "without committing himself":

²³³ "Conversation between Sir M. Hankey and M. Saburi," 18 November 1921, CAB 30/27, SW 3.

²³⁴ Asada (1963, 272) claims that at this meeting Hankey inadvertently let Saburi know about Balfour's draft tripartite agreement—which had been shown to Hughes but not to the Japanese delegation—and was forced to reluctantly supply him with a copy. This is not reported in Hankey's account, and as shown below, Asada appears to confuse this initial Hankey-Saburi meeting about the tripartite pact with that of 28 November, at which Hankey supplied Saburi with the draft China agreement. British records suggest that Balfour handed Admiral Kato the tripartite draft formally on 23 November, and Asada may have confused the dates (and treaties). Nevertheless, in Hankey's memorandum of the 18 November conversation, all important aspects of the unmentioned draft were discussed.

²³⁵ "Conversation between Sir M. Hankey and M. Saburi," 18 November 1921, CAB 30/27, SW 3.

[Saburi] seemed to think that it might be possible to devise some formula by which other Powers took cognisance of a tripartite agreement, whether by exchange of Notes or otherwise.²³⁶

Here we have a British official raising the prospect of a quadruple arrangement including France to the Japanese before the Americans. The implication is that allowing the French to join the pact stemmed not only from a US goal to water down the agreement, but also a British interest in including its chief European wartime ally in the new Pacific order.

The Hankey-Saburi meeting provides insight into the links between the various issues being discussed in the first week of the Conference. For the most part, these problems had to be separated out from one another in order to facilitate discussions in the CLA, FEC, and outside the formal committees in a way that could lead to a potential agreement. But the links were clear, in that multiple agreements would need to be made, reinforcing each other in the interest of regional stability. As Saburi told Hankey, he was “convinced” that if Britain, Japan, and the US “could really get an understanding for a tripartite arrangement, together with a scheme of naval limitation of armament, [...] the peace of the Pacific was absolutely assured”.²³⁷

Still, Hankey noted “there were other questions at issue”. Aware that the Japanese delegation had been communicating with China’s representatives about potentially opening up Shandong talks on the Conference’s sidelines, he asked whether any progress had been made. Saburi told him Japan was “willing to go a very long way indeed in the way of concession, and if China would not be altogether too hopelessly intransigent there should be no difficult[ies] about agreement”. Britain’s delegates understood that the retrocession of Shandong would be essential to get a tripartite treaty ratified by the US Senate. Therefore, Hankey “made a purely personal suggestion”: if a Sino-Japanese *impasse* were reached over Shandong, Britain could ease the talks by acting as an intermediary. He used a legal analogy:

[If] two parties had a quarrel which they could not settle they each instructed a Solicitor whom they trusted, and the legal gentlemen were often able to talk it over and find a settlement. [Hankey] wondered whether this method might not

²³⁶ “Conversation between Sir M. Hankey and M. Saburi,” 18 November 1921, CAB 30/27, SW 3.

²³⁷ “Conversation between Sir M. Hankey and M. Saburi,” 18 November 1921, CAB 30/27, SW 3.

be adopted, using friendly Powers as Solicitors, although [he] hoped [Japan] would be able to settle direct[ly] with China.

In other words, Britain and US would step in only if Japan and China were unable to reach an agreement. The Japanese were generally apprehensive of US motives in the Shandong talks; Saburi assured Hankey that his delegation intended to take up “a most broad-minded attitude” with respect to China, but feared that “officials in the State Department” were “violently pro-Chinese”. British co-mediation was therefore welcomed. Nevertheless, as Saburi explained, Japan had been very satisfied with Hughes’ fair response to China’s 10 proposals raised in the FEC, and “felt great confidence in [Hughes] not to be unduly biased by his officials”. Hankey’s idea was thus well received—Saburi “was particularly taken with the idea of Solicitors, and kept repeating again and again ‘I like your idea of employing Solicitors’”.²³⁸ Indeed, these ‘solicitors’ would eventually be needed to break the Shandong deadlock.

Balfour was reassured by this meeting, but he continued to press for a discussion with one of Japan’s three principal delegates. Shidehara was still ill, so Saburi arranged for Admiral Kato to meet with Balfour at the British delegate’s hotel on 19 November. Unfortunately this strange meeting would be just as unproductive as the meeting with Tokugawa. Kato showed himself unwilling to say more than pleasantries and “announced early in the conversation that he had nothing special to discuss” despite being provided “every opening” to move beyond generalities. Balfour was “mystified”, and wondered if “some sudden developments took place” that had rendered it “undesirable” for the Japanese delegation to “open discussions with the British Chief Delegate”. Hankey sought an explanation from Saburi, who revealed that any talks regarding the alliance would need to await Shidehara’s recovery. The Japanese delegation, he reported, had “no ‘Head’”; Tokugawa, Kato, and Shidehara were “equal”, with Kato handling naval questions, Shidehara handling political questions, and, although Saburi did not say so directly, Hankey got the impression that Tokugawa was “more of a figurehead”. This was an accurate assessment. It was Shidehara’s illness that had prevented Japan from opening discussions with Britain, not reticence.²³⁹

²³⁸ “Conversation between Sir M. Hankey and M. Saburi,” 18 November 1921, CAB 30/27, SW 3.

²³⁹ “Conversation between Mr. Balfour and Admiral Kato,” 19 November 1921, CAB 30/27, SW 4; Balfour to Lloyd George, 24 November 1921, FO 414/453, No. 5; “Conversation between Sir M. Hankey and M. Saburi,” 18 November 1921, CAB 30/27, SW 3.

As Balfour had already shown his draft tripartite treaty to Hughes, he urgently sought to open communications with Shidehara. Kato eventually had to take up some of the political responsibilities and, following several entreaties from Hankey, he visited Balfour again on 23 November. This time he was able to discuss the alliance, and Balfour duly presented him with his draft tripartite agreement. As the meeting opened he told Kato that Hughes had seen the draft but had offered no opinions on it. Kato “was obviously pleased [with it], and Prince Tokugawa, who met Hankey later in the evening, was enthusiastic about it, and was certain that [the] Japanese government would welcome it”. Two developments then took place that began to shape the tripartite pact. First, Balfour suggested inserting a clause allowing Britain and Japan to retain the option of reforming the alliance if necessary, “subject, in the event of such renewal, to full communication of its terms to [the US] and to the provisions of article 18 of the League of Nations”. Second, Kato asked if Balfour thought it necessary to conclude such an *entente* quickly, to which Balfour replied, “though he wanted it to be concluded as quickly as possible, the question was that of the participation of [additional] Powers”. The possibility of China adhering to the agreement was raised, and Balfour warned Kato that “should China or any other participating countries express their desire to participate, it might be difficult to find an adequate reason to turn them down”. But since Britain and Japan had “no information as to the attitude of [the US] toward this question”, they did not pursue the matter. The meeting closed with Kato being given permission to transmit the draft to Tokyo for review.²⁴⁰

Kato passed the draft on to Shidehara, who rethought Balfour’s alliance provisions. Shidehara “considered it necessary [...] to inform the British side without delay that Japan had no objection” to the draft arrangement, and he had Saburi call on Balfour on the morning of 26 November to hand him Japan’s tentative revisions. It included a “supplementary oral statement” from Saburi “that the draft had been prepared by Shidehara by modifying the Balfour plan in a way more acceptable to the United States”.²⁴¹ The chief British delegate, with Saburi’s “permission”, then “made certain alterations in the draft”. This amended version states:

²⁴⁰ Balfour to Curzon, 23 November 1921, FO 414/453, No. 162; Balfour to Lloyd George, 24 November 1921, FO 414/453, No. 5; Kajima (1980, 586).

²⁴¹ Kajima (1980, 586).

I. In regard to the territorial rights of the High Contracting Parties in the Pacific Ocean and the Far East, it is agreed that if these are threatened by the aggressive action of any third Power, the High Contracting Parties shall communicate with one another fully and frankly, in order to arrive at an understanding as to the most efficient measures to be taken, jointly or separately, to meet the exigencies of the particular situation.

II. The High Contracting Parties further engage to respect these rights as between themselves and if there should develop between any two of them, controversies on any matter in the aforementioned regions which are likely to affect the relations of harmonious accord now happily subsisting between them, they agree to invite the other Contracting Party to a joint conference, to which the whole subject matter will be referred for consideration and adjustment.

III. The present Agreement shall supersede the Agreement of Alliance hitherto in force between Japan and Great Britain.²⁴²

Shidehara's draft had an important feature that distinguished it from Balfour's. The British had been sensitive to Japan's fears of isolation, and for this reason Balfour had included a clause permitting the reconstitution of the alliance if necessitated by changes in the security environment. In the new draft, Shidehara had removed this clause in order to ensure American support. This did not bother Balfour; on the contrary, as he told Curzon, Shidehara's removal of this clause was regarded as "very satisfactory", as it was only included to ease Japanese fears of abandonment.²⁴³ In other words, the draft was of joint Anglo-Japanese origin, designed to be acceptable to Hughes and the Americans. This made sense, as before opening discussions with the US, some preliminary allied agreement was necessary.

The initial Anglo-Japanese talks challenge how the extant Washington system literature has characterized the US role in the origins of the Four-Power Treaty. Far from an active force in determining the contours of the Shidehara draft, the US merely presented a constraint on what was possible in order for the allies to secure American

²⁴² Balfour to Lloyd George, 29 November 1921, FO 414/453, No. 6; "Conversation between Mr. Balfour and Mr. Saburi," 26 November 1921, CAB 30/7, SW 5; Balfour to Curzon, 28 November 1921, FO 414/453, No. 164.

²⁴³ Balfour to Curzon, 28 November 1921, FO 414/453, No. 163; Balfour to Lloyd George, 29 November 1921, FO 414/453, No. 6.

entry into a tripartite concert. Much of this can be attributed to the experience of the Senate's failure to ratify the Versailles Treaty and enter the League—to avoid the tripartite agreement suffering a similar fate, it was never intended to be a true military pact. But these talks also shed light on Balfour's role in ending the alliance, which is at variance with how his draft has been portrayed in the literature. His inclusion of a clause allowing for the potential reconstitution of the alliance was intended to reassure Japan and show that Britain would not simply align with the US out of convenience and abandon its longtime ally; it does not indicate that British policy was wedded to the 'old diplomacy' until it became clear the US would push back in support of the 'new'. Rather, this clause was removed before the allies even presented the draft to Hughes because Shidehara understood the constraints as well as Balfour did. Both Britain and Japan were conscious of the need for a tripartite understanding to pave the way for the naval deal, thus Balfour was relieved Shidehara had taken the initiative to remove the 'reassurance clause'.

3.5.2 Shaping the Washington system's superstructure

Despite Balfour's optimism about the Shidehara draft, the US position was still unclear. Later on 26 November, Saburi returned to the Japanese Embassy with Balfour's edits whereupon he learned that Hughes had requested an appointment within the hour. Hurrying back to Balfour's residence, Saburi asked for permission to show Hughes the new amended draft; the British delegate "gave the necessary permission" on the understanding that Saburi would explain to Hughes that Balfour "only had the draft before him a very short time and that these were only some rough suggestions". After Hughes' meeting with the Japanese, Senator Lodge and Elihu Root of the American delegation called on Balfour and "evidenced great satisfaction" with the draft—they were "most favourably impressed" and thought "it would meet the case". Although Root had prepared his own draft, and had scheduled the meeting to show it to Balfour, the British delegate got the impression that the Americans "preferred the Japanese draft".²⁴⁴ This is another piece of evidence that the end of the alliance was not the result of an 'American initiative'.

²⁴⁴ Balfour to Curzon, 28 November 1921, FO 414/453, No. 163; "Conversation between Mr. Balfour and Mr. Saburi," 26 November 1921, CAB 30/27, SW 5; "Conversation between Mr. Balfour and Senator Lodge and Mr. Root," 26 November 1921, CAB 30/27, SW 6.

Yet the tripartite arrangement was not being negotiated in isolation. Lodge and Root emphasized that US acceptance “depend[ed] on a settlement of the question of Shantung”. The Americans explained that this would be the “principal difficulty” because:

Shantung had been to a great extent the stumbling block over which America had fallen in adhering to the League of Nations. What [the US Senate] had specifically objected to in regard to the League of Nations was that under Article 10 of the Covenant, the American people had believed that they would be compelled to guarantee to perpetuate the Articles of the Treaty of Versailles relation to the Japanese position in Shantung. As they believed this to be iniquitous and indefensible, they would not have the Covenant.

It was therefore essential that the proposed tripartite arrangement not fail in the ratification process due to similar concerns.²⁴⁵

China had wanted to discuss Shandong at the FEC, relying on support from the US and other powers to get Japan to back down from its rights secured under the Versailles Treaty. Aware of this, Balfour and Hughes began to informally push for Sino-Japanese talks so as to ensure Shandong was discussed in a bilateral setting that isolated it from the FEC meetings. Fortunately, on 25 November, the British and American delegates had met separately with the Japanese and Chinese representatives and obtained their assent to Shandong “being discussed in the first instance”. Balfour and Hughes stressed that while the question of Shandong was “evidently one within the competence of the conference”, both “felt strongly that the best chance of reaching a solution” lay in a discussion “outside the conference”, and were prepared to use their “personal good offices” toward this object. Koo asked whether it would be proper to have the formal Conference committee recognize a potential Shandong settlement. Balfour and Hughes assented, but made it clear that discussions would only be “brought before the Conference in order to enable it to take note of any agreement which may have been reached” on the sidelines. Although the US agreed that Shandong needed to be kept apart from the main Conference agenda, Balfour got the message that “before

²⁴⁵ Balfour to Curzon, 28 November 1921, FO 414/453, No. 163; “Conversation between Mr. Balfour and Senator Lodge and Mr. Root,” 26 November 1921, CAB 30/27, SW 6.

advantage can be taken of the satisfactory turn which events have taken in regard to the Anglo-Japanese Alliance [...] the question of Shantung must be cleared up".²⁴⁶

Another issue for the proposed tripartite pact was the question of membership, as the inclusion of many powers would dilute it. When Hankey met with Saburi for a third time on the evening of 26 November, this time privately, Saburi stated "he attached even more importance to the agreement being tripartite than to what it actually contained. He was very anxious if possible to avoid the association of other Powers in it". However, when Balfour met with Lodge and Root, the Americans "seemed to take the view that it would be advantageous if France were brought into [the agreement] and in this case, they thought that it would probably be unavoidable to bring in other Powers".²⁴⁷ This was a problem for the British. Although Balfour was willing to consider allowing France—a member of the financial consortium and the only other naval power with Pacific colonies—to be a party to the agreement in order to align it with the expected naval treaty, he did not think it would be wise to include any other powers (e.g., Italy or the Netherlands). He knew that the further the pact strayed from the original alliance, the less likely it was to satisfy Japan's security requirements.

As these two issues indicate, the relationship of the modified Shidehara draft to China and France still remained unclear. When Hughes called on Balfour to discuss it on 28 November, it soon became obvious that the chief American delegate agreed with Lodge and Root on both Shandong and French participation. He "evidenced every satisfaction" that Shidehara's draft was workable as, having been proposed by the Japanese delegation, it could hardly be seen as a result of Anglo-American collaboration. However, Hughes proposed two key amendments.²⁴⁸

First, he expressed "quite definitely" that he was in favor of Balfour's "original plan of dealing with the Pacific and China in two separate documents". The pact should apply to "islands only and not to the mainland of China" in order to "avoid the question of Shantung". This is important, as the Sino-Japanese talks still had not yet begun, and

²⁴⁶ Balfour to Curzon, 28 November 1921, FO 414/453, No. 163; "Conversation between Mr. Balfour and Senator Lodge and Mr. Root," 26 November 1921, CAB 30/27, SW 6; Balfour to Curzon, 25 November 1921, FO 414/453, No. 302; Balfour to Lloyd George, 29 November 1921, FO 414/453, No. 6.

²⁴⁷ Balfour to Curzon, 28 November 1921, FO 414/453, No. 163; "Conversation between Mr. Balfour and Mr. Saburi," 26 November 1921, CAB 30/27, SW 5; "Conversation between Mr. Balfour and Senator Lodge and Mr. Root," 26 November 1921, CAB 30/27, SW 6.

²⁴⁸ Balfour to Lloyd George, 29 November 1921, FO 414/453, No. 6; "Conversation between Mr. Balfour and Mr. Hughes," 28 November 1921, CAB 30/27, SW 7.

the failure to reach a Shandong settlement could doom a US agreement with Japan. Balfour told Lloyd George that Hughes wanted to “avoid any connection between the new agreement and the question of Shantung”, and Hankey recalled that “Hughes [thought] the question of Shantung may take some time and he [was] particularly anxious to get this arrangement to supersede the Anglo-Japanese Alliance through at the earliest possible moment”. For these reasons, as Balfour later explained to Curzon, although Shidehara’s original draft had broadly referred to “the Far East”, the British delegate had modified it and confined the agreement solely to the Pacific Ocean. This meant that “China, Korea and other parts of the continent of Asia would be automatically excluded”.²⁴⁹

Second, the Secretary of State proposed extending the agreement to France, admitting that “there was a certain minority in the Senate and the United States generally which was hostile to Great Britain. This element would be placated if France were included in the scheme”. He “did not conceal that, if this were done, it would be more acceptable to the Senate [...] and more particularly to those elements which regard with suspicion any arrangement confined to the British Empire and Japan”. Balfour asked how Hughes could rationalize excluding other powers such as Italy or the Netherlands, and Hughes replied that a quadruple arrangement “might be justified by linking it in some way to the scheme for limitation of naval armament”. As he put it:

France is a naval power and will be affected by the scheme for a limitation of naval armament. Holland is not a naval Power and will not be affected. [Italy] was a Naval Power and therefore affected by the scheme for a limitation of naval armament, [but] had no islands in the Pacific.²⁵⁰

The Balfour-Hughes meeting also touched on the other elements of the Conference, as the two chief delegates had not held any formal discussions since 11 November when Balfour passed along his draft treaties. In regard to the naval talks, Hughes expressed the US delegation’s “determination” to “stand firm on the ratio of 10:10:6”. If Japan balked and continued to press for 10:10:7, “a public meeting would

²⁴⁹ Balfour to Lloyd George, 29 November 1921, FO 414/453, No. 6; “Conversation between Mr. Balfour and Mr. Hughes,” 28 November 1921, CAB 30/27, SW 7; Curzon to Balfour, 2 December 1921, FO 414/453, No. 167; Balfour to Curzon, 3 December 1921, FO 414/453, No. 169.

²⁵⁰ Balfour to Lloyd George, 29 November 1921, FO 414/453, No. 6; “Conversation between Mr. Balfour and Mr. Hughes,” 28 November 1921, CAB 30/27, SW 7; Balfour to Curzon, 29 November 1921, FO 414/453, No. 166.

be called at which he would have to announce that [the US] would not agree to alter the ratio". On the China discussions at the FEC, Hughes noted the compatibility of the important general 'open door' principles that had been agreed upon on 21 November with Balfour's draft China treaty. He "expressed considerable satisfaction with Balfour's draft", noting that he "considered this a good basis for agreement and suggested the four principles already approved [by the FEC] might be introduced into it".²⁵¹ In short, this meeting indicated both an emerging Anglo-American alignment across all issue areas, as well as a US tendency to rely on the British delegation to facilitate political agreements with Japan.

With this as background, Hankey called on Saburi later that evening to see whether the two US changes to Shidehara's draft would be acceptable. He was told that if China were excluded from the scope of the pact replacing the alliance, the Japanese would need to know what arrangement would be applied to China. Hankey demurred, mentioning only that it "would be in harmony with the general principles" already agreed in the FEC and "the general trend of the discussion" there. Saburi made no comment about the second modification, the inclusion of France. Thus Hankey returned to ask Balfour for permission to pass the draft China treaty to Saburi, although it had been given to Hughes the day before the Conference opened. It took Hughes until 28 November to assent to showing it to Japan—the British then communicated this important document to their Japanese allies on same day, only after receiving US approval.²⁵²

The above discussion suggests that the Four-Power Treaty was the lynchpin of the Washington system—the 'superstructure' supporting it—connecting China questions and Shandong to the naval ratio. However, this connection is only revealed in the behind-the-scenes talks, obscuring how the Anglo-American-Japanese equilibrium interlocked with the rest of the Washington treaties. On the one hand, the 'quadruple arrangement' would mirror the naval treaty by including France, the remaining Pacific power. On the other hand, it would explicitly not apply to the Asian mainland in order to minimize the impact of a Sino-Japanese Shandong deadlock on the treaty's ratification prospects in the US Senate. In a somewhat counterintuitive way, the fact that the issues

²⁵¹ "Conversation between Mr. Balfour and Mr. Hughes," 28 November 1921, CAB 30/27, SW 7.

²⁵² "Conversation between Mr. Balfour and Mr. Hughes," 28 November 1921, CAB 30/27, SW 7.

were beginning to separate from one another made the whole Washington treaty structure more likely to be enforceable.

3.6 Equilibrium: Emergence of the Washington system

The Anglo-American-Japanese equilibrium that came into focus during the first two weeks of December went beyond the ‘quadruple arrangement’, touching on all the major questions before the Conference. In several key meetings outside the formal committees, Balfour, Hughes, and Kato managed to construct a ‘general agreement’ regarding the new security architecture for the Far East. As noted above, the inclusion of France expanded the tripartite pact to all the naval powers with possessions in the Pacific; this four-power pact would now be explicitly tied to the 5:5:3 ratio with a Japanese proposal to freeze the fortifications defending these possessions.

Similarly, the separation of the Shandong question from the main FEC talks allowed Britain and the US to jumpstart Sino-Japanese negotiations. To please Japan and make sure this divisive issue was isolated from the more critical great-power questions, Shandong would be discussed bilaterally in a parallel conference. But to assuage China’s concerns, Balfour and Hughes agreed to mediate should the talks produce a deadlock. As a result both parties would be incentivized to reach an agreement: Japan knew a settlement would be necessary to obtain US ratification of the security framework and ‘general agreement’; and China recognized that for this reason the bilateral but mediated conference would be its best chance to press for more favorable terms. Thus both parties had a face-saving excuse to enter into discussions on the sidelines at Washington.

This section shows how these issues were resolved in rapid succession. Moreover, in the case of the ‘general agreement’—the centerpiece of the Washington system encompassing the naval ratio, consultative pact, and Pacific fortifications—the hurdles were cleared almost in tandem.

3.6.1 Constraints: The ‘general agreement’ and Shandong

As December opened, definite progress had been made at the Washington Conference. But Japan’s insistence on a higher ratio for capital ships and the uncertainty surrounding

the Shandong talks meant Balfour had his work cut out for him as he attempted to secure a quadruple agreement. Both issues impacted the prospects of the four-power pact, and there were several obstacles to advancing them outside the Conference committees.

Following the initial drafting process, Balfour had reason to be both optimistic and circumspect about bringing the US and Japanese positions closer to a final deal, as long as there was progress on Shandong. On 29 November, he had gone with Hughes to speak to the Chinese and Japanese delegations about initiating talks. Balfour wrote to Curzon that the situation was “developing promisingly” and that these meetings had resulted in a Sino-Japanese announcement on 30 November that they would open official discussions the following day. A compromise had been reached between Japan’s insistence on bipartisan negotiations with China, and China’s preference to hold the talks in front of the whole FEC in the hopes of securing American support.²⁵³

However, Balfour was still concerned about potential Chinese intransigence over Shandong undermining the four-power negotiations to supersede the alliance. The issue was “regarded as of quite exceptional importance by the Chinese delegation, since the [Shandong provisions] were the stumbling-block which prevented the Chinese delegation from signing the Treaty of Versailles”. This allowed China to perpetuate a veiled threat to wreck the Conference unless Shandong’s economic as well as political rights were fully restored. Yet the two delegations were hardly on the same page. As evidence, at the FEC talks that day, Japan “paid grateful tribute to the good offices” of Hughes and Balfour “in bringing the two parties together”; in contrast, China stated disappointingly that it “had always hoped to bring the matter before the conference”, and the offer of Anglo-American mediation was only accepted “without prejudice to [its] ultimate action in the unfortunate event of no such settlement being attained”. Balfour observed that the contrast between the Japanese and Chinese statements “was very marked and created an unfortunate impression”. Nevertheless, the two sides had agreed that talks would be held outside the FEC, which certainly represented progress from the standoff between 1919 and 1921. The procedure would also isolate the Shandong question while still allowing the benefits of an overall settlement to incentivize a Sino-Japanese agreement. Balfour and Hughes would attend the first

²⁵³ Balfour to Curzon, 30 November 1921, FO 414/453, No. 305.

meeting, where they planned to impress on Japan and China the “desirability of reaching a prompt settlement, in the interests, not only of themselves, but the whole stability of the Far East”. They would then withdraw, “but in order to oil wheels in case of friction and to [stay] well informed of the progress of events” two members each from the British and American delegations would remain as observers. Balfour predicted that “the use of tact and forbearance” might accomplish “something tangible”, but if this were to occur “it will without doubt be largely due to action by [the British] delegation outside [the] conference”.²⁵⁴

The Shandong talks began with an atmosphere that was “most friendly” and with “both delegations show[ing] every disposition to be conciliatory”, but by the second meeting on 2 December, problems had already become apparent. Neither Japan nor China wanted to make the first move. Balfour recalled that “the Japanese delegation [...] showed more good sense than the Chinese in insisting that the only sensible [first] step was to take up something concrete”. Eventually, after much back-and-forth, the Japanese note of 7 September—which China rejected before the Conference—was accepted by the Chinese delegation as “a point of departure”.²⁵⁵

This did not facilitate a deep discussion because China, “[s]omewhat unwisely”, as Balfour put it, insisted on beginning with the most controversial issue: the fate of the Japanese-controlled Shandong railway. As expected, “nothing definite emerged from the discussion”.²⁵⁶ Some progress was made over the next three weeks, as ownership of the railway was set aside to deal with less contentious aspects of the dispute, but by late December the talks had completely stalled over the railway issue. Anglo-American mediation would eventually be needed, a process that will be covered in Chapter 4. Regardless of this Sino-Japanese *impasse*, in the short term the simple fact that serious discussions had restarted for the first time since China walked out of the Paris Peace Conference was a net benefit for Conference diplomacy.

Another and potentially more serious *impasse* was developing with respect to the naval ratio. After Hughes had announced the US proposal for capital ships, a

²⁵⁴ Balfour to Curzon, 30 November 1921, FO 414/453, No. 305; Balfour to Lloyd George, 2 December 1921, FO 414/453, No. 8; Balfour to Curzon, 30 November 1921, FO 414/453, No. 304.

²⁵⁵ Balfour to Curzon, 1 December 1921, FO 414/453, No. 306; Balfour to Curzon, 4 December 1921, FO 414/453, No. 307.

²⁵⁶ Balfour to Curzon, 4 December 1921, FO 414/453, No. 307.

technical committee had been tasked with calculating the relative naval strength of the three Pacific powers, but they were unable to agree on whether Japan should have 60 or 70 percent of the naval strength permitted for Britain and the US. In order to “forestall the risk of a deadlock”, Balfour, with Hughes’ consent, met with Kato on 1 December. Kato stressed that domestic political considerations had hardened the Japanese position, although he was “convinced of the necessity for limitation of armaments”. He asked Balfour if the British could offer any suggestion as to how Japan could meet the US demand for a 5:5:3 ratio “without giving the appearance of having merely yielded to [US] pressure”. Balfour replied that it would be “a disaster [...] to the whole world if this Conference were to break down over a difference of 10 per cent in capital ships”. The US would not enter into a naval agreement if Japan stood firm on 70 percent, and if it then proceeded to blame Japan while it launched a massive new shipbuilding program, the British and Japanese navies could not compete. The outcome would actually be heightened insecurity in the Pacific.²⁵⁷

Moreover, Balfour observed that if no naval agreement was obtained, “Japan would [also] lose the advantages of the highly promising negotiations for a tripartite or quadruple arrangement with regard to the Pacific and China”. This framing had the desired effect. Kato agreed that if a potential arrangement to supersede the Anglo-Japanese alliance were reached, it would “give him some material to justify a concession” to the Japanese government with respect to the naval ratio. He added that “Japan’s objections” to the 5:5:3 ratio “would be removed if America would undertake to observe the *status quo* as regards fortifications in the Pacific”, and if Japan were permitted to retain the *Mutsu*, a ship already under construction that was to be scrapped under the US proposal. Balfour admitted that “these were arguments which must appeal to any person of political experience” and promised to put them before Hughes. Later he wrote Lloyd George that Japan could not feel secure with the 5:5:3 ratio unless it had both an agreement to supersede the alliance and the Pacific fortifications agreement. The issue of fortifications was directly tied to the ratio, for strengthening the defenses of the powers’ Pacific possessions would decrease the relative security engendered from Japan’s fixed number of capital ships. This would be compounded by the loss of its alliance with Britain. But if fortifications could be frozen alongside the ratio, and the

²⁵⁷ Balfour to Lloyd George, 9 December 1921, FO 414/453, No. 9; “Conversation between Mr. Balfour and Baron Kato in regard to Capital Ships,” 1 December 1921, CAB 30/27, SW 8.

alliance replaced with a consultative pact including the US, the idea was that Japan could be reassured that the 5:5:3 ratio would be enough to ensure its security.²⁵⁸

That afternoon, immediately following the first Shandong meeting, Balfour and Hughes held side discussions on Kato's Pacific fortifications proposal. Hughes was hesitant, citing the expected unpopularity of an agreement that would "fetter [the US] in regard to [its] right to fortify [its] own Possessions". He then suggested an unwieldy counterproposal that would give the Americans the ability to abrogate the agreement and construct Pacific fortifications should this prove strategically imperative in the future, and in this event allow Japan to then "terminate the whole of the naval agreement". That prospect was deeply concerning to Balfour. He pointed out that "such an arrangement would react on the other nations which were a party to the agreement, and would introduce a certain element of instability into it". However, if any dispute were to arise, under article 2 of the Shidehara draft tripartite/quadruple arrangement, the contracting parties would be committed to hold a joint conference to settle the issue. Thus if "a desire on either side to erect fortifications" were to emerge in the coming years, "a conference would [...] probably take place before the arrangement came to an end".²⁵⁹

Of course, such a scenario depended on the successful completion of an agreement to supersede the alliance. The 5:5:3 naval ratio now rested on the proposal for Pacific fortifications, which in turn was supported by the potential cooperative arrangement between the major powers. Significantly, Balfour was tasked with overcoming the gap between the US and Japanese positions. The first step toward advancing the naval discussions would therefore have to be drafting an acceptable tripartite or quadruple deal. For this, Hughes requested that Balfour "sound the Japanese" on limiting the proposed pact's geographical scope while expanding it to include a fourth power, as the British delegate was best placed to ameliorate any Japanese concerns about diluting the agreement.²⁶⁰

²⁵⁸ "Conversation between Mr. Balfour and Baron Kato in regard to Capital Ships," 1 December 1921, CAB 30/27, SW 8; Balfour to Lloyd George, 9 December 1921, FO 414/453, No. 9.

²⁵⁹ "Conversation between Mr. Balfour and Mr. Hughes," 1 December 1921, CAB 30/27, SW 9; Balfour to Lloyd George, 9 December 1921, FO 414/453, No. 9.

²⁶⁰ Balfour to Lloyd George, 29 November 1921, FO 414/453, No. 6; "Conversation between Mr. Balfour and Mr. Hughes," 28 November 1921, CAB 30/27, SW 7.

The interrelationship between the naval ratio, Pacific fortifications, and quadruple pact is most apparent in a 2 December Balfour-Hughes-Kato meeting that was called in the hopes of settling the three issues simultaneously. Balfour, who had so far been unable to mediate between the US and Japan, sat quietly for much of this meeting and allowed Kato and Hughes to set out their respective positions. Kato reiterated the same points he had put to Balfour the previous day. He “admitted that the conclusion of the proposed quadruple agreement [...] would be of great assistance” in getting Tokyo to accept the 5:5:3 ratio, but if this cooperative pact were to be paired with a *status quo* agreement on Pacific fortifications, he felt he could justify conceding his demand for 70 percent. However, even with these two agreements, he would have “considerable difficulty” in accepting the lesser ratio. Hughes replied by stating at the outset that “it was impossible” for the US to consider the Pacific fortifications proposal “except as part of the acceptance by [Japan] of a general agreement”. As Balfour explained to Lloyd George, Hughes indicated that the US conceived of this ‘general agreement’ as “embrac[ing] the quadruple *entente* in the Pacific as well as the [US proposals] on limitation of armaments”. If Japan accepted both, Hughes was open to a *status quo* treaty for Pacific fortifications—as long as it was “undertaken mutually and reciprocally by all the parties to the proposed quadruple understanding”.²⁶¹

After Kato told Hughes he would need to transmit the parameters of the ‘general agreement’ to Tokyo for approval, Balfour spoke up. Britain, he argued, had accepted the 5:5:3 ratio for capital ships “not as an exact calculation of the needs of the three nations, but rather as a general rule which appeared [...] to be a fair one”. His government thought Japan would be “perfectly secure” with the ratio, adding that “[t]his security would be increased if the proposed quadruple agreement [...] came into existence”. But he was sympathetic to Kato’s position. Balfour concluded:

[The proposed Pacific fortifications agreement] would undoubtedly contribute towards a sense of security for Japan, and would be a natural corollary to the conclusion of an agreement for the limitation of naval armaments as had been tacitly assumed in all previous discussions of the subject. If the proposed quadruple arrangement was completed and an understanding could be reached among the [four] powers [...] for the maintenance of the *status quo* in regard to

²⁶¹ Balfour to Lloyd George, 9 December 1921, FO 414/453, No. 9; “Conversation between Balfour, Hughes, and Kato,” 2 December 1921, CAB 30/27, SW 10.

fortifications in the Pacific, [he] thought Japan could accept the 60 per cent ratio with the utmost equanimity and confidence in her future security.

Kato reiterated that he would need to await instructions from his government.²⁶²

Hughes then mentioned the potential inclusion of France, whose delegates had not yet been informed of the discussions, as the Secretary of State wanted to bring the French into the talks as soon as possible. The British delegation had expected that Japan would resist inviting France into a quadruple arrangement, but this was not the case. In fact, Kato noted that the Japanese delegation was “perfectly satisfied with the proposal”; Tokyo had not replied to his telegram on this point, but Kato said “he had no reason to believe” his government would oppose expanding the pact to include France and he indicated that “it would be reasonably safe to approach the French Delegation”. However, Hughes and Balfour were nervous that the invitation could not be diplomatically withdrawn should Tokyo give a negative reply. Kato therefore left the meeting promising to wire his government again and expedite a response.²⁶³

At the close of the meeting Balfour told his counterparts that “the outlook of the Conference was satisfactory and promising”. But he wrote Lloyd George that the delay caused by the need to await Tokyo’s reply was “unfortunate, for until the question of the Japanese percentage is settled the work of the Conference [...] on the limitation of armaments was at a standstill”. This was because Hughes saw the naval ratio as “fundamental, and [was] unwilling to take up other aspects of the naval problem until it is disposed of”.²⁶⁴ Because of the interconnection between the issues, all had to advance in parallel beginning with the proposed quadruple pact. It was becoming clear that this would be the ‘superstructure’ supporting all the Washington treaties.

In the meantime, Curzon wired Balfour to give him permission to extend the tripartite agreement to France, which was “tolerable if required to secure the adhesion of America, [although it would] probably seriously diminish the value of the proposed

²⁶² Balfour to Lloyd George, 9 December 1921, FO 414/453, No. 9; “Conversation between Balfour, Hughes, and Kato,” 2 December 1921, CAB 30/27, SW 10.

²⁶³ “Conversation between Balfour, Hughes, and Kato,” 2 December 1921, CAB 30/27, SW 10; Balfour to Curzon, 3 December 1921, FO 414/453, No. 168.

²⁶⁴ “Conversation between Balfour, Hughes, and Kato,” 2 December 1921, CAB 30/27, SW 10; Balfour to Curzon, 3 December 1921, FO 414/453, No. 168; Balfour to Lloyd George, 9 December 1921, FO 414/453, No. 9.

substitute for the alliance in Japanese eyes”. The Foreign Secretary outlined why he supported Balfour’s approach:

One of the great merits of your proposal to conclude two agreements is that the first agreement, being limited to the Powers which really count in the Far East, would provide a more or less satisfactory method of superseding the [alliance], while the second [China] agreement would provide a means of preventing the other Powers invited to the conference from feeling that they had been left out in the cold.

Therefore, Curzon agreed to the “quadruple alliance on lines indicated”, but urged Balfour to make sure no other powers were invited. If Italy, for example, wished to adhere because it was the only other naval power at the Conference, Balfour was to leave it to Hughes to “take the initiative in rejecting the proposal” as it was “in order to please [the US] that Japan and [Britain] have agreed to abandon the alliance”.²⁶⁵

The interplay between the naval ratio and the quadruple arrangement in a sense vindicates Curzon’s pre-Conference instinct that dealing with political questions before taking up the issue of the limitation of armaments would help facilitate Anglo-American-Japanese cooperation. Kato’s demand respecting fortifications made the link between the two critical questions explicit: it was only if the naval ratio was paired with both this Pacific fortifications proposal and the quadruple consultative pact that Japan could sign on to a ‘general agreement’. Now that the Shandong talks had also been initiated, an overall settlement across all major issue areas was on the cusp of emerging.

3.6.2 The breakthrough

The breakthrough began to emerge on the morning of 7 December, and within a week an Anglo-American-Japanese equilibrium had been realized. Once the FEC set out general ‘open door’ principles and the Shandong talks had started, a stable quadruple arrangement to supersede the alliance was able to be produced, which would lead to an agreement on the naval ratio. This equilibrium would create a new *status quo* by freezing capital shipbuilding as well defensive fortifications in the Pacific, underpinned with new coordination mechanism to settle disputes before resorting to war.

²⁶⁵ Curzon to Balfour, 7 December 1921, FO 414/453, No. 172; Curzon to Balfour, 7 December 1921, FO 414/453, No. 173.

China, with its unsettled internal political situation, was isolated from this great-power arrangement to ensure that any future disruptions would not impact on the Pacific *status quo*. But the equilibrium could not have emerged without reasonable prospects for a Shandong settlement as well as a multilateral ‘open door’ agreement in the FEC to reduce US-Japan tensions. Prospective treaties covering these issues would serve as corollaries to the Anglo-American-Japanese *détente* in the Pacific, as would a five-power naval treaty with France and Italy, all of which would have to be concluded to sustain the nascent equilibrium beyond mid-December.

The central components were achieved in rapid succession. At the 7 December meeting, Kato informed Hughes that he had received his government’s reply and there was “no objection” to including France. Hughes passed this good news along to Balfour along with a revised version of the amended Shidehara draft, which the British delegation viewed as “practically based on the British proposals”. Indeed, Balfour deemed this draft “acceptable in principle”, and he and Hughes subsequently arranged to meet with Kato that afternoon for a final revision. Although Kato had received a Japanese draft arrangement to present to the British and Americans, he opted not to use it because Hughes’ version was nearly identical regarding the key points. Later that evening, the French delegation was formally approached about potentially joining a quadruple pact; they deemed the Hughes draft as “satisfactory” pending a reply from Paris. The great hurdle—the postwar status and future of the Anglo-Japanese alliance—seemed to have been cleared. Due to its importance for the advancement of the other Conference discussions Hughes was “anxious” to make the agreement “public at earliest possible moment”.²⁶⁶

Balfour outlined the differences between the Hughes and Shidehara drafts in a dispatch to Curzon. In addition to its extension to four powers, it added a preamble, inverted articles 1 and 2, included a time limit in article 3, and introduced an “ingenious article 4, which places on [the US] Senate [the] onus of approving this new arrangement if they wish to see Anglo-Japanese Alliance terminated”.²⁶⁷ This was of critical importance. Hughes had inserted this clause to ensure ratification, but it also appears to

²⁶⁶ Balfour to Lloyd George, 9 December 1921, FO 414/453, No. 9; “Memorandum of conversations at Washington with respect to the proposed Quadruple Arrangement,” 7 December 1921, CAB 30/27, SW 11; “Eleventh Conference of the British Empire Delegation,” 7 December 1921, CAB 30/1A, BED 58.

²⁶⁷ Balfour to Curzon, 7 December 1921, FO 414/453, No. 177.

be an assurance to Britain and Japan that the example of the Versailles Treaty would not be repeated.²⁶⁸

The next day, the four chief delegates met at Hughes's private residence to discuss the draft. Slight modifications were made, and for the rest of the meeting they attempted to find a way to ameliorate Shidehara's unexpected concerns about the Japanese home islands coming under the treaty.²⁶⁹ Ultimately this issue was settled in February 1922 by an exchange of notes, after a long and complicated negotiation process toward the end of the Conference, but at the end of the meeting all four powers agreed to the general terms.

Thus, on 9 December, the four delegates reconvened at Hughes' house to agree on the treaty's final language. Following some minor drafting edits, they agreed on the following text:

With a view to the preservation of the general peace and the maintenance of their rights in relation to their insular possessions and insular dominions in the region of the Pacific Ocean [Britain, France, Japan, and the US have] determined to conclude a treaty to this effect [...]:—

1. The High Contracting Parties agree as between themselves to respect their rights in relation to their insular possessions and insular dominions in the region of the Pacific Ocean. If there should develop between any of the High Contracting Parties a controversy arising out of any Pacific question and involving their said rights which is not satisfactorily settled by diplomacy and is likely to affect the harmonious accord now happily subsisting between them,

²⁶⁸ The Hughes draft was as follows: "With a view to the preservation of general peace and maintenance of their rights with regard to their insular possessions and dominions in the Pacific Ocean, the signatory Powers agree as follows: (1) They engage as between themselves to respect the said rights, and if there should develop between any two high contracting parties controversies on any matter in the above-mentioned region which is likely to affect the relations of harmonious accord now happily subsisting between them, they shall invite the other high contracting parties to a joint conference in which the whole subject will be referred for consideration and adjustment. (2) If the said rights are threatened by [the] aggressive action of any other Power, the threatened contracting parties shall communicate with one another fully and frankly in order to arrive at [an] understanding as to the most efficient measures to be taken jointly or separately to meet the exigencies of the particular situation. (3) This agreement shall remain in force for ten years from the time it shall take effect, and after the expiration of the said period it shall continue to be in force subject to the right of any high contracting parties to terminate it upon twelve months' notice. (4) This agreement shall be ratified as soon as possible in accordance with [the] constitutional methods of [the] high contracting parties, and shall take effect on exchange of ratifications, which shall take place at Washington, and thereupon [the] agreement between Great Britain and Japan which was concluded at London on the 13th July, 1911, shall terminate". Enclosed in Balfour to Lloyd George, 9 December 1921, FO 414/453, No. 9.

²⁶⁹ "Conversation between Mr. Hughes, Mr. Balfour, Mr. Viviani, Baron Shidehara, and Baron Kato," 8 December 1921, CAB 30/27, SW 14; Balfour to Lloyd George, 9 December 1921, FO 414/453, No. 9.

they shall invite the other High Contracting Parties to a joint conference to which the whole subject will be referred for consideration and adjustment.

2. If the said rights are threatened by the aggressive action of any other Power, the High Contracting Parties shall communicate with one another fully and frankly in order to arrive at an understanding as to the most efficient measures to be taken, jointly or separately, to meet the exigencies of the particular situation.

3. This agreement shall remain in force for ten years from the time it shall take effect, and after the expiration of said period it shall continue to be in force subject to the right of any of the High Contracting Parties to terminate it upon twelve months notice.

4. This agreement shall be ratified as soon as possible in accordance with the constitutional methods of the High Contracting Parties and shall take effect on the deposit of ratifications, which shall take place at Washington, and thereupon the agreement between Great Britain and Japan, which was concluded at London on July 13, 1911, shall terminate.

Hughes closed the meeting by proposing to announce the arrangement at a plenary session to be held the following afternoon.²⁷⁰ The world would soon learn the powers had recast their relations in the Far East.

The nine delegations gathered on 10 December for the Fourth Plenary Session, which marks the conclusion of the first phase of the Conference. Hughes opened by introducing the various China agreements—most notably, the four general ‘open door’ principles—that had been agreed in the FEC. These will be examined in detail in Chapter 4, but their importance should not be overlooked. As noted above, the China principles can be understood as a corollary to the quadruple arrangement for the simple reason that a basic understanding between the powers was a precondition for superseding the alliance, which had included a commitment to upholding the ‘open door’.

After Hughes presented the ‘general principles’ and other China resolutions, Senator Lodge announced the quadruple agreement. This was no accident; Hughes had selected Lodge to read the text to the assembled delegations because, as one of the chief

²⁷⁰ “Memorandum of a conversation held at Hughes’ private residence,” 9 December 1921, CAB 30/27, SW 15; Balfour to Lloyd George, 9 December 1921, FO 414/453, No. 9.

US Senators associated with the failure of the Versailles Treaty, his implicit support of the agreement signaled that it would not suffer the same fate as the League of Nations. Lodge stressed that the quadruple agreement possessed “no provision for the use of force to carry out any of the terms of the agreement, and no military or naval sanction lurks anywhere in the background or under cover of these plain and simple clauses”. He concluded:

[O]ur surest appeal in order to prevent wars in the future must be to the hearts, the sympathies, the reason, and the higher impulses of mankind. Such an appeal we make today by this agreement among four great nations. We rely upon their good faith to carry out the terms of this instrument, knowing that by doing so they will prevent war should controversies ever arise among them. [...] If we enter upon this agreement, which rests only upon the will and honor of those who sign it, we at least make the great experiment and appeal to the men and women of the nations to help us sustain it in spirit and in truth.²⁷¹

In other words, the quadruple pact was to be enforced not by threat of arms, but by aligned interests and a common desire for peace. Balfour had understood that this would be the case from the beginning.

When it was his turn to speak, Balfour—the only man present who had been involved in the creation of the Anglo-Japanese alliance—addressed its transformation:

There is no audience that I would rather appeal to than an American audience on the point I am just going to mention. [The Anglo-Japanese] treaty, remember, was not a treaty that had to be renewed. It was a treaty that ran until it was formally denounced by one of the two parties to it. It is true that the objects for which the treaty had been created no longer required international attention. But, after all, that treaty or its predecessors has been in existence within a few days of twenty years. It had served a great purpose in two great wars. It had stood the strain of common sacrifice, common anxieties, common efforts, common triumphs. When two nations have been united in that fiery ordeal, they cannot at the end of it take off their hats to one another and politely part [...]. Something more, something closer, unites them than the mere words of the treaty, and [therefore ending it] may lead to misunderstandings in one

²⁷¹ Fourth Plenary Session, 10 December 1921, CAB 30/3, PS 4.

nation just as much as the maintenance of that treaty has led to misunderstandings in another. [Thus] Great Britain found itself between the possibilities of two misunderstandings [...] and we have long come to the conclusion that the only possible way out of the *impasse*, [...] the only solution, was that we should annul, merge, destroy, as it were, this ancient and outworn and unnecessary agreement, and to replace it by something new, something effective, which should embrace all the Powers concerned in the vast area of the Pacific.

Turning to Hughes, who had earlier commented that the negotiations for the Four-Power Treaty occurred outside the official auspices of the Washington Conference, Balfour concluded:

Mr. Chairman, you told us [...] that this treaty did not strictly come within the four corners of the Conference program; and that statement was perfectly accurate, but [...] nobody can consider the substance and matter of the treaty itself without seeing that whether or not it be within the strict program of our Conference, nothing is more germane to its spirit and nothing that we could possibly have done would better prepare the way for that diminution of naval armament which I hope will be one of our greatest triumphs.²⁷²

Although the quadruple agreement, unlike the prewar alliance, separated the ‘open door’ from the consultative pact, the main Conference delegates clearly saw the two issues as linked. Dutch delegate van Karnebeek, for example, noted in passing:

When now [...] as a corollary to this [quadruple] treaty, the resolutions concerning China will be entirely incorporated in a general understanding of policy of all the powers interested, and such understanding will be extended [...] in connection with the *status quo* in general, then [...] a great step will have been taken on the ascending road which leads to the restoration of confidence.²⁷³

This highlights how, in a sense, 10 December marked not only the end of the first phase of the Washington Conference, but the end of an era in the Far East. The old order, which had lasted a quarter century, had been updated and refined for the postwar

²⁷² Fourth Plenary Session, 10 December 1921, CAB 30/3, PS 4.

²⁷³ Fourth Plenary Session, 10 December 1921, CAB 30/3, PS 4.

environment. It was now the ‘superstructure’ for the naval and China dimensions to the Washington system.

Indeed, as the quadruple pact settled one of the principal issues facing the Conference, within a week an Anglo-American-Japanese understanding was reached on the naval ratio, enabling the CLA talks including France and Italy to finally begin. On 12 December, Balfour, Hughes, and Kato met at the State Department to discuss the three outstanding problems that, from a Japanese standpoint, were interconnected: “the ratio; the *status quo* in regard to fortifications; and the *Mutsu*”, the new ship Japan refused to scrap. Kato had received instructions from Tokyo that if the British and Americans agreed to freeze Pacific fortifications and allow Japan to keep the *Mutsu*, he would be willing to abandon Japan’s insistence on a higher ratio for capital ships. Balfour observed that both the naval ratio and Pacific fortifications proposal were fixed, but that the list of ships was flexible. After much wrangling, it was determined that a rearrangement of the ships contemplated to be scrapped by Britain and the US could accommodate a 5:5:3 ratio that included the *Mutsu* for Japan. The following day, Balfour and Hughes presented their proposals adjusting the list of ships to be scrapped, which Kato accepted. The new maximum tonnage limits were now 525,000 for Britain and the US, and 315,000 for Japan.²⁷⁴

Balfour was not pleased with these slightly higher limits, as it would impose costs on Britain. But after consulting his experts, and in the interests of the wider Conference talks, he was inclined to agree. The three delegates convened twice on 14 December to hammer out the contours of the naval ratio agreement, in order to be able to present it to the French and Italian delegations as soon as possible. Meanwhile, Hughes accepted Japan’s plan for Pacific fortifications, as he hoped to hold a meeting the next day that would jumpstart the next stage of naval talks in the CLA.²⁷⁵ This put pressure on Balfour to accept the new limits before receiving permission from London. Realizing that Hughes and Kato seemed to have settled the differences that had prompted the delay, Balfour took the initiative. He stated that “although he did not quite

²⁷⁴ “Conversation between Mr. Hughes, Mr. Balfour, and Baron Kato,” 12 December 1921, CAB 30/27, SW 18; Balfour to Lloyd George, 22 December 1921, FO 414/453, No. 12; “Conversation between Mr. Hughes, Mr. Balfour, and Baron Kato,” 13 December 1921, CAB 30/27, SW 19.

²⁷⁵ “Conversation between Mr. Hughes, Mr. Balfour, and Baron Kato,” 14 December 1921, CAB 30/27, SW 20; “Conversation between Mr. Hughes, Mr. Balfour, and Baron Kato,” 14 December 1921, CAB 30/27, SW 21.

like [taking] action without referring to his Government, the new situation seemed to throw upon him the duty of coming to an immediate decision". In other words, Balfour was "immensely impressed with the importance of avoiding further delay. Harm had been done by the delays which had already occurred, [...] and [he] felt it was of the utmost importance to get on with the discussion of the French and Italian ratios". With that, Britain accepted the scheme.²⁷⁶

The tentative 5:5:3 agreement was conditional on French and Italian adherence to a five-power naval treaty, and after two weeks of negotiations that somewhat upset France's pride at being relegated to an equal of Italy, both powers eventually agreed to a ratio of 1.75 by the end of the year. A draft treaty was able to be produced on 9 January 1922, and within a week all articles save one had been accepted. This was article 19, halting Pacific fortifications and prohibiting the construction of new naval bases in the region, which linked the Five-Power and Four-Power treaties; the problem stemmed from a map Balfour had introduced to protect British and Australian interests in Singapore and the South Pacific after he received pushback from his government for quickly accepting the Japanese plan. On 10 January, he and Hughes had together pressed Japan to accept the map's geographic framework, but Kato and Shidehara had to pass the draft along to Tokyo for final approval. Once a reply had been received, Kato told Hughes on 21 January that there were "no technical objections" to the territory shown on the map, but "reasons of internal politics made it impossible for Japan to accept it". The next day, after Hughes urged Balfour to lean on the Japanese delegate, a meeting was arranged where Balfour, Geddes, and Hankey all attempted to persuade Kato that "our common object could best be attained by using the map". For his part, Kato understood the importance of article 19 from the wider perspective of the Conference, but as Balfour recalled to Lloyd George, he thought his government was "possessed [...] by the mistaken idea that [the map was] of British origin and in some obscure way detrimental to Japanese interests".²⁷⁷

At this late stage in the Conference, the Anglo-American-Japanese equilibrium threatened to unravel over what Balfour called "a matter [...] of trifling importance".

²⁷⁶ "Conversation between Mr. Hughes, Mr. Balfour, and Baron Kato," 15 December 1921, CAB 30/27, SW 22; "Capital Fighting Ships," 15 December 1921, CAB 30/1B, BED 141.

²⁷⁷ Balfour to Lloyd George, 22 December 1921, FO 414/453, No. 12; Balfour to Lloyd George, 30 December 1921, FO 414/453, No. 13; Balfour to Lloyd George, 20 January 1922, FO 414/453, No. 17; Balfour to Lloyd George, 25 January 1922, FO 414/453, No. 19.

But conscious of the risks this would present for the quadruple pact and naval ratio, Kato got approval to redraft the article—replacing the map with language defining its scope—which Balfour amended before showing it to Hughes on 23 January. Minor alterations were made to Kato’s draft, expanding it to apply to future bases as well as existing ones, and restricting it to cover naval rather than commercial port facilities. Tokyo finally accepted this version on 30 January, just as the Conference was about to conclude, thereby completing the final component of the ‘general agreement’.²⁷⁸

Before turning to the diplomacy of the China treaties, one point is notable in closing. On 14 December 1921, two days after the CLA began five-power discussions at its third meeting, the FEC was suspended for over a month. As detailed in Chapter 4, Hughes paused the FEC because more time and energy were needed in the CLA and in the Sino-Japanese Shandong talks; as Curzon had insisted, it was indeed difficult to hold two simultaneous conferences.

Thus the Washington Conference reached something of a midway point as 1921 came to a close: the international political environment characterized by naval rivalry and competition had shifted to a nascent form of cooperation based on the separation of what had hitherto been interacting issues. Once the Anglo-American-Japanese equilibrium represented by the quadruple pact, naval ratio, and Pacific fortifications agreement had been reached in principle, the security and political aspects of the Conference were bifurcated. All the relevant components of what would become the Four-Power and Five-Power treaties had emerged. Linking them was the *status quo* agreement on Pacific fortifications that, as surveyed above, was resolved on 30 January

²⁷⁸ Balfour to Lloyd George, 25 January 1922, FO 414/453, No. 19, “The Naval Treaty: Article XIX,” 30 January 1922, CAB 30/2, BED 210. The final text read: “The United States of America, the British Empire and Japan agree that the *status quo* at the time of the signing of the present Treaty, with regard to fortifications and naval bases, shall be maintained in their respective territories and possessions specified hereunder: (1) The insular possessions which the United States now holds or may hereafter acquire in the Pacific Ocean, except (a) those adjacent to the coast of the United States, Alaska and the Panama Canal Zone, not including the Aleutian Islands, and (b) the Hawaiian Islands; (2) Hong Kong and the insular possessions which the British Empire now holds or may hereafter acquire in the Pacific Ocean, east of the meridian of 110° east longitude, except (a) those adjacent to the coast of Canada, (b) the Commonwealth of Australia and its territories, and (c) New Zealand; (3) The following insular territories and possessions of Japan in the Pacific Ocean, to wit: the Kurile Islands, the Bonin Islands, Amami-Oshima, the Loochoo [i.e., Ryukyu] Islands, Formosa and the Pescadores, and any insular territories or possessions in the Pacific Ocean which Japan may hereafter acquire. The maintenance of the *status quo* under the foregoing provisions implies that no new fortifications or naval bases shall be established in the territories or possessions specified, that no measures shall be taken to increase the existing naval facilities for the repair and maintenance of naval forces, and that no increase shall be made in the coast defences of the territories and possessions above specified. This restriction, however, does not preclude such repair and replacement of worn-out weapons and equipment as is customary in naval and military establishments in time of peace.”

1922—the same day as the Shandong settlement and one day before the FEC began arranging the Nine-Power and Chinese Customs treaties. These, in turn, would buttress the great-power equilibrium, forming a more stable ‘foundation’ of the Washington system.

3.7 Conclusion

Outside of Hughes’ sensational speech announcing the naval ratio proposal, the British archival materials show no evidence of an ‘American initiative’ at the Washington Conference. For one thing, the ‘Pacific conference’ idea originated from a British proposal for a preliminary meeting in London. This was only combined with the US push for naval arms reduction because Curzon thought solving political questions would be necessary to secure a naval agreement, and he wanted to alleviate American suspicions about British intentions—both of which were seen as crucial to improving Anglo-American relations in the postwar world.

But perhaps more importantly, the term ‘initiative’ implies independent action. As the above discussion sought to highlight, Britain, Japan, and the US all had to deal with the constraints of trilateral bargaining on the sidelines of the Conference, and thus each made compromises in pursuit of their coveted naval agreement. The US could not have forced Britain and Japan to sign on to the 5:5:3 ratio for capital ships unless it agreed to enter into a tripartite consultative pact to supersede their alliance, which was a major departure from its prewar diplomatic traditions; while Britain and Japan understood that the US Senate would refuse to ratify any instrument with alliance commitments, and would reject the pact without a corresponding Shandong settlement. Constraints like these, not a unilateral ‘American initiative’, framed the diplomacy leading to the Four-Power Treaty, the central hub connecting the Washington system.

Another aspect missing from the Japanese literature is how the organization of the Conference shaped the contours of the final treaties. This chapter has concentrated almost exclusively on the interlocking diplomacy that took place outside of the two formal committees, the CLA and FEC. Britain, Japan, and the US all knew that the Conference would fail without a trilateral agreement on naval arms reduction and a new arrangement to replace the alliance; yet neither of these critical issues were debated in

front of the other powers. The vexing Shandong question was similarly isolated from the Conference altogether. From the above analysis, it appears that separating the issues in terms of the number of powers necessary to achieve stable results was significant factor in the Conference's overall successes—and the most important issues relied largely on Anglo-American-Japanese cooperation, facilitated by Balfour, and arrived at during informal meetings behind the scenes.

These private, trilateral discussions created the Washington system's 'superstructure'. In examining how it emerged sequentially, the role of Balfour's two draft treaties on a tripartite concert and multilateral 'open door' cannot be understated. By presenting the draft treaties to Hughes one day before the Conference opened, Balfour set the stage for the talks that would follow. However, his bifurcating of great-power security issues and China questions may give the illusion that he severed a connection that had existed ever since the original Anglo-Japanese alliance of 1902. This is only partially true; what Balfour was attempting to do was build a more stable and durable diplomatic framework for the Far East. Disputes over the 'open door' and 'spheres of influence' in China had long been a source of regional animosity, particularly between the US and Japan, therefore involving China in what was intended to be the future basis for Anglo-American-Japanese cooperation appeared to weaken the regional security architecture. For this reason Italy and the Netherlands would also be excluded. Instead, Balfour's parallel draft China treaty provided a multilateral foundation for the envisioned regional order, where all powers would align behind a common 'open door' policy, which in turn would reinforce trilateral great-power cooperation in the Pacific. The ideas in this draft, as shown in the next chapter, were similar to those that became article 1 of the Nine-Power Treaty.

Finally, the evolution of Balfour's draft tripartite treaty into the 'quadruple arrangement' underlines the linkage between the various components of the Washington system. The prospect of naval arms reduction could be called the 'capstone' of the Conference, as its expected security and financial benefits hovered tantalizingly over all major-power discussions, incentivizing the resolution of political questions. To this end, Shidehara revised Balfour's draft treaty to ensure the US could adhere to it, and assented to including France in order make it a corollary to the naval agreement. Britain and the US also responded to Japan's security concerns and allowed Kato to redraft

article 19 of the Five-Power Treaty on Pacific fortifications. This created a direct link from the Four-Power Treaty to the naval ratio—the ‘general agreement’ that resulted in an Anglo-American-Japanese equilibrium.

For Britain, recasting its relations with the US was the most critical strategic benefit from the Conference. Disentangling the ‘Far Eastern questions’ inhibiting Anglo-American cooperation without isolating Japan was therefore the British delegation’s primary objective, and when the Japanese accepted the ‘general agreement’ on great-power matters in December 1921, one could argue that their diplomacy had been a success. But the Conference was not yet over. If the naval ratio formed the Washington system’s ‘capstone’ and the Four-Power Treaty was its ‘superstructure’, a multilateral ‘open door’ policy for China was needed to serve as the new order’s ‘foundation’. Indeed, the ‘general agreement’ on the *status quo* had to rest on a common China policy, one that overcame the US-Japan divide and strengthened the Beijing government. The next chapter goes back to the opening of the Conference to survey the FEC and Shandong talks, where Sino-Japanese disputes would offer the first test of the nascent Anglo-American alignment.

4 The China treaties: A multilateral ‘open door’

4.1 Introduction

The British delegation came to the Washington Conference conscious that the ‘Far Eastern question’ had two interacting features: China’s internal weakness, and the international competition it generated. Although the effects of this dynamic shifted over time, its presence remained constant, creating the background conditions for rivalries and regional disputes that challenged the durability of the ‘treaty system’. It therefore formed an unstable foundation upon which any effort to build a cooperative diplomatic structure would be fruitless.

But solving the ‘Far Eastern question’ was not a straightforward task. Ever since the ‘scramble’ of 1898 made China a focal point for the worldwide competition between European powers, Britain had attempted to defend the ‘treaty system’ through a variety of diplomatic instruments: prompting the US to issue the first ‘open door’ note of 1899, allying with Japan in 1902, and retaining a ‘sphere of influence’ in the Yangtze basin as an ‘insurance policy’ against the partition of China. On the one hand, this approach had been successful. The fall of the Qing Dynasty did not trigger a second scramble for concessions, and for the most part the door to ‘free trade’ remained open. On the other hand, however, by 1921 it was clear that Japan had become the chief menace to the ‘treaty system’, and its wartime policy of ‘peaceful economic penetration’ threatened to turn the China market into a Japanese preserve.

British interests were impacted in three key ways. First, Japan had now inherited both the Russian and German ‘spheres of influence’ in China, compounding the original problems of 1898; added to this, the Beijing government was financially and politically unstable, tending to suggest Japan might soon be capable of exerting control over Chinese economic policy to the detriment of Britain’s treaty rights. Second, Japan’s actions had alienated it from the US, and because the alliance had been activated to capture Shandong, this negatively affected Anglo-American relations as

well. Third—and perhaps most relevant in terms of the Washington Conference—US-Japan tensions in the Far East had contributed to their naval rivalry, fomenting the conditions for a postwar arms race in which Britain could not compete.²⁷⁹

The preceding chapters have argued that, because the transformation of the strategic environment gave Britain a powerful incentive to recast its relations with the US and Japan, its Conference diplomacy cannot be ignored in any analysis of the Washington system. In the standard view put forward by Iriye and Hosoya, the interaction between the Four-Power and Nine-Power treaties formed the basis for a ‘new order’: whereas the former adapted the Anglo-Japanese alliance into a great-power coordination system, the latter adjusted the powers’ relations to China, and each other, by defining a multilateral ‘open door’ policy. Chapter 3 has shown that, with respect to the Four-Power Treaty, Britain had a much greater role in facilitating an agreement than has been attributed in this literature. But the Washington system’s main purpose in the historiography has been to assess the influence of the Nine-Power Treaty on the subsequent diplomatic history of the Far East.²⁸⁰ This chapter therefore presents Britain’s role in the negotiations that produced the China treaties, giving a richer description of the multilateral ‘open door’.

There were in fact three treaties related to China. The Nine-Power and Chinese Customs treaties attempted to address the two sides of the ‘Far Eastern question’: the former secured a multilateral commitment to the ‘open door’ in order to reduce the likelihood of international competition in China; while the latter provided some limited financial means to stabilize the Beijing government. Both were negotiated in the FEC, the formal Conference committee tasked with China questions. Britain’s FEC diplomacy has never been adequately addressed in the Washington system literature, an oversight that implies it was either aligned with Japan in defending ‘spheres of influence’, or was at least willing to cede the initiative to the US so as to facilitate the naval and quadruple agreements. Neither of these interpretations is correct. Not only was the British delegation eager to bring an end to the era of ‘spheres of influence’, it also at times presented arguments that went beyond what the Americans were planning,

²⁷⁹ Memorandum by Wellesley, ‘General Survey of the Political Situation in Pacific and Far East with reference to the forthcoming Washington Conference,’ 20 October 1921, FO 412/118; Balfour to Lloyd George, 4 February 1922, FO 414/453, No. 26.

²⁸⁰ Iriye (1965); Hosoya (1978).

most notably in the discussions regarding the tariff and the ‘Board of Reference’ to examine conflicting claims in China. As shown below, Britain had its own ideas about the future of the ‘open door’ that shaped the five key articles of the Nine-Power Treaty and the terms of the Chinese Customs Treaty. Both treaties, in fact, reflected longstanding British policy, updated for the new postwar strategic environment.

The third China treaty was different. Shandong was an issue related to the past, not the future, and the terms for restoring it to China therefore did not form part of the Washington system. However, a Sino-Japanese Shandong agreement was needed for the success of the wider Conference. This ostensibly bilateral issue was isolated from the FEC to keep it from impacting the formal discussions, but Chapter 3 has already introduced the interplay between Shandong and seemingly unrelated affairs. Aware of this constraint, Britain’s role in facilitating a Shandong settlement was twofold. First, Balfour and Hughes, along with their subordinates, pressed Japan and China to reach an agreement, and the final terms were brokered through a coordinated Anglo-American effort to break the *impasse*. Second, Balfour urged Curzon to allow him to restore the British leased territory of Weihaiwei to soften the blow for Japan when it returned Jiaozhou Bay. Both factors highlight Balfour’s consciousness of the evolving international order, as well as Britain’s emerging political alignment with the US.

This chapter adopts a four-part approach to the China treaties. After discussing the consolidation of various bilateral ‘open door’ notes into multilateral ‘general principles’ intended to guide the FEC’s work, it addresses the three applications of the ‘open door’ concept. As Chapter 2 has shown, the meaning of the ‘open door’ expanded between 1899 and 1900. Initially, the US sought to stop the powers only from interfering with the ‘equality of opportunity’ for commerce in their respective ‘spheres of influence’. But during the Boxer Rebellion, the concept was broadened to prevent further restrictions on China’s ‘territorial integrity’ (i.e., the acquisition of new ‘spheres’, leased territories, and concessions) as well as its ‘administrative integrity’ (i.e., further control over Beijing’s domestic affairs). China later sought to retroactively apply these principles, insisting that ‘territorial integrity’ meant the powers needed to evacuate their leased territories, and that ‘administrative integrity’ implied the recovery of tariff autonomy and an end to consular jurisdiction. Any declaration of a common policy in the Far East, then, would need to cover all three applications of the

‘open door’, clearly defining what was meant by the phrase. The discussion below proceeds semi-sequentially, illustrating how later agreements were based on those that came beforehand.

Section 4.2 looks at the ‘Root Resolutions’: the four ‘general principles’ that would serve as the centerpiece of the Nine-Power Treaty. As noted in Chapter 3, these emerged in the first weeks of the Conference. Although they comported with the principles put forward in Balfour’s draft China treaty, the Root Resolutions were only intended to consolidate the powers’ existing ‘open door’ declarations to facilitate the FEC’s work. Moreover, the initiative in the FEC did not come from the US or Britain, it came from China, as Chinese demands were a major constraint on what the committee could achieve. The section closes with an overview of FEC talks—including the British origins of article 2 of the Nine-Power Treaty—up to the end of December when Hughes suspended them to focus on the naval and Shandong negotiations.

Section 4.3 then examines the first attempt to apply the Root Resolutions to Chinese ‘administrative integrity’. In the negotiations surrounding tariffs and revenues, Koo and Sze insisted on recovering China’s tariff autonomy in order to enhance their leverage in getting increased funds for the Beijing government. The talks produced a surtax on imports, which fell short of tariff autonomy, but nevertheless suggested that the powers could go beyond their treaty rights to help China stabilize its financial situation. This was the only such result from the Conference, and thus merits special attention. The discussion focuses on the terms of the Anglo-Chinese ‘Mackay Treaty’ of 1902, which became the basis for the multilateral Chinese Customs Treaty. It also shows that the powers were only willing to deal with what could be accomplished at Washington, deferring the more complex questions to a future ‘special conference’, an approach suggested by Britain.

Section 4.4 picks up the FEC talks after they resumed in mid-January, beginning with an important discussion of the original ‘open door’ principle of ‘equality of opportunity’, which would be extended to industrial enterprises. To support this aim, the British proposed a ‘Board of Reference’—a type of limited ‘open door’ enforcement mechanism—which has been falsely attributed to Hughes.²⁸¹ In fact, a British delegate privately authored the resolution that would become article 3 of the Nine-Power Treaty

²⁸¹ Cf. Hattori (2001; 2021).

in consultation with his US counterparts, but let the Americans present it as their own. The section's central theme is the Anglo-American alignment behind the 'open door'. It also introduces the final two relevant articles of the treaty before concluding with the drafting process, where the Nine-Power and Chinese Customs treaties were bifurcated.

Section 4.5 returns to the beginning of the Conference to provide a survey of the issue of China's 'territorial integrity', covering the Shandong discussions briefly mentioned in Chapter 3. These had deadlocked, eventually requiring Anglo-American mediation to force a settlement. The purpose of the discussion, however, is to draw attention to Balfour's debate with Curzon over restoring Weihaiwei to China, as it represents the clearest example of British policy 'between the old diplomacy and the new'. In addition, the importance of Shandong to the other Conference treaties is emphasized—there could be no Washington system without a solution to this issue, which had come to symbolize the 'Far Eastern question' as a whole.

4.2 General principles: Updating the 'open door' consensus

Although the Nine-Power Treaty has been portrayed as a major development in the diplomatic history of the Far East, it is interesting that the whole case essentially rests on treaty's first article alone.²⁸² This article contained the 'general principles', or 'Root Resolutions', which distilled the bilateral 'open door' notes concluded amongst the powers into a multilateral framework committing them to a common China policy. But crucially, these principles were never expected to end up as the lead article in a treaty, much less become the FEC's main achievement; they merely represented a preliminary agreement to set the stage for the more complicated discussions to come.

Thus the 'general principles' could not present a new policy but rather had to restate the existing 'open door' consensus. This section examines the drafting process that led to the Root Resolutions, concentrating on the Chinese initiative to shape the FEC talks and the British role in defining the 'open door'. Since the inception of the 'treaty system' the cornerstone of British policy in China had been the 'open door'. As shown in Chapter 2, Britain's adherence to the 'free trade' principles captured by this euphemism long predated the US-issued 'Hay notes' of 1899 and 1900. But as the

²⁸² E.g., Iriye (1965); Hosoya (1978). An exception is Hattori (2001; 2021), who correctly identifies the importance of the 'open door' resolution in article 3, which is analyzed in Section 4.4 below.

conditions in China changed over the next twenty years, so too did the meaning of the ‘open door’. It should be no surprise, then, that Balfour sought to ensure the traditional British understanding would be reflected in the multilateral ‘open door’ framework, aiming to put the policy on solid footing to both facilitate further FEC discussions and support the parallel Anglo-American-Japanese talks on replacing the alliance.

Arriving at a common ‘open door’ consensus would be easier than applying it. All the major powers had declared their adherence to the ‘open door’ policy in numerous diplomatic notes, understandings, and even treaties. However, as a Foreign Office memorandum prepared for the British delegation observed, “like so many political formulae”, the ‘open door’ had “more than one interpretation”:

It may be merely a synonym for complete and unconditional most-favoured-nation treatment [...], the principle of equal opportunity for all foreign enterprise to participate in such phases of China’s economic development as China may consent to throw open to foreigners of any nationality [i.e.,] the antithesis to the alternative policy of ‘spheres of interest’ [...]. Looked at from this narrow point of view, the [...] ‘open door’ only aims at putting all foreign countries on the same economic footing throughout the whole of China [...].

But the two principles were not mutually exclusive. As the memorandum continued:

Historically, the original meaning of the phrase was even narrower than this. [...] The American Government [in 1899] thought it necessary to obtain guarantees from the principal Powers possessing leased territory or claiming spheres of interest that they would not use their special position to close the door to the commerce of other nations. Hence, apparently, the application of the phrase was not thought inconsistent with the existence of spheres of influence, so long as no special or exclusive economic privileges were claimed within those spheres.²⁸³

This was the problem facing the Washington delegations: many ‘open door’ understandings also contained mutual recognition of the powers’ respective ‘spheres’ in China.

It was therefore clear to the Foreign Office that the weakness of the ‘open door’ concept stemmed from “the latitude of interpretation to which it is liable, and the

²⁸³ Board of Trade to Foreign Office, “Economic Policy in China”, 26 September 1921, in Foreign Office memorandum, “The ‘Open Door’ in China,” 10 October 1921, FO 412/118, Annex XI, No. 2.

difficulty of reconciling it satisfactorily with the concurrent policy of exclusive ‘spheres of interest’ or ‘influence’”. Over the last two decades, the “selfish policy of Russia and Japan (and Germany and France in a less[er] degree)” had “rendered a generous interpretation of the ‘sphere of interest’ system unacceptable”. In other words, the definition of the ‘open door’ had become “rather broader” than was understood in 1899.²⁸⁴

The Board of Trade noted that the ‘open door’ euphemism had become “a standing jest and a bitter one among foreign commercial communities in the Far East, and the expression is usually qualified with the remark that it is open for Japanese only”. Of course, Japan had committed itself numerous times to the ‘open door’—in the Anglo-Japanese alliance and Lansing-Ishii note, for example—but Britain perceived its actual policy to be quite different. The Foreign Office, during preparations for the Washington Conference, identified the main challenge as Japan’s “policy of ‘peaceful penetration’ in China, notably in Manchuria and Shantung”. Although “it would be hard to affirm that when taken in detail any one part constitutes a violation” of the ‘open door’, Japanese policy “in the aggregate has the effect of excluding all but Japanese interests from the areas affected”. This had exacerbated US-Japan antagonism, leading the American government to take a much wider understanding of the ‘open door’ in the postwar period.²⁸⁵

What was needed was a new definition of the ‘open door’ that updated the traditional understanding to fit the altered circumstances. In Britain’s view, following the reorganization of the four-power consortium in 1920, the “policy of ‘spheres of influence’” had been “abandoned” by the consortium powers and “succeeded by one of international co-operation in the general development of China”. Yet although the “principles of the ‘open door’ as understood in 1899 still [held] good”, those underpinning Hay’s second ‘open door’ note of 1900—respecting China’s ‘territorial and administrative integrity’—were a more complicated matter. The British delegation would have to walk a fine line at the Conference to obtain a true Japanese commitment to this aspect of the ‘open door’:

²⁸⁴ Foreign Office memorandum, “Japan and the Open Door”, 10 October 1921, FO 412/118, Annex K.

²⁸⁵ Foreign Office memorandum, “Japan and the Open Door”, 10 October 1921, FO 412/118, Annex K; Foreign Office to Board of Trade, 4 August 1921, in Foreign Office memorandum, “The ‘Open Door’ in China,” 10 October 1921, FO 412/118, Annex XI, No. 1.

As a principle of policy there will be no opposition to the reaffirmation of the integrity and independence of China. It may be possible to guard effectively against military coercion on the part of any one Power, but the real difficulty lies in preventing the independence and integrity of China from being undermined by economic penetration. The maintenance of this principle depends therefore essentially upon a satisfactory solution of the ‘open door’, which seems impossible of attainment. [...] If a thorough enquiry into this subject is contemplated, it will be very difficult to avoid investing it at any rate with the semblances of a strong indictment against Japanese policy in China.²⁸⁶

Therefore, the British delegates were given six points to remember when discussing this sensitive issue:

1. That the ‘open door’ has never been clearly defined.
2. That the nearest approach to a definition is to be found in the proposals made by [Hay] in 1899.
3. That the Hay proposals referred only to certain and very definite and very concrete measures susceptible of fairly easy control, such as no discrimination in tariff and shipping matters, no differential freight on railways, &c.
4. That the ‘open door’, as understood today, has a much wider meaning than was contemplated by the Hay policy, and embraces all the factors which go to make up what is known by peaceful economic penetration, scarcely understood in 1899.
5. That it will be practically impossible to convict Japan of having violated the Hay policy, and that, as regards peaceful penetration in the larger sense, there is nothing to which we can point forbidding the practices, legitimate and illegitimate which are alleged against her.
6. That, as the key to a policy of peaceful penetration is to be found in the economic organisation of a country which practices it as much as in the country in which it is practiced, it is difficult to suggest a solution to a problem the causes of which lie largely outside international control. In these circumstances it is not surprising, therefore, that Japan is quite ready to discuss this subject.²⁸⁷

²⁸⁶ Foreign Office memorandum, “The ‘Open Door’ in China,” 10 October 1921, FO 412/118, Annex XI.

²⁸⁷ Foreign Office memorandum, “The ‘Open Door’ in China”, 10 October 1921, FO 412/118, Annex XI.

This last point is interesting, as it reveals a British awareness that the ‘open door’ was not only a diplomatic issue: it also had a domestic Chinese component that could hardly be resolved through conference diplomacy.

The Foreign Office memorandum concluded that, on the one hand, if “a satisfactory solution is possible, it would, of course be entirely in harmony with the above principle of policy, and would remove the chief danger to the Peace of the Far East”. But on the other hand, “the whole subject is so ramified, subtle and intangible that it is difficult to see how any solution is possible, least of all by a mere treaty stipulation”.²⁸⁸

Balfour’s draft China treaty indicated that the first step toward tackling the more complicated aspects of the problem would be to obtain a multilateral commitment to general ‘open door’ principles. As shown below, the ‘general principles’, drafted quickly by US delegate Elihu Root in response to China’s initial proposals, were not seen as anything more than a restatement of existing treaties and agreements. It is thus unsurprising that they reflected the ideas present in Balfour’s treaty, although their language hints at the possibility the British version may influenced Root’s drafting process.

4.2.1 The Chinese initiative

The Washington Conference appeared to offer China a venue to overturn the various restrictions on its sovereignty. But for the other eight powers in the FEC this was not the main goal; they simply wanted to find a common definition to the ‘open door’ policy that would preserve their rights under the ‘treaty system’. For Britain, Japan, and the US, even this aim was subordinated to a much more important end. The three major powers needed a ‘open door’ consensus to facilitate international cooperation in the Far East, thereby underpinning the expected naval agreement and tripartite pact to replace the alliance. There was no incentive for them to broach the more difficult and controversial China questions, as doing so would likely alienate Japan and have the opposite effect.

In the ‘Chinese initiative’ that marked the first month of FEC meetings, then, progress could only be made on those issues that aligned these objectives. Although

²⁸⁸ Foreign Office memorandum, “The ‘Open Door’ in China”, 10 October 1921, FO 412/118, Annex XI.

there was some sympathy toward China's concerns, the unstable internal conditions of the Chinese Republic undermined the forceful rhetoric deployed by its delegation, as there could be no guarantee the Beijing government would be able to enforce any decisions made at the Conference across all the territory it claimed. Yet China had to sign on to a final nine-power agreement, a constraint that meant its demands could not be easily dismissed. The Chinese initiative would therefore need to be countered with a concrete proposal that defined the 'open door' in a more anodyne way, conscious of the new China's ambitions, but realistic about what could be achieved at the FEC—and what had to be done to support the Conference's other work.

Chapter 3 looked briefly at the opening of the first FEC meeting on 16 November, when Hughes laid out his preferred procedure for the committee. He began by observing that before an agreement could be reached on the various China questions a set of 'general principles' would need to be defined, which could then be applied to the specific issues as they came up.²⁸⁹ This aligned with the British approach, although the draft China treaty Balfour had privately given Hughes on 11 November for this purpose was never brought up in the FEC.

But before Hughes could proceed, Chinese delegate Alfred Sze rose to deliver a speech containing 10 proposals that his delegation hoped would form the basis for the FEC's future discussions. It is important to note that China's main leverage in the FEC meetings stemmed from its ability to unilaterally end the talks. So although the powers recognized that the new China deserved to have the first word regarding the principles that would define its commercial relations, beginning with a serious evaluation of Sze's '10 points' also appeared to render the Paris Peace Conference scenario—where China walked out due to the Shandong settlement—less likely to recur.

Sze began his speech with an opening statement, declaring:

In view of the fact that China must necessarily play an important part in the deliberations of this conference with reference to the political situation in the Far East, the Chinese delegation has thought it proper that they should take the first possible opportunity to state certain general principles which, in their opinion, should guide the conference [...]. In formulating these Principles, the purpose has been kept steadily in view of obtaining rules in accordance with

²⁸⁹ "First FEC Meeting," 16 November 1921, CAB 30/13, FEC 1.

which existing and possible future political and economic problems [...] may be most justly settled and with due regard to the rights and legitimate interests of all the Powers concerned. Thus it has been sought to harmonise the particular interests of China with the general interests of all the world. China is now contending with certain difficult problems which necessarily arise when any country makes a radical change in its form of government. These problems she will be able to solve if given the opportunity to do so. This means not only that she should be freed from the danger or threat of foreign aggression, but that, so far as circumstances will possibly permit, she be relieved from limitations which now deprive her of autonomous administrative action and prevent her from securing adequate public revenues.²⁹⁰

He then presented China's '10 points'. As these framed much of the work in the FEC meetings that would follow, they will be fully enumerated:

1. (a.) The Powers engage to respect and observe the territorial integrity and political and administrative independence of the Chinese Republic. (b.) China, upon her part is prepared to give an undertaking not to alienate or lease any portion of her territory or littoral to any Power.
2. China, being in full accord with the principle of the so-called open door or equal opportunity for the commerce and industry of all nations having treaty relations with China, is prepared to accept and apply it in all parts of the Chinese Republic without exception.
3. With a view to strengthening mutual confidence and maintaining peace in the Pacific and the Far East, the Powers agree not to conclude between themselves any treaty or agreement directly affecting China or the general peace in these regions without previously notifying China and giving to her an opportunity to participate.
4. All special rights, privileges, immunities or commitments, whatever their character or contractual basis, claimed by any of the Powers in or relating to China are to be declared, and all such or future claims not so made known are to be deemed null and void. The rights, privileges, immunities and commitments now known or to be declared are to be examined with a view to

²⁹⁰ "Statement by Chinese Delegation," 16 November 1921, CAB 30/1B, BED 86.

determining their scope and validity, and, if valid, to harmonising them with one another and with the principles declared by this conference.

5. Immediately, or as soon as circumstances will permit, existing limitations upon China's political, jurisdictional and administrative freedom of action are to be removed.

6. Reasonable, definite terms of duration are to be attached to China's present commitments which are without time limits.

7. In the interpretation of instruments granting special rights or privileges, the well-established principle of construction that such grants shall be strictly construed in favour of the grantees, is to be observed.

8. China's rights as a neutral are to be fully respected in future wars to which she is not a party.

9. Provision is to be made for the peaceful settlement of international disputes in the Pacific and the Far East.

10. Provision is to be made for future conferences to be held from time to time for the discussion of international questions relative to the Pacific and the Far East, as a basis for the determination of common policies of the signatory Powers in relation thereto.

The '10 points' were taken seriously and not dismissed. Hughes, however, suggested "it might be fitting" to reserve further discussion on the Chinese proposal "until after there had been time to study it".²⁹¹

In the wake of the first FEC meeting, the British delegation, like the others, examined each proposed principle "clause by clause". The delegate in charge of economic questions, H. Llewellyn Smith—chief economic advisor to the British government, who had served as Permanent Secretary to the Board of Trade from 1907 to 1919 when Britain had attempted to preserve the 'open door' in China—duly prepared an assessment of the '10 points' and their implications, which facilitated a lengthy discussion.²⁹²

The main observations were as follows. Clause 1(a) raised the question of the "territorial limits of the Chinese Republic". Jordan thought that this would not include

²⁹¹ "Statement by Chinese Delegation," 16 November 1921, CAB 30/1B, BED 86; "First FEC Meeting," 16 November 1921, CAB 30/13, FEC 1.

²⁹² "Fifth Conference of the British Empire Delegation," 18 November 1921, CAB 30/1A, BED 52.

Tibet, but would include Manchuria. It was decided that due to the “vague wording”, the Chinese would be asked to elaborate on this point at the next meeting, though clause 1(b) was “considered acceptable”. The delegation thought clause 2 was also vague: after a brief discussion a consensus was reached that this “Chinese formula for [the] open door did not mean a general opening up of China, but merely the extension of equal treatment to all nations in places [already] open to trade” (i.e., the treaty ports). However, Smith noted that asking for Chinese clarification on clause 2 would lead to “discussions of the meaning and various special aspects of the ‘so-called Open Door’ policy, on which we should at the present stage leave America to take the initiative if she has anything definite to propose”. This hints at the reason Balfour did not present his draft China treaty to the FEC. Clause 3 had an important effect on the separation of Chinese questions from the proposed tripartite pact: China’s insistence on being invited to take part in any agreement in which it was mentioned validated Balfour’s instinct to put the ‘open door’ clauses in one draft treaty and the proposed agreement to supersede the alliance in another. As Lord Lee, the First Lord of the Admiralty, pointed out, due to “the situation created by the attitude of America toward the [alliance], China’s claim to participation in an Agreement designed to ensure peace in the Pacific could not be entertained”.²⁹³ This was the method eventually taken, as shown in Chapter 3.

One of the more important points was contained in clause 4. Jordan surmised that it “was particularly aimed at the Agreements concluded by Japan with China” during the war—the so-called ‘twenty-one demands’ of 1915 and the treaty of 1918 that recognized Japan’s claim to Shandong. He did not think the “practical application” of clause 4 to the various Anglo-Chinese agreements would be “in any way embarrassing to the British Government” for the simple fact that very few of these were secret. However, the “attempt to harmonise ‘the rights, privileges, immunities and commitments of British nationals’ with the principles” to be declared at the Conference might “prove difficult owing to the divergent views [...] as to what constituted special rights”. Jordan thought the US, for example, was “inclined to treat some of the privileges exercised under [...] the ‘open door’ principle as being differential in character”. But another issue was raised by combining past and future claims under one

²⁹³ “Fifth Conference of the British Empire Delegation,” 18 November 1921, CAB 30/1A, BED 52; Memorandum by Smith, “Preliminary observations on the economic aspects of the statement of the Chinese Delegation,” 17 November 1921, CB 30/1B, BED 90.

clause. The “general feeling” of the British delegation was that “the Conference was not empowered to declare past contracts and concessions null and void by the application to them of the principles to be laid down now”. As Smith put it, new principles could not be applied retroactively “so as to invalidate existing rights”.²⁹⁴

Clauses 5 and 6 were related. Jordan explained the particular issues to which China appeared to be referring in clause 5: in his view, the limitation on “political freedom” likely meant “the existence of garrisons in North China”; the limitation on “jurisdictional freedom” clearly referred to extraterritoriality; and the limitation on “administrative freedom” probably meant foreign control over the customs and postal services. Both Jordan and Smith referred to Britain’s willingness to give up its claims to extraterritoriality under the 1902 Mackay Treaty, provided a “satisfactory improvement” of China’s “laws and judiciary” first occurred. Smith suggested “meet[ing] the Chinese demand half way, e.g. by agreeing to a time limit of (say) twenty years” for these improvements to take place, after which extraterritoriality would be abandoned; however, the “chaotic state” of China at the time of the Conference suggested this was unlikely to occur in the short term.²⁹⁵

Similarly, clause 6 was understood to refer to the tariff rate. Jordan and Smith disagreed on the line Britain should take, as Jordan preferred retaining the Mackay Treaty’s link between the tariff increase and the abolition of *likin* transit taxes, to which China had committed itself. On the other hand, Smith argued the Board of Trade thought the two issues should be separated on account of the Beijing government’s inability to enforce the abolition of *likin* until it had restored control over the provinces. He was prepared to acquiesce if the other powers consented to “consider a moderate increase” in the import tariff, “especially if the proceeds [are] applied to facilitate railway developments” rather than warlord armies. Smith argued:

Complete Tariff autonomy would in present circumstances be contrary to the best interests of China, for her weak Government would be subject to every kind of corrupt pressure to rig the tariff to suit particular persons or interests.

²⁹⁴ “Fifth Conference of the British Empire Delegation,” 18 November 1921, CAB 30/1A, BED 52; Memorandum by Smith, “Preliminary observations on the economic aspects of the statement of the Chinese Delegation,” 17 November 1921, CB 30/1B, BED 90.

²⁹⁵ “Fifth Conference of the British Empire Delegation,” 18 November 1921, CAB 30/1A, BED 52; Memorandum by Smith, “Preliminary observations on the economic aspects of the statement of the Chinese Delegation,” 17 November 1921, CB 30/1B, BED 90.

Moreover the present Customs control cannot be abolished while there remain foreign debts outstanding for which the Customs revenue is a pledge.

Not unlike the case of extraterritoriality, Smith suggested a “fairly long” time limit—25 years—before China could regain tariff autonomy.²⁹⁶ This debate over British strategy would shape the opening of the tariff talks, as shown in Section 4.3 below.

The last four clauses did not generate much opposition, or even discussion. Britain would seek further Chinese elucidation on clauses 7 and 8. Clauses 9 and 10 were seen as too broad to have much impact on a potential China treaty, although Smith noted with respect to clause 10 that “between members of the League of Nations the machinery [for future conferences] already exists”. It was hoped that the tripartite arrangement then being contemplated in the Anglo-American-Japanese side talks could create a forum for US participation, but in any event China would not be a part of it.²⁹⁷

In sum, the British delegation appears to have considered the proposals as representing an initial Chinese bargaining position that would need to be clarified and adjusted in future FEC meetings. The American and Japanese delegations had similar issues with the Chinese proposal. Thus on 17 November, when a subcommittee of the heads of delegations was convened to determine how to best approach China’s ‘10 points’, Hughes suggested a simple procedure for assessing them. He pointed out that the topics Sze raised “were to a large extent covered by the various headings on the Agenda” the US attached to the official invitation to the Conference. Because it was “impossible to discuss any of these topics without finding points of disagreement”, Hughes recommended taking up the topics on the US agenda “in order, putting to one side points of particular difficulty as they were reached”. He believed “there should be an endeavor to deal first with the actual, then with the desired, then with the degree to which the desired can become actual”. Britain and the other delegations, including China, assented to this procedure.²⁹⁸

²⁹⁶ “Fifth Conference of the British Empire Delegation,” 18 November 1921, CAB 30/1A, BED 52; Memorandum by Smith, “Preliminary observations on the economic aspects of the statement of the Chinese Delegation,” 17 November 1921, CB 30/1B, BED 90.

²⁹⁷ Memorandum by Smith, “Preliminary observations on the economic aspects of the statement of the Chinese Delegation,” 17 November 1921, CB 30/1B, BED 90.

²⁹⁸ “Second Meeting of the FEC Sub-Committee of Heads of Delegations,” 17 November 1921, CAB 30/13, FEC 2.

Between meetings, the Chinese delegates attempted to both coerce and reassure their British counterparts in order to receive support for their proposals. On 17 November, Balfour was visited by the chief Chinese delegate, Wellington Koo. As Balfour wrote to Curzon the following morning, Koo “attempted to get definite assurances” that Britain “had no intention of putting forward any plan for [financial] control of Chinese internal affairs”. Balfour replied “categorically” that his government had no such intent. Koo also asked for an assurance that Britain “would not support any attempt by [the] Japanese to increase their influence in Manchuria”, but Balfour carefully answered, “no suggestion had reached me that [the] Japanese intended to bring forward any specific proposals of this nature”. To Curzon, he noted that Koo, “whose manner throughout had been most conciliatory”, went on to implicitly threaten that “an unsatisfactory attitude on our part in this latter respect might be prejudicial to our commercial interests in China [...]. I did not discuss these suggestions”.²⁹⁹

Then, on the evening of 18 November, Jordan dined with Koo, Sze and the rest of the Chinese delegation. Jordan thought Sze was “much more reasonable and sensible” than Koo, “whose language is intended for British and American consumption, but has little relation to the state of things in China”. He received assurances from Sze that the broad, aspirational language of the Chinese proposal was largely intended for domestic audiences; China was willing to soften its position if basic conditions were met. Sze explained China’s intentions, leading Jordan to realize that some clauses did not “seem to bear any of the interpretations” the British delegation had assumed. As Jordan observed after the meeting, the “two questions which seem to me to call for an immediate decision from the British Delegation” were extraterritoriality and the tariff rate. China’s proposals regarding extraterritoriality were, in his view, “not unreasonable”. However, Jordan raised concerns about the link between the abolition of *likin* and raising the tariff. Somewhat softening his position, he suggested that if Smith’s recommendation to separate the two issues were adopted, a commission should be formed to make sure the increased proceeds went to railway construction.³⁰⁰

The British delegation was optimistic that Sze’s assurances would clear the way for general ‘open door’ principles to find unanimous FEC consent. The next

²⁹⁹ Balfour to Curzon, 18 November 1921, *DBFP*, Vol. XIV, No. 433.

³⁰⁰ “Note of an interview between Sir John Jordan and members of the Chinese Delegation,” 19 November 1921, CAB 30/1B, BED 91.

morning, as the method for dealing with the various China questions was delineated at the second FEC meeting, the Chinese delegation was cordial and cooperative as Hughes took the lead. First, the FEC would “proceed with the general discussions [...] whether related to the Chinese proposals or otherwise”. Second, the topics on the US agenda would be addressed. Third, “in the detailed discussion of the agenda, agreements in principle should be sought, and points not readily agreed upon set aside for such special treatment as might be considered best”. Hughes thought “an agreement could perhaps be more quickly arrived at through a general discussion; [while] specific matters demanding special attention could be given to a sub-committee of experts” for review. In this way, the Chinese proposal could be squared with “actual facts” on the ground and the interests of the other powers.³⁰¹

Admiral Kato spoke next. He was concerned about China’s apparent desire to use the Conference to attack Japan’s ‘special interests’, stating:

[The] existing difficulties in China lie no less in her domestic situation than in her external relations. [...] All that this Conference can achieve is, it seems to us, is to adjust China’s foreign relations, leaving her domestic situation to be worked out by the Chinese themselves.

This recalls the Foreign Office’s pre-Conference warning that diplomacy could not resolve China’s internal disorder, and there was no doubt that Kato’s characterization reflected actual conditions. Still, Kato reassured his counterparts that Japan intended to negotiate in good faith:

We are entirely uninfluenced by any policy of territorial aggrandizement in any part of China. We adhere without condition or reservation to the principle of ‘the open door and equal opportunity’ in China. [...] We have come to this Conference not to advance our own selfish interests; we have come to cooperate with all nations interested for the purpose of assuring peace in the Far East and friendship among nations. The Japanese Delegation understands that the principal object of the Conference is to establish in common accord policies and principles which are to guide the future actions of the nations here represented. Although we are ready to explain or discuss any problem [...]

³⁰¹ “Second FEC Meeting,” 19 November 1921, CAB 30/13, FEC 3.

taken up, we should regret [any] undue protraction of the discussions by detailed examination of innumerable minor issues.

Hughes seemed relieved, thanking Kato for opening the general discussion in a “most happy manner”, which he hoped “might be continued”.³⁰²

The other delegations then declared their intention to support the ‘open door’ in China, while echoing Kato’s conviction that the FEC discussions should not be bogged down with minutiae. For instance, French chief delegate Briand advocated “proceeding methodically and endeavoring to reach a common resolution on each point”. He also asked a controversial question—“what is China?”—as the Beijing government claimed authority over more territory than it actually controlled. But these were issues for future discussions. Balfour, for his part, told the committee:

[It is] unnecessary to add one word to what had been said [because there was] nothing to add to the frequent declarations [of the British Government] on all these questions; for example the ‘open door’ in China, the integrity of China and the desirability of leaving China to work out its own salvation and to maintain control over its own affairs, and of substituting, when circumstances warranted, the normal processes of law for extraterritoriality; all these principles had been formulated over and over again in explicit terms by [Britain].

This statement highlights that the ‘open door’ had long been Britain’s preferred arrangement for China, and Balfour was pleased that Hughes and even Kato were amenable to a multilateral ‘open door’. In adding nothing, he perhaps spoke volumes.

Another interpretation of Balfour’s decision not to raise any issues at the second FEC meeting is that he was hesitant to do anything to upset the Japanese so early in the Conference when Kato had already provided verbal assurances that Japan would negotiate in good faith. Britain had nothing to lose and everything to gain from letting the US appear to lead the defense of the ‘open door’. Since Sze had told Jordan his ‘10 points’ were primarily for Chinese domestic audiences and that his delegation was more flexible than it appeared, Britain could have confidence in America’s ability to get China and Japan to agree to the same general ‘open door’ principles.

³⁰² “Statement by Japanese Delegate,” 19 November 1921, CAB 30/1B, No. 93; “Second FEC Meeting,” 19 November 1921, CAB 30/13, FEC 3.

Moreover, the future of the Anglo-Japanese alliance had not been settled—Balfour had no reason to antagonize Japan merely to gain points with the US and China, as the Japanese delegation was suspicious of Anglo-American collaboration. Not unlike the British strategy for naval arms limitation, it was better to cede the initiative to the US and gauge the reaction of the other powers before committing Britain to any single approach. It is in this context that the famous ‘Root Resolutions’ should be viewed.

4.2.2 Balfour and the Root Resolutions

Despite Kato’s conciliatory words, the Chinese initiative and ‘10 points’ put Japan on the defensive. Adherence to vague ‘open door’ principles might be possible due to their generality, however any attempt at practical application would likely encounter Japanese obstinacy. This would be the real challenge. Still, it was difficult to see how Japan’s expected objections could possibly be overcome without first obtaining a common understanding on the meaning of the ‘open door’.

Responsibility for this initial task would fall on Elihu Root. In the second FEC meeting, he noted that “a mere expression of principle was not, of itself, of the highest value”; rather it was “the necessary first step towards accomplishing the result which evidently all wished to accomplish in China”. Root served as Secretary of War when Hay issued the ‘open door’ notes, succeeded Hay as Secretary of State in 1905, and had continued to advocate for the ‘open door’ while at the same time acquiring a relatively pro-Japanese image for an American statesman. His “personal predisposition” toward the ‘open door’ principles motivated his offer to redraft China’s ‘10 points’ into a simpler form to which all powers could agree.³⁰³

Root had three general observations about what had been thus far accepted. All the powers were agreed, first, “to respect [China’s] independence and territorial and administrative integrity”; second, “to follow a policy tending to secure to [China] the fullest possible opportunity to develop an effective form of government for herself”; and third, “that there should be an equality of opportunity for the commerce and industry of all nations throughout China”. These were noble and aspirational principles, and “had been repeated over and over again”. In short, far from being radical, they were “the settled policy in the community of civilized nations”. Root thought it would be useful

³⁰³ “Second FEC Meeting,” 19 November 1921, CAB 30/13, FEC 3.

“to re-state these principles all together” and, if the other delegations approved, “he would try to formulate them into a single resolution for future consideration”. He also wanted to simplify and distill the concepts behind China’s ‘10 points’ into a clear statement that could win unanimous Conference support.³⁰⁴

To do so, Root thought a consensus could be best achieved by limiting the scope of the principles in two ways. On the one hand, he suggested “it [would be] desirable to distinguish between China proper and the territories over which China exercised suzerainty”. As the Foreign Office section attached to the British delegation noted, the term ‘China proper’ had different interpretations. At its most expansive, Root seemed to be implying that Manchuria, Mongolia, Turkestan, and Tibet would be excluded from the declaration. Koo, however, stood firm and asserted the “territories of the Chinese Republic were defined in its constitution [and he] could not discuss any question which might give the impression of attempting to modify the territorial boundaries of China”. After a brief back-and-forth that produced no agreement, Hughes interjected:

[The FEC] should now endeavor to ascertain to what degree an agreement might be reached, by a statement, or re-statement of principles already expressed by everyone present; [...] it might be a mistake to fail to take advantage of this opportunity, before proceeding to the discussion of concrete subjects; [...] the widest area of accord was desired, not in order to pre-judge the determination of questions, but to advance a common agreement.

Use of ‘China proper’, which might have reassured Japan that its ‘special interests’ in Manchuria would be respected, was thus set aside. Later, Root would comment that it was “on the whole desirable to adhere to the use of terms already frequently employed in various treaties and declarations, without variation”. He decided to follow the precedent of these extant agreements and use the expression ‘China’ without seeking to “define or expand” it.³⁰⁵

On the other hand, Root was adamant that “existing facts should be recognized” and there should be “no intention of interfering with valid treaties and agreements”. This aligned with the British preference regarding retroactivity. It would

³⁰⁴ “Second FEC Meeting,” 19 November 1921, CAB 30/13, FEC 3.

³⁰⁵ “Second FEC Meeting,” 19 November 1921, CAB 30/13, FEC 3; “China Proper,” 19 November 1921, CAB 30/1B, No. 94; “Third FEC Meeting,” 21 November 1921, CAB 30/13, FEC 4.

be much easier to find common ground if the multilateral ‘open door’ principles only applied to future claims. Balfour proposed the “formal acceptance” of Root’s offer to draft the principles, as no one “was so competent [as him] for this task”, Koo seconded the nomination, and it was affirmed by the other delegates.³⁰⁶

Two days later, on 21 November, the four ‘Root Resolutions’ were introduced to the FEC. But it should be noted that they were concluded hastily, without even the most rudimentary support and involvement of the State Department advisors attached to the US delegation, and with the intention of smoothing the way for talks on the critical practical details that the FEC would need to confront in later meetings.

The draft resolutions as originally formulated were as follows:

- 1) To respect the sovereignty, the independence, and the territorial and administrative integrity of China;
- 2) To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government, overcoming the difficulties incident to the change from the old and long continued imperial form of Government;
- 3) To safeguard for the world, so far as it is within our power, the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China;
- 4) To refrain from taking advantage of the present conditions in order to seek special rights or privileges which would abridge the rights of the subjects of citizens of friendly states and from countenancing action inimical to the security of such states.

After presenting these principles, Root emphasized that there was “nothing new contained” in his draft; instead, it was “a resumé drawn to form a united expression on points already covered”.³⁰⁷

In fact, two of the four principles were nearly identical to two formulations in Balfour’s draft China treaty: Root’s first and third principles restated the common ‘open door’ language from existing treaties and agreements, and therefore mirror Balfour’s clauses (b) and (c), respectively. The degree to which Root consulted Balfour’s draft in

³⁰⁶ “Second FEC Meeting,” 19 November 1921, CAB 30/13, FEC 3.

³⁰⁷ “Resolutions adopted,” 21 November 1921, CAB 30/1B, No. 96; “Third FEC Meeting,” 21 November 1921, CAB 30/13, FEC 4.

order to achieve unanimous support is unclear, but regardless, the linguistic similarity at minimum illustrates the coherence of the respective British and US interpretations of the ‘open door’. Balfour later observed that to his satisfaction “the [four] principles, so far as they go, are in harmony with the preamble to the draft [China] agreement” he had given to Hughes on 11 November.³⁰⁸

A short discussion followed that foreshadows the FEC’s later work. In clause 1, Kato questioned whether “administrative integrity” was intended to refer to “political independence” or “interests or privileges which in the past had been granted to various countries”. Root replied:

[The phrase] certainly did not affect any privileges accorded by valid or effective grants; [...] on the contrary, respect for the administrative integrity of a country required respect for the things that are done in the exercise of its full sovereignty [as an] independent state.

This was an important point. Balfour agreed, however he did not want to unnecessarily constrain the FEC on matters he knew were of great importance to China:

[It] is understood that [clause 1] in no way bars [the FEC], in a future discussion, from leaving things as they are, or modifying them. For example, in such matters as extraterritoriality or customs arrangements, the Committee is not barred from making changes, nor required to make them. [Rather, the FEC] takes things as it finds them, and on their basis enters upon the discussion of whatever may be desirable.³⁰⁹

Koo then inquired if clause 1 “would take the *status quo* as a point of departure” and whether the powers understood “it was not intended to maintain and still less to perpetuate the existing conditions, and would in no way preclude the possibility of removing certain limitations [that impair] full sovereignty and administrative integrity”. To this, Hughes echoed Root and Balfour, replying that the clause “was not contemplated to preclude discussion of any question relating to China”—but the Chinese government possessed “administrative autonomy except as limited by restrictions which may have been placed upon it through valid engagements”. He added, however, “it might be possible” to “remove or modify some of these restrictions, but

³⁰⁸ Balfour to Lloyd George, 11 November 1921, FO 414/453, No. 2; Balfour to Lloyd George, 24 November 1921, FO 414/453, No. 5.

³⁰⁹ “Third FEC Meeting,” 21 November 1921, CAB 30/13, FEC 4.

that those would be particular questions” to be discussed in future FEC meetings. Clause 1 was then adopted.³¹⁰

Although clause 1 was a step forward for China, in the sense that it received the assent of all major powers to adopt identical ‘open door’ language, it by no means implied that a radical transformation had taken place. As Root reiterated to the Chinese delegates, clause 1 was based on repeated ‘open door’ declarations regarding Chinese sovereignty and territorial integrity, which “involves the power and authority of China to make agreements. So far as China has freely [entered into such agreements], respect for her sovereignty required respect for her valid and responsible acts”.³¹¹

Root was the true author of these principles, but it is noteworthy that Balfour was the only delegate who successfully argued for modifying or clarifying any Root’s language. First, he questioned whether the phrase “overcoming the difficulties incident to the change from the old and long-continued imperial form of government” in clause 2 expressed a “preference for one form of government rather than another”. Britain, Balfour noted, was “all in favor of the Republic [of China] in preference to the old autocratic [Qing] regime, but [was] opposed to any interference with the decision of the Chinese people themselves as to the form of government under which they might prefer to live”. He was, after all, representing a monarchy. These words were then stricken from the draft.³¹²

Second, Italian delegate Senator Carlo Schanzer asked if clause 3’s phrasing “[t]o safeguard for the world as far as it is within our power” weakened the “expression of the will of the Powers for perfect, equal opportunity”. This was the main difference from clause (c) of Balfour’s draft treaty, which had only compelled the powers to “apply” the principle of equal opportunity. After Root explained it was a quote from Hay’s original ‘open door’ note, Balfour pressed the issue, and argued the phrase should be changed to instead read: “To use their [i.e., the powers’] influence for the purpose of effectually establishing and maintaining [...]”. This change was also adopted.³¹³

³¹⁰ “Third FEC Meeting,” 21 November 1921, CAB 30/13, FEC 4.

³¹¹ “Third FEC Meeting,” 21 November 1921, CAB 30/13, FEC 4.

³¹² Balfour to Lloyd George, 24 November 1921, FO 414/453, No. 5; “Third FEC Meeting,” 21 November 1921, CAB 30/13, FEC 4; “Resolutions adopted,” 21 November 1921, CAB 30/1B, No. 96.

³¹³ Balfour to Lloyd George, 24 November 1921, FO 414/453, No. 5; “Third FEC Meeting,” 21 November 1921, CAB 30/13, FEC 4; “Resolutions adopted,” 21 November 1921, CAB 30/1B, No. 96.

The final clause in the Root Resolutions is, in retrospect, the most controversial. Sadao Asada has argued that Root intentionally lifted language from the Lansing-Ishii secret protocol in order to signal to the Japanese delegation that he implicitly recognized Japan’s ‘special interests’ in Manchuria and Inner Mongolia due to its ‘geographic propinquity’—suggesting that the US was willing to return to a policy of formal recognition in contrast to the informal assurances offered during the 1920 consortium talks. This is relevant, as differences over clause 4’s interpretation would ultimately heighten US-Japan tensions in Manchuria, contributing to the collapse of the Washington system.³¹⁴

Asada claims that the Japanese understood clause 4 as a conciliatory US gesture, although Thomas Buckley has argued there is insufficient archival evidence to support this assertion.³¹⁵ Without offering a final verdict on the dispute, there is a possibility that if Asada is correct, the similarity of Root’s clauses 1 and 3 with clauses (b) and (c) in Balfour’s China treaty may indicate that Root and his legal advisor, State Department official Chandler P. Anderson, similarly consulted the draft provided to Hughes in order to find language that would be acceptable to the British. In any event, Balfour was the only delegate to inquire as to the meaning of the word “security” in clause 4, but unfortunately the record only states: “After an explanation from Mr. Hughes, Mr. Balfour withdrew [his inquiry]”, without elaborating on the nature of this explanation.³¹⁶

It is important to conclude by reiterating that the Root Resolutions were not intended to become the centerpiece of a major treaty—and they did not represent an ‘American initiative’. Dutch delegate van Karnebeek directly asked whether the Root Resolutions were “intended as a working basis, to clarify the existing situation and to bring the Committee down to business”, or as “a draft of an eventual declaration or agreement between the Powers”. Root stated that, in his opinion, his resolutions “did not contemplate a treaty [...] but rather, written together, [they were] an expression of views [...] of the same character already seen in the various exchanges of notes and

³¹⁴ Asada (1961; 1963, 279).

³¹⁵ Asada (1961); Buckley (1970, 151-154).

³¹⁶ “Third FEC Meeting,” 21 November 1921, CAB 30/13, FEC 4. According to Asada (1961), this undefined notion of ‘security’ was a key weakness of the Nine-Power Treaty.

declarations”. However, Hughes thought that the FEC “should not anticipate at this moment the question of what agreements may issue from this Conference”.³¹⁷

The purpose of the resolutions was to form a nine-power consensus, not overturn the ‘diplomacy of imperialism’. But this should not belie their significance. As Balfour wrote Lloyd George:

It is true that these principles have appeared before in various treaties and agreements. It is, however, the first occasion on which they have been adopted jointly by so large a group of Powers. Henceforward [they] will be collectively responsible for preventing their violation. Further these principles should prove a useful guide [...] when examining the various questions of detail connected with China, as they come before the conference.³¹⁸

What was important was the fact that, going forward, the FEC now had a multilateral formula to address specific problems, as resolving the difficult issues contained in the US agenda would require harmonizing the powers’ interests around a common definition of the ‘open door’. Moreover, the Anglo-American-Japanese alignment behind the Root Resolutions effectively removed one of the initial obstacles on the path to a tripartite agreement. This was their immediate value. It was only later, in the last week of the Conference, that these principles would become the nucleus and first article of the Nine-Power Treaty.

4.2.3 Applying the ‘general principles’

The Chinese initiative was not over. Root had been explicit that the “recognition of China’s administrative integrity involved respect for [its] limiting treaties” with foreign powers, as it had entered into these obligations as a sovereign state.³¹⁹ But the Chinese delegation had a different perspective. They hoped to apply the principle of

³¹⁷ “Third FEC Meeting,” 21 November 1921, CAB 30/13, FEC 4. The Root Resolutions’ final language, which became article 1 of the Nine-Power Treaty, was: “The Contracting Powers, other than China, agree: (1) To respect the sovereignty, the independence, and the territorial and administrative integrity of China; (2) To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government; (3) To use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China; (4) To refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly States, and from countenancing action inimical to the security of such States.”

³¹⁸ Balfour to Lloyd George, 24 November 1921, FO 414/453, No. 5.

³¹⁹ “Third FEC Meeting,” 21 November 1921, CAB 30/13, FEC 4.

‘administrative integrity’ retroactively so as to recover the sovereign functions ceded under Qing rule.

The topic was so important that it was raised at the next FEC meeting on 22 November. Hughes opened the committee by pointing out that the Root Resolutions were a suitable distillation of the ideas contained in several of China’s ‘10 points’. The next task would be to address the concerns raised in points 1(a), 1(b), 3, 5, and 8, which dovetailed with the first heading on the US agenda: ‘administrative and territorial integrity’. After that, points 2, 6, and 7, which dealt with the ‘open door,’ would be discussed. These were the key principles behind the original ‘open door’ notes. The other delegates assented to this procedure, and the conversation then turned to ‘administrative integrity’.³²⁰

There were several dimensions to the issue. China attempted to erase the temporal distinction that Root had put forward, demanding: first, “a stop must be put to further encroachments on the administrative and territorial integrity of China and a line must be drawn to safeguard the future”; second, “an earnest effort should be made to remove as many as possible of the existing limitations and infringements upon China’s exercise of her sovereign rights”. The Root Resolutions appeared to the Chinese delegation to be “intended to safeguard the future of China, but present conditions should [also] be examined with a view to their amelioration”.³²¹

Essentially, there were “two classes” of limitations on Chinese administrative integrity. On the one hand, “those limitations having a contractual and treaty basis, such as customs and extra-territoriality”, and on the other, those “not having such a basis” such as the “maintenance in China of foreign post offices, the presence of foreign troops [...], and the establishment of foreign wireless stations”. Senator Underwood suggested taking the issue of customs and revenue first, and proposed delegating the issue to a subcommittee. This was agreed, and the Subcommittee on Chinese Revenue (SCR) was formed.³²² As one of the most important questions facing the FEC, as well as one of the few that was able to produce a concrete result, the diplomacy surrounding China’s tariff will be examined in detail in Section 4.3 below.

³²⁰ “Fourth FEC Meeting,” 22 November 1921, CAB 30/13, FEC 5.

³²¹ “Fourth FEC Meeting,” 22 November 1921, CAB 30/13, FEC 5.

³²² “Fourth FEC Meeting,” 22 November 1921, CAB 30/13, FEC 5.

The next issue was extraterritoriality. On 25 November, the Chinese delegation noted that “extraterritorial rights were granted at the time when there were only five treaty ports [...]. Now there are fifty such places [meaning] an ever-increasing number of persons [living] within China’s territory over whom she was almost powerless”. Their position was that “until the system is abolished or substantially modified, [...] it would be inexpedient for China to open her entire territory to foreign trade and commerce”. In other words, the prospect of a larger Chinese market was the carrot being offered in exchange for the end of consular jurisdiction. Britain, Japan, and the US had all signed treaties in 1902 and 1903 agreeing in principle to give up their extraterritorial rights once China underwent judicial reform—the same treaties that promised to increase China’s tariff rate once it abolished *likin*. As noted in Chapter 2, in the British case this was the Mackay Treaty. The French delegation stated that they wished to be associated with these treaties, although France was not a party to any agreement with China on the matter. Hughes suggested that “something similar to the expression voiced in the three Treaties [...] might be embodied in a general Resolution”, to which Balfour agreed. He suggested following the procedure that had been employed to deal with Chinese customs and revenue, and delegate the issue of extraterritoriality to a subcommittee for review.³²³

The proposal was adopted, and another subcommittee was formed, which reached a conclusion rather quickly. All eight powers other than China agreed that they could not do much to relinquish their extraterritorial rights given the unstable conditions in the Chinese Republic and the weakness of the Beijing government. They did not think their nationals could receive fair treatment until China reformed its judiciary. On 29 November, the subcommittee presented a resolution to the FEC that simply restated similar language to the 1902 and 1903 treaties, albeit this time multilaterally, and agreed to appoint a special commission to “investigate and report upon extraterritoriality and the administration of justice in China”.³²⁴ Nevertheless, because the Mackay Treaty and the similar US and Japanese treaties had never come into force because the other powers with ‘most-favored-nation’ treatment did not enter into parallel agreements with China, the multilateral resolution on extraterritoriality was a step forward.

³²³ “Sixth FEC Meeting,” 25 November 1921, CAB 30/13, FEC 7.

³²⁴ “Ninth FEC Meeting,” 29 November 1921, CAB 30/13, FEC 10.

Section 4.3 shows how the Chinese tariff issue was handled in an almost identical manner. Just as an end to extraterritoriality would not occur until China reformed its justice system, the tariff rate increase agreed under the Mackay Treaty would not be enacted until it abolished the *likin* internal transit taxes. In other words, China's chief concerns regarding its 'administrative integrity'—extraterritoriality and the tariff—would be deferred to future 'special conferences' to ensure they did not interfere with the FEC's work.

The British delegation was amenable to the 'multilateral Mackay' and 'special conference' solutions for the problems of ending extraterritoriality and increasing the Chinese tariff, as they anticipated neither question could be resolved at Washington. On 25 November they had discussed creating two 'special commissions' to which decisions on tariffs and consular jurisdiction could be referred, and at this meeting, a revealing point stands out. China's unwillingness to undergo judicial reform or abolish transit taxes was not the only reason the bilateral treaties of 1902 and 1903 had been held up. As noted above, these treaties required the unanimous consent of the powers due to the 'most-favored-nation' principle, and France, Germany, and Russia had not agreed to the terms. Although France, the only other significant actor left in the Far East, now wished to enter into a parallel treaty with China, Japan was expected to resist. Senator Pearce of Australia even prepared a memorandum arguing:

It appears to be essential that some machinery should be set up so as to prevent any individual Power, whose interests may be served by weakness and disorganisation, and even corruption, in the system of government in China, from delaying and frustrating the full establishment of the conditions set out in the [tariff and extraterritoriality] resolutions.³²⁵

Japan was not named in the memorandum, but seems to be implied by the context.

In this respect, Pearce recommended the use of 'special conferences' or 'commissions' for two reasons: first, to wait until the Chinese government was more stable and thus capable of reforming its judicial and tax systems; and second, to prevent the Japanese from obstructing a future multilateral agreement, should conditions improve.³²⁶ But there was also a third, unstated rationale for delaying any difficult

³²⁵ "Seventh Conference of the British Empire Delegation," 25 November 1921, CAB 30/1A, BED 54.

³²⁶ "Seventh Conference of the British Empire Delegation," 25 November 1921, CAB 30/1A, BED 54.

decisions not germane to the main goals of the Conference. Seriously confronting these issues would only result in China's disillusionment with the wider FEC objectives, potentially causing its delegates walk out of the Conference as they had in Paris in 1919.

The only other significant 'administrative integrity' question addressed during the first phase of the FEC talks was a resolution to abolish foreign post offices, passed on 28 November. This was an important victory for China, as it was the first case of the powers relinquishing control over an institution that violated Chinese sovereignty. But for the most part, the Chinese delegation made wide-reaching demands that the other delegations were unable to support, and otherwise attempted to get Britain, France, and the US to side with them against Japan. These debates have been omitted here for space considerations, and because they did not relate directly to the Washington system. It is only important to note in passing that the mere discussion of such issues represented a new approach by the treaty powers.

One last resolution deserves mention, as it became article 2 of the Nine-Power Treaty. Point 3 of China's initial proposals had asked that the powers agree to invite it to be a party to any treaty or agreement that either directly affected it or the "general peace" in the Far East. This was a reference to the powers' mutual recognition of 'spheres of influence' contained in many of the 'open door' notes.

When Koo brought up the issue at the FEC's 8 December meeting, Balfour was the first to respond. He had already designed his two draft treaties to separate out all reference to China and the 'open door' in any tripartite arrangement with the US and Japan. As he remarked:

So far as Great Britain was concerned, spheres of interest were things of the past. The British Government had not the slightest wish to prolong a situation which, so far as they were concerned, had been explicitly abandoned.

Balfour continued, referencing the strategic context behind the 'scramble for China' and restating Britain's motives for its 'sphere':

How did spheres of interest come into existence? Because, at a certain period of Russian and German aggression in China, other Powers, in order to prevent China from being cut up before their eyes, had to do for each other what China could not do for herself. In China's interest, as well as in their own, they had to

guard against their exclusion from legitimate opportunities of enterprise. This was due not so much to their own policy as to China's want of policy; not in consequence of their own strength, but of China's weakness.

Thus, although the era of 'spheres of influence' was over, Balfour felt it necessary to imply that the policy had not necessarily been a violation of the 'open door'.³²⁷

For his part, Hughes suggested that if the principles embodied in the Root Resolutions were observed, no treaties that recognized 'spheres of influence' could be concluded. He also objected to the broad nature of the Chinese proposal and suggested the FEC should instead work to find "something practical". After Masanao Hanihara (who would replace Shidehara as Japanese Ambassador to the US in late 1922) concurred, British Ambassador Geddes "ventured to suggest a resolution". The four Root Resolutions were reread aloud, to which Geddes "added a fifth". The powers would agree:

To enter into no treaty, agreement or understanding either with one another or, individually or collectively, with any other Power or Powers which could infringe or impair the principles just declared.³²⁸

Hughes and former French Prime Minister Rene Viviani agreed with the 'fifth general principle', but Hanihara thought the Geddes resolution was unnecessary, possibly weakening the other four. Viviani replied to this opposition by noting:

While, by the 'Root Resolution', only the Powers represented at the Conference bound themselves, the wording suggested by [Geddes] had the result of rendering it impossible for the nations who were not taking part in the Conference to practice a policy [...] different from that which the nine Powers represented [in the FEC] had declared it their intention to pursue.

Hanihara had another point, however. If this were the purpose of the Geddes resolution, it only applied to the eight powers other than China, leaving the Beijing government able to potentially cede territory to powers unrepresented at the Conference. Hughes noted that this was an important critique. He thus suggested adding China as a party and

³²⁷ "Fourteenth FEC Meeting," 8 December 1921, CAB 30/14, FEC 15.

³²⁸ "Fourteenth FEC Meeting," 8 December 1921, CAB 30/14, FEC 15; Board of Trade, "Note [...] respecting the Open Door in China," 13 March 1922, FO 414/453, No. 397.

separating Geddes' proposed fifth principle from the Root Resolutions. In this form it was then adopted as a separate resolution including China.³²⁹

The four 'general principles' were announced at the Fourth Plenary Session two days later on 10 December. Hughes stated:

It is hardly necessary to point out the great importance of this declaration. It is, in truth, a charter containing an assurance to China of protection [...] and also an assurance that between the Powers there will be a careful observance of the principle of free and equal opportunity in matters relating to China [...] and that no one will seek special advantages or privileges at the expense of the rights of others.³³⁰

As noted in Chapter 3, the general 'open door' principles were presented immediately before the Plenary Session's main announcement: that Britain, France, Japan, and the US had agreed on the terms of a quadruple pact to supersede the Anglo-Japanese alliance. Taken together, these two achievements represented the emergence of an Anglo-American-Japanese equilibrium that would soon lead to a deal on the naval ratio.

In general, the first phase of the FEC discussions centered around the 'Chinese initiative'. Sze's attempt to set the agenda with his '10 points' was partially effective, as it required the other delegations to respond to questions regarding China's 'territorial and administrative integrity'. This was not only the background for the Root Resolutions, it also shaped the initial month of FEC talks. The other powers dealt with these controversial questions in large part by delegating them to individual subcommittees, and eventually to future 'special conferences'. Yet the Chinese initiative was not dismissed out of hand.

Two FEC meetings were held after the Fourth Plenary Session, but both discussions continued to be marked by this dynamic. More worryingly, at the last meeting on 14 December, China pressed for a debate on the 'twenty-one demands' in the hopes that the US would offer some diplomatic support against Japan. Balfour had been warned by the Foreign Office that such a discussion would heighten Sino-Japanese antagonism. At this point in the Conference, any mention of the issue would have

³²⁹ "Fourteenth FEC Meeting," 8 December 1921, CAB 30/14, FEC 15. The language that became article 2 of the Nine-Power Treaty was: "The Contracting Powers agree not to enter into any treaty, agreement, arrangements or understanding, either with one another, or, individually or collectively, with any Power or Powers, which would infringe or impair the principles stated in Article I [i.e., the Root Resolutions]."

³³⁰ Fourth Plenary Session, 10 December 1921, CAB 30/3, PS 4.

created a “difficult situation”, as the Board of Trade put it in a post-Conference summary: it might threaten the emerging trilateral great-power alignment and with it the success of the Shandong talks, which had been initiated on 1 December and met almost daily over the next three weeks. In this context, China’s initiative stalled out when the ‘twenty-one demands’ issue threatened to poison the atmosphere and prevent a bilateral Shandong settlement.³³¹

Therefore, on 14 December—just as the final agreement on the 5:5:3 ratio was being negotiated—Hughes suggested pausing the FEC’s work. As will be recalled from Chapter 3, the focus of the British, American, and Japanese delegations in mid-December was dominated by the paramount issues of the naval ratio and Pacific fortifications. The CLA had convened only its third meeting two days prior, while FEC was on its sixteenth. As Hughes put it before he suspended the FEC meetings, the CLA’s work should be the “first consideration”; Anglo-American-Japanese naval talks had reached “the eve of conclusion” and any further delay was “undesirable”.³³²

The FEC then adjourned for a month. Its second phase, dealing with the ‘open door’ in detail, would not begin until 16 January 1922, except for one meeting on 5 January to adopt the tariff and revenue resolutions agreed in the SCR. This SCR diplomacy is the subject of the next section, highlighting the difficulties involved in applying the ‘general principles’ to matters of substance, particularly issues that affected China’s commercial treaties. Indeed, in the SCR the powers would face another ‘Chinese initiative’, this time in pursuit of tariff autonomy.

4.3 Administrative integrity: Sovereignty, revenue, and tariff autonomy

In 1900, the US issued its second ‘open door’ note, which added a corollary to the original policy: respecting China’s ‘territorial and administrative integrity’. This was intended to prevent foreign nations from forcing China to cede new ‘spheres of influence’, as well as from increasing political control over their existing ‘spheres’. But importantly, the powers did not interpret ‘administrative integrity’ as meaning China

³³¹ Board of Trade, “Note [...] respecting the Open Door in China,” 13 March 1922, FO 414/453, No. 397.

³³² “Sixteenth FEC Meeting,” 14 December 1921, CAB 30/14, FEC 17; Board of Trade, “Note [...] respecting the Open Door in China,” 13 March 1922, FO 414/453, No. 397.

had a sovereign right to tariff autonomy. Rather, as Balfour and Root had made clear in the FEC, respecting China's 'administrative integrity' meant recognizing that it already surrendered this right to the powers possessing 'most-favored-nation' status. Thus if any power interfered with the 5% tariff fixed under the commercial treaties in their 'sphere', they would violate China's sovereign right to give up control over its own customs administration.

As outlined in Chapter 2, Britain sought to uphold this external aspect of the 'open door' through an exchange of notes with the other powers, but another challenge came from inside China. Provincial governments had levied *likin* transit taxes on foreign goods since 1853, effectively increasing the tariff above 5%. The Anglo-Chinese Mackay Treaty of 1902 attempted to resolve this potential treaty violation by offering a surtax that increased the tariff on imports to 12.5%, and to 7.5% on exports, in exchange for the abolition of *likin*. Japan and the US signed parallel treaties with China in 1903, but because the other 'most-favored-nation' powers did not, the Mackay Treaty never went into effect.³³³

Between then and Washington Conference, British policy remained committed to Mackay's terms. However, with the fall of the Qing Dynasty, birth of the Chinese Republic, and transformation of China's diplomatic strategy after 1919, conditions had dramatically changed. The Beijing government was in the midst of a revenue crisis that prevented it from solidifying its authority, but despite the restoration of the consortium in 1920, the powers were weary of underwriting loans to such an unstable regime. It was also suspected that more loans would not stabilize China at all, as they would be largely used to equip warlord armies.

Desperate for funds, and with a new national consciousness, China now demanded the recovery of true 'administrative integrity': its tariff autonomy. This quest would have to advance in stages, and broadly speaking, there were four steps the Beijing government pursued between the Paris and Washington Conferences. First, China sought a reassessment based on a calculation of recent price averages to bring its import and export duties up to an effective 5%, as provided by its treaties with the trading nations. This first stage was relatively non-controversial as in 1918 the powers had promised to recalculate the rate two years after the ratification of the Versailles

³³³ Foreign Office memorandum, "Tariff Revision in China," 10 October 1921, FO 412/118, Annex XVIII.

Treaty. Second, China hoped to fulfill the terms of the Mackay Treaty. For its part, Britain remained willing to adhere to this plan on the condition that China negotiated parallel agreements with the other powers. The third stage was to implement a new tariff regime that differentiated rates based on classes of goods rather than fixing a set percentage on imports or exports, similar to the ‘general tariff’ scheme of 1917 and 1918, while the fourth and final stage was to be China’s full recovery of tariff autonomy.³³⁴

In other words, China did not expect to regain control over its tariff at the Washington Conference, and it only used the demand as a bargaining maneuver to obtain a rate increase before abolishing *likin*. The powers’ delegations, however, faced multilateral and domestic constraints that not only made the restoration of tariff autonomy unthinkable, but also limited their freedom of action in raising the tariff rate. Even the Americans were unwilling to support an increased tariff until *likin* was abolished. Only a modest surtax (and recalculating the effective 5%) was possible in such an environment.

This section examines the SCR negotiations, which reveal an aligned Anglo-American approach to retaining the linkage between tariffs and *likin*. The customs agreement would resemble a ‘multilateral Mackay Treaty’, with the addition of an interim surtax until its terms came into effect—both to alleviate the Beijing government’s revenue crisis and to induce the Chinese delegates to sign the treaty. The SCR talks also show Britain’s critical role in guiding the process, breaking a Sino-Japanese deadlock, and conceiving a future ‘special conference’ where unsettled tariff disputes would be isolated from the wider Conference agenda. Nevertheless, of the three China treaties produced at the Washington Conference, only the Chinese Customs Treaty attempted to strengthen the Beijing government. For this reason, coupled with the fact that when the customs agreement was negotiated it was envisioned as a key part of the Nine-Power Treaty, it warrants mention in any analysis of the Washington system.

4.3.1 Britain’s strategy: The Mackay Treaty, tariffs, and *likin*

Britain understood the sequential nature of Chinese ambitions and was ready to accept minor changes to the ‘treaty system’ in order to stabilize the Beijing government. In

³³⁴ Wunsz King, a member of the Chinese delegation to the Paris and Washington Conferences, alludes to this sequence as the basis for China’s long-term strategy to recover tariff autonomy. See King (1963, 40).

October 1921, the Foreign Office had even prepared a memorandum for the British delegation that evaluated the first three stages of the Chinese strategy. First, London was “prepared to agree” to recalculating the tariff to bring it to an effective 5%, as this was already scheduled to occur in 1921. Second, the British government and traders in Shanghai were “generally favourable” to increasing the import and export rates along the lines of the Mackay Treaty in exchange for the abolition of *likin*. However, the memorandum noted that the powers other than the US “appear to consider that at the present time, when the Central Government [...] exercises little or no authority over so many of the provinces” an attempt to abolish *likin* would be “premature and undesirable”. Third, regarding China’s proposed ‘general tariff’ regulations, ranging from 5%-10% on necessities to 30%-100% on luxuries, and enforced on the products of non-treaty powers via ‘certificates of origin’, Britain was unwilling to unilaterally give up its rights to import goods from countries outside the ‘treaty system’. But the Foreign Office expected that the general regulations would “form the basis of China’s next proposals for tariff modifications”. The aim at Washington would be to obtain a multilateral agreement on the first and hopefully second objectives, and to forestall discussions on the third. The fourth, tariff autonomy, was not even mentioned.³³⁵

The powers had a plausible rationale to delay acting on the second and third Chinese objectives, much less the fourth, due to internal political situation in China and the ‘most-favored-nation’ clauses in their treaties. For this reason, the Foreign Office memorandum made it clear that unanimity among the powers and political stability in China would be essential to advance any of the Chinese proposals. The British delegation was instructed that:

[Britain] would be glad to agree to an increase of the Conventional Tariff in return for the abolition of inland *li-kin* duties. Unfortunately, the present is not a propitious moment for raising the question, as, in view of the political chaos now existing in China, it is impossible to obtain any guarantee that engagements entered into by the Central Government would be carried out in good faith.³³⁶

³³⁵ Foreign Office memorandum, “Tariff Revision in China,” 10 October 1921, FO 412/118, Annex XVIII.

³³⁶ Foreign Office memorandum, “Tariff Revision in China,” 10 October 1921, FO 412/118, Annex XVIII.

A September memorandum from the Board of Trade addressed this point in greater detail, observing: “The ‘open door’ in the matter of tariffs implies complete equality of tariff treatment of the trade of all nations”, and it was a “reasonable corollary” that China should not set tariff rates in order to give “unfair advantages to the trade of particular countries, while maintaining a nominal equality”. But although Britain should guard its treaty rights, the memorandum argued it should also be flexible in the negotiations. The 1858 Treaty of Tientsin had given the British “full and perpetual control over the whole of China’s tariff policy”. This was “a matter of fact”; however, “from a political point of view” it was “difficult to defend so one-sided an arrangement”. The possibility of Chinese tariff autonomy was considered in this context. Britain would at some point have to consider modifying its arrangements, but “in the existing chaotic and corrupt state of Chinese politics, a purely autonomous tariff would inevitably mean a tariff constructed to suit the private interests of particular persons or groups”. The danger was that “particular foreign countries and interests” would then be able to leverage higher tariffs in exchange for special privileges, perhaps even territorial concessions that could ‘close the door’ on British trade in certain unspecified regions—likely Manchuria. Furthermore, as China’s customs revenue secured foreign loans, there was an “international interest in preventing any tariff manipulation that may prejudice the revenue”. The Board concluded by asking “whether it is really sound policy to continue to connect [...] internal taxation [to] the rate of duty on foreign imports”. Severing this link would be a departure from a long-held policy, but the need to help China increase its revenues in order to deter the pursuit of full tariff autonomy, combined with the impracticality of enforcing *likin* abolition, demanded reconsideration. Times, and circumstances, had evolved: “it is difficult to see how we could press for so large and sweeping a change in Chinese domestic fiscal policy merely in order to enable a comparatively small quantity of foreign produced goods to penetrate more easily into the interior”.³³⁷

Once the Conference opened, H. Llewellyn Smith (who likely composed the above Board of Trade memorandum) wrote a note for the British delegation that developed this insight into a more comprehensive strategy for the tariff discussions to come. It was dated 21 November, the same day the Root Resolutions were accepted.

³³⁷ “Economic Policy in China,” in Board of Trade to Foreign Office, 26 September 1921. Enclosure in Foreign Office memorandum, “The ‘Open Door’ in China,” 10 October 1921, FO 412/118, Annex XI

Smith reiterated the Board of Trade's unanimous position: an "immediate tariff revision" was unopposed and was provided for under existing treaties, but "complete tariff autonomy" could not be considered. He added: "the most we could do would be to adopt a sympathetic attitude" to the latter aim "at some future date, the fixing of which might well be referred to a future Conference".³³⁸

However, in assessing a third option—an increase in the tariff rate—Smith presented a more nuanced view of British interests and objectives. He was pessimistic about the prospects of ever implementing the Mackay Treaty, as except for the US and Japan, the other powers had never signed parallel agreements. China was also unlikely to be willing or able to abolish *likin* in the near term. But most importantly, from a strategic standpoint he had "grave objections" to holding steadfast to "our policy since 1902" in the negotiations. Smith's reasoning was twofold. First, this approach was "bound to fail" as it refused to allow any increase in the tariff until China "fulfilled conditions which are well known to be impossible within a reasonable time. It is in effect a 'Tariff Blockade' of China". Second, if China were to abolish *likin* "on paper", it was unlikely to be "complete and permanent". Britain would then be obliged to accept a tariff increase to 12.5% while China would simply replace *likin* with a "consumption duty" on foreign goods. It might then be "too late" to raise any objections, as the Mackay Treaty had been the basis of British policy for over 20 years, "unless it be definitely mentioned at the present Conference". In an underlined passage, Smith argued: "This means that we should not [...] maintain" the commitments under "the Mackay Treaty but propose a revision of it in our favour".³³⁹

Smith argued that a better strategy would be to "make some concession to the Chinese beyond merely referring them to the Mackay Treaty", and he suggested offering "a modest increase of import duties" to 7% or 7.5%, subject to three conditions: The additional proceeds should be "earmarked for railway development"; the one-third rebate (i.e., 1.67%) levied on land-borne trade must not be increased in proportion to the higher maritime duty, as this would prejudice British and American trade to that of Japan and France; and tariffs on exports, which were "already higher than is conducive to China's industrial development" should remain at 5%. In conclusion, Smith warned

³³⁸ Note by Smith, "Chinese Tariff," 21 November 1921, CAB 30/1B, BED 98.

³³⁹ Note by Smith, "Chinese Tariff," 21 November 1921, CAB 30/1B, BED 98.

that deviating from this strategy would give “a greatly increased impetus to the demand [for] full tariff autonomy”.³⁴⁰

The Chinese initiative surrounding its ‘10 points’ highlighted the danger. Point 5 demanded the removal of “existing limitations” on China’s “political, jurisdictional and administrative freedom of action”, a position none of the other FEC delegations could support. Nevertheless, the importance of Chinese revenues made it the first issue to be advanced following the powers’ mutual consent to the Root Resolutions—in other words, the first opportunity to apply the general principles. As shown below, the scope of the discussion was set in large part by the British.³⁴¹

Balfour brought up the tariff question on 22 November, the day after Smith issued the above memorandum, when the issue of Chinese revenues arose at the fourth FEC meeting. Hughes had directly addressed point 5 and asked for proposals regarding “limitations” on China; in response, Senator Underwood of the US delegation noted that, although the FEC had already agreed to China’s sovereignty and territorial integrity in principle, “a government could not be strong enough to meet its outside obligations unless it had an adequate revenue”. He suggested the matter be referred to a subcommittee. With this opening, Balfour, somewhat deviating from Smith’s strategy, then brought up the proposed subcommittee’s scope: the British wanted to ensure it would be open to discuss not only tariff revision but also the abolition of *likin*, as well as the usage of any proposed revenue increase. In Balfour’s mind, it was essential to direct these funds to “an improvement in the general administration of China”, and the minutes of the meeting describe him as “anxious” to get this information. Hughes and Underwood duly agreed to have tariffs, *likin*, revenues, and usage examined by the newly appointed SCR.³⁴² This decision would shape the character of the discussions to come, allowing Britain to advance a ‘multilateral Mackay’ concept, and get China to recommit to abolishing *likin* in exchange for increased tariffs.

Immediately after the FEC meeting, the British delegation gathered at the Embassy in Washington to discuss tariff revision. In the chair was Sir Robert Borden, the chief Canadian representative and the delegate selected to represent Britain on the

³⁴⁰ Note by Smith, “Chinese Tariff,” 21 November 1921, CAB 30/1B, BED 98.

³⁴¹ “Fourth FEC Meeting,” 22 November 1921, CAB 30/13, FEC 5.

³⁴² “Fourth FEC Meeting,” 22 November 1921, CAB 30/13, FEC 5.

SCR. At the outset, Geddes argued that because more than half of all Chinese revenues were used to maintain large standing armies, increasing tariffs “without some sort of control” was inherently dangerous. But the discussion soon came to center upon the need to secure US support for any changes in the treaty regime. Intelligence “confidentially obtained from one of the American Delegation experts” indicated the US had “only discussed the Chinese tariff in a cursory fashion”; nevertheless, it appeared they “felt that any increase in the tariff should be made conditional on the removal of *likin*”.³⁴³

This was contrary to the strategy Smith had put forth the previous day and reflected the longstanding US interest in advancing its 1903 treaty resembling Mackay. Jordan, in a note dated 22 November, therefore advised Borden “not to initiate any departure from the 1902 Treaty until steps have been taken to ascertain the American attitude”. But Smith’s argument for increasing the import tariff to 7.5% was accepted, provided it be used for “the economic development of China”. Following an exchange of views, the British delegates reached a “general consensus” on three points. First, “any measures taken [...] to increase the Chinese Customs Tariff should be used as a lever to bring about a diminution of the large Chinese military expenditures”, and expended “under proper control, upon approved projects for the construction of railways that would promote the national development of China”. Second, any increase should be compensated “if possible” by the abolition of *likin*. Third, as “a matter of tactics, these proposals need not necessarily be put forward by the British Empire”. From the minutes of this meeting, it appears the British delegation was hesitant to pursue Smith’s plan to decouple the tariff issue from that of *likin* unless it had American support. The talks were anticipated to be difficult, and maintaining a unified Anglo-American front would be paramount. Moreover, Britain wanted the US to make the first move.³⁴⁴

Chinese and American aims became clearer at the fifth FEC meeting, held on 23 November. Britain’s delegates made no statement at this meeting, allowing Koo, Root, and Underwood to direct the proceedings. Koo spent much of the session making the case for tariff autonomy, presenting a history of how China had lost its sovereign rights over the past eighty years, and highlighting the increased need for revenues

³⁴³ “Sixth Conference of the British Empire Delegation,” 22 November 1921, CAB 30/1A, BED 53

³⁴⁴ “Sixth Conference of the British Empire Delegation,” 22 November 1921, CAB 30/1A, BED 53; Note by the Foreign Office Section, “Tariff Revision,” 22 November 1921, CAB 30/1B, BED 97.

following the Boxer Protocol. Next, having conceded that such a drastic change in China's economic relations with the powers "would require time", he argued that the Conference should agree on a period during which an interim tariff regime would replace the current treaty system of 5% *ad valorem*. Finally, as the Chinese financial system needed "immediate relief", Koo proposed that this interim regime would raise the import tariff to 12.5% beginning on 1 January 1922—citing the rate agreed in the Mackay Treaty and parallel agreements with the US and Japan. In response, Root brought up *likin*, asking whether China was willing to uphold its commitment to abolish it in exchange for the tariff increase. Koo stated that his government would be willing to do so, but only if it recovered full tariff autonomy. He cited the "great increase in public expenses" since the 1902 and 1903 treaties were signed, which made a tariff of 12.5% insufficient compensation for abolishing *likin*.³⁴⁵ This proposal was a major deviation from the Mackay Treaty: Koo wanted China to receive the benefits immediately and then to regain tariff autonomy for simply upholding its end of the bargain.

After some technical questions, Underwood closed the meeting by acknowledging that "stable conditions in China" were dependent not only on adequate revenues, but also on "refraining, as far as possible, from disturbing existing trade conditions". Referring to the 12.5% interim proposal as "arbitrary", he suggested that any changes to the treaty system should be enacted only "to assure a sufficient revenue to keep China out of debt" and to direct "every cent collected" to the "expenses of government". This indicated that the US would not take an idealistic approach to the tariff question, and if Koo had expected to rally American support with his speech, he failed. The other delegates agreed to refer the matter to the SCR, but none of them thought it would go anywhere. China had no leverage for such demands; as Balfour later told Curzon, Koo's proposals were "extravagant [and] unnecessary to describe in detail, as they may be regarded as beyond serious discussion".³⁴⁶

Now that the British negotiators had a better understanding of where their American and Chinese counterparts stood, the Foreign Office and Board of Trade sections prepared a joint note with policy recommendations for Borden. This document essentially updated the consensus from the previous day. China's claim for tariff

³⁴⁵ "Fifth FEC Meeting," 23 November 1921, CAB 30/13, FEC 6.

³⁴⁶ "Fifth FEC Meeting," 23 November 1921, CAB 30/13, FEC 6; Balfour to Curzon, 2 December 1921, FO 414/453, No. 220.

autonomy should be “strongly resisted”, due to its political instability and the fact that “[p]ractically the whole of the Customs revenue is pledged to foreign loans”. However, Britain should not “shut the door” on the eventual recovery of tariff autonomy, which could perhaps be discussed at a future conference away from the more serious international questions being discussed at Washington. Regarding a potential increase in the tariff, Root’s comments earlier in the day had again linked it to *likin* abolition—the intelligence had been correct. Borden was therefore urged to adhere to the longstanding course of British policy and stick to the Mackay Treaty’s terms, unless “owing to the march of events” in the SCR meeting, this approach was revealed to be “not feasible”. In that case, increasing the import tariff to 7.5% should be offered, on the condition that it be used for railway development and did not further preference land-borne trade. This latter point was an “essential condition”; Borden should claim any discrimination against seaborne trade violated the ‘open door’ policy, though it was “to be feared that Japan [would] resist strongly”.³⁴⁷

A new strategy had been developed. The apparent US preference for adhering to its 1903 treaty meant Britain could safely pursue its traditional approach and push for an end to the nuisance of *likin*. But, with some foresight, the joint note retained Smith’s recommendation of holding out a 7.5% import tariff decoupled from the status of *likin* (albeit with conditions) as a fallback option. Later, Borden approached Underwood—the US representative on the SCR—to gauge his reaction to the plan. He reported back on 25 November that Underwood was “on the whole [...] inclined to agree with the British view” and to “work in harmony with that view”. The US only diverged from Britain’s proposed policy in hoping to give China “greater freedom [...] in regard to the expenditure of surplus funds left over after the payment of interest on the secured debts”.³⁴⁸

These were minor differences; the Mackay Treaty and its US and Japanese analogues would serve as the guideposts for the rest of the SCR talks. However, it is important to note that the Americans were not attempting to radically alter China’s tariff

³⁴⁷ Joint Note by Foreign Office and Board of Trade Sections, “Chinese Tariff,” 23 November 1921, CAB 30/1B, BED 102; “Seventh Conference of the British Empire Delegation,” 25 November 1921, CAB 30/1A, BED 54.

³⁴⁸ Joint Note by Foreign Office and Board of Trade Sections, “Chinese Tariff,” 23 November 1921, CAB 30/1B, BED 102; “Seventh Conference of the British Empire Delegation,” 25 November 1921, CAB 30/1A, BED 54.

treaties—they were still pressing for the abolition of *likin*. In the SCR talks that would follow, an Anglo-American alignment would be essential to prevent China from dividing the powers, so it is interesting to consider whether Britain would have been willing to embrace Smith’s strategy separating the tariff issue from *likin* if it dovetailed with a similar US approach. This did not occur, and instead the SCR would advance the ‘multilateral Mackay’ concept, getting the other powers with ‘most-favored-nation’ status to sign on to the policy that Britain had pursued for nearly twenty years.

4.3.2 The SCR meetings: Domestic and multilateral constraints

The SCR negotiations were complex and involved detailed discussions of many arcane issues. Here it is only necessary to summarize the process, focusing on how the British strategy affected the resultant Chinese Customs Treaty, and showing how both domestic and multilateral factors constrained the bargaining on the ground in Washington.

In the first SCR meeting on 29 November, Koo began by elaborating on his earlier proposal, which the representatives of the other powers reiterated was infeasible and impractical. But two positive counterproposals were put forward. First, Borden suggested that the import tariff might be increased to 7.5%, rising to 12.5% upon the abolition of *likin*, provided that China commit to using the extra funds for “productive purposes” and not on military expenditure. The second came from Hanihara, Japan’s SCR representative, who suggested providing China with a 25% surtax; this had already been proposed during the early November pre-Conference negotiations in Beijing. To Hanihara, Koo indicated that this surtax would be insufficient. But he liked Borden’s plan, which China surely saw as generous when compared to the British position in their bilateral talks since 1919. The British delegate appears to have deviated from the recommended strategy, having gone immediately to the fallback option, perhaps to gain the Chinese delegate’s trust. Indeed, Koo singled Borden out and referred to him as a “frank sympathiser with the Chinese people”.³⁴⁹

It is more likely, however, that in private discussions with the US delegation (presumably Underwood) Borden had gained more information about the American approach. Based on the nature of Borden’s proposal “and the attitude of the British and

³⁴⁹ SCR First Meeting, 29 November 1921, FO 414/453, No. 437. Wunsz King (1963, 41), a member the Chinese delegation and aide on the SCR, recalled that Borden’s proposal was “an honest, though indeed modest, effort to meet some of China’s wishes”.

[US] representatives”, Hanihara even “conjectured that the two countries had collaborated in preparing some sort of common plan in advance”. As further evidence of Anglo-American collaboration, after the SCR meeting Smith reported back to London that the “Americans favour [a] considerable tariff increase, but make it plain that [it] will be resisted by [the] Senate unless coupled with abolition of preference to land-borne trade”. He asked the Board of Trade to ascertain whether British traders would accept an import rate above 7.5% in this event, although he commented it was “very improbable, as Japan is unlikely to consent”. The only hope for success was to remain united with the US and receptive to China, thereby creating the conditions for a Japanese concession.³⁵⁰

Borden elaborated on his proposal the next day in the second SCR meeting, a plan that would shape all subsequent negotiations. It had several aspects. Regretting that the tariff recalculation promised to China in 1912 had been delayed by the war, he proposed that the 1921 revision therefore take place “as soon as possible”. This would only bring the effective import duty up to 5%, as Borden estimated it was currently only netting 3.5%-4%. Regarding future recalculations to ensure that China received 5% in light of shifting trade conditions, Borden suggested the next revision should take place in 1926 and recur every seven years. It would “then be a mere matter of computation” to raise the effective 5% rate to 7.5%. He was also willing to entertain China’s proposal to levy further duties on luxuries (such as liquor and tobacco), and to ultimately raise the tariff to 12.5% upon the abolition of *likin*. Regarding Koo’s request for a timeline leading to tariff autonomy, however, Borden thought it “impracticable” under current conditions; “future developments would have to be taken into consideration” before “treaties respecting customs duties could be brought to an end”.³⁵¹

Koo thanked Borden for his proposal and stated he was willing to accept it, although he wished that an immediate surtax could be introduced in order to realize the 7.5% as soon as possible. He also proposed a tax of 12.5% on luxuries. However, Masunosuke Odagiri, manager of the Yokohama Specie Bank in Beijing, had earlier stated that Borden’s 7.5% proposal would unfairly burden Japanese goods, and called raising tariffs to 12.5% on any imports “out of the question”. Thus Koo in all likelihood

³⁵⁰ Kajima (1980, 638); Smith to Chapman, Board of Trade, in Balfour to Curzon, 29 November 1921, FO 414/453, No. 219.

³⁵¹ SCR Second Meeting, 30 November 1921, FO 414/453, No. 438.

realized the British plan represented the best-case scenario for China. In any event, Underwood closed the meeting by accepting Borden's proposal—with Koo's amendments—on behalf of the US, but added that Japan's dissent meant the proposal could not proceed. Faced with an *impasse*, Borden suggested adjourning for “informal discussions”.³⁵²

According to the Board of Trade's post-Conference summary, “Underwood apparently did not feel himself in a position to take a strong line in bringing together the divergent views of the delegations”, so “at his request” Borden engaged the Chinese and Japanese representatives in an attempt to broker a compromise. Perhaps, as was the case throughout the Conference, the Americans thought Britain would have a better chance of ameliorating its ally's suspicions. The British delegation duly prepared a draft agreement to reconcile the Sino-Japanese dispute on 6 December. It addressed the issue of land-borne trade, but more importantly, set up a multilateral arrangement that reiterated the principles of the Mackay Treaty (i.e., a tariff of 12.5% on imports and 7.5% on exports in exchange for *likin* abolition). The draft proposed that in the interim, before *likin* was removed, China should be allowed to levy a 7.5% duty on necessities and an unspecified higher amount on luxuries. Coupled with this, an accompanying draft declaration also recommended that steps be taken to reduce “unnecessary military forces and expenditure” in China. This was shown to Hughes, who supported the idea, as he had been thinking along similar lines.³⁵³

On 7 December, during the British delegation's discussion on these drafts, Balfour asked “whether some way could not be found of compelling China to do something for herself” and wondered if it might be feasible to tie the tariff alteration to a radical move like “the dethronement of the Provincial Governors” to stop them funding of warlord armies. Borden replied that he had addressed this matter with Hughes, but the Americans objected to “anything favouring international control”. Hughes believed “China must work out her own salvation. While advice without the promise of rewards or punishments might not be of any value, one must consider the public opinion of

³⁵² SCR Second Meeting, 30 November 1921, FO 414/453, No. 438.

³⁵³ Memorandum by Board of Trade Section, “Chinese Tariff Agreement,” 14 March 1922, FO 414/453, No. 398; “Draft Resolutions on Chinese Tariff,” 6 December 1921, CAB 30/1B, BED 125; “Draft Resolution of Sub-Committee on Chinese Revenue and Tariff,” 6 December 1921, CAB 30/1B, BED 126.

China". The best that could be hoped for, according to Borden, was a resolution to the effect of his aforementioned draft on military expenditures.³⁵⁴

However, Britain and the US were aligned on the general objective of bridging the divide between Japan and China. This was revealed when, on 9 December, Underwood privately and unexpectedly submitted a US draft to Borden for review, which the Board of Trade described as "so similar in effect" to the British draft "it was agreed, as a matter of policy, to use it as the basis for future discussions". The main distinction was that instead of permitting China to levy 7.5% on all imports and 12.5% on luxuries outright, these values would be provided by equivalent surtaxes—in other words, merging the ideas behind the Borden and Hanihara proposals. Underwood asked Borden to redraft it and return it to him "for his use in discussions with the other delegations". He then presented the compromise proposal to Odagiri.³⁵⁵

Before this could be debated three additional problems arose in the tariff talks. First, on 10 December Tokyo cabled the Japanese delegation, instructing them to accept Borden's 7.5% import tariff. Unfortunately, they also insisted on conditions. The implementation of the new tariff would be delayed for three to five years, although in the interim a 20%-50% surtax could be applied over the 5% rate; but more controversially, Tokyo demanded that China should be forced to use the increased revenues to repay foreign loans, many of which came from Japanese lenders. Odagiri presented a document with these conditions to the British and American delegations on 14 December, but they expressed concerns about the terms and no progress was made. Second, the French delegation brought up the fact that they did not wish to lose the advantages afforded to land-borne trade from Indochina.³⁵⁶ This, of course, had been anticipated. But the third problem represented the most immediate challenge for the British delegation, as it came directly from Curzon.

In the two weeks since the last SCR meeting, the government in London had received protests from the British Chamber of Commerce in Shanghai regarding the proposed interim tariff increase to 7.5%. Alston, Minister in Beijing, generally

³⁵⁴ "Eleventh Conference of the British Empire Delegation," 7 December 1921, CAB 30/1A, BED 58.

³⁵⁵ Memorandum by Board of Trade Section, "Chinese Tariff Agreement," 14 March 1922, FO 414/453, No. 398.

³⁵⁶ Memorandum by Board of Trade Section, "Chinese Tariff Agreement," 14 March 1922, FO 414/453, No. 398.

concurred with the Chamber's views, and thought "the utmost we should concede" would be a 25% surtax (i.e., 1.25% added to the 5% rate) resulting in a 6.25% total duty on imports. He added that the proposal to "devote any portion of customs revenue to railway construction" was "entirely new", and in his opinion, "impracticable and dangerous, being liable to confuse the two distinct but complex issues of tariff revision and consortium finance". In fact, Alston agreed with Japan that any revenue increase should be earmarked for servicing unsecured foreign debt. Although he realized this policy would mainly benefit Japanese bankers, he thought "no real improvement in the state of Chinese finances" could happen without it. Moreover, sticking with the terms of the Mackay Treaty would "involve much preparatory work while waiting for [a] settled [Chinese] Government, and might even act as a stimulus to the latter".³⁵⁷

Finally, on 17 December, Curzon dispatched Britain's final position. The Foreign Secretary was "somewhat uneasy lest [the] tariff discussion [be] extended to questions which could be dealt with more conveniently and safely in China". An international conference, with such important issues as naval power and the future of the alliance before it, was not the place to address these complex economic issues; Curzon wanted them settled in Beijing. There, men who were "most conversant with the very intricate political and commercial considerations" could debate issues of Chinese revenue, while at Washington, "tariff discussions should be confined to very general questions of principle". He therefore backed Alston's suggestion of a 25% surtax as the maximum that could be offered. Curzon also dismissed the idea of tying an increase in customs revenue to "productive purposes", as it "hardly seem[ed] sufficient justification" for increasing the effective rate from 5% to 7.5%. Such a "concession would *pro tanto* weaken [Britain's] position in negotiating with a more settled [Chinese] Government for abolition of *li-kin* and inland taxation" sometime in the future.³⁵⁸

This was a serious issue for the British delegation: Borden and his team on the ground in Washington had gone beyond their instructions from London. The British government was bound to consider the interests of the empire as a whole, including

³⁵⁷ Chapman to Smith, in Curzon to Balfour, 2 December 1921, FO 414/453, No. 221; Baldwin to Smith, in Curzon to Balfour, 12 December 1921, FO 414/453, No. 225; Aston to Curzon, 13 December 1921, FO 414/453, No. 226.

³⁵⁸ Curzon to Balfour, 17 December 1921, FO 414/453, No. 229.

concerns from their traders in Shanghai, and as far as the latter were concerned article 8 of the Mackay Treaty was to remain the foundation for all tariff discussions with China.

On receiving these instructions, Balfour was worried that China's adherence to the larger Conference goals might be in jeopardy; if the Chinese were to reject the treaties as they did in Paris, all the FEC's work might have been in vain. He therefore wrote to Curzon on 18 December, aiming to illustrate his dilemma:

Full weight will be given to [the traders' views] as far as circumstances permit. They will, I am sure, realise that we have to take account of broad considerations of policy which may not be fully present to the minds of the Shanghai Chamber. It would [...] have been impossible to meet Chinese tariff demands with [a] refusal to grant any increase until China can fulfil the conditions of [the] Mackay Treaty, which she will probably be unable to do for some years. Such an attitude would have made agreement with America impossible and would have powerfully encouraged [China's] movement for tariff autonomy. We therefore consider that the rise of the tariff is inevitable to be faced, and that all we can attempt is to limit its amount.

Curzon was unmoved. He replied curtly: "We hope you will not depart from the policy laid down [...] without previous reference to us". Britain's Washington delegation understood the constraints on the ground, and the importance of a multilateral customs arrangement to the Conference at large. However, when Borden attempted to walk back the Anglo-American tariff proposal, he found some room to maneuver. His US counterparts "stated privately that they had received representations from American traders in China on the lines of those put forward by the British Chamber of Commerce, and [...] seemed disposed to adopt a similar course".³⁵⁹

The alignment of the British and American approaches in the SCR negotiations therefore faced two types of constraints. On the one hand, the multilateral setting made advancing the Borden-Underwood proposal difficult owing to conflicting Japanese financial interests, French concerns about land-borne trade, and the need to satisfy the new China's requirements for increased revenues. Domestic economic considerations in all three nations would not allow for an easy settlement that would determine the

³⁵⁹ Balfour to Curzon, 18 December 1921, FO 414/453, No. 230; Curzon to Balfour, 22 December 1921, FO 414/453, No. 231; Memorandum by Board of Trade Section, "Chinese Tariff Agreement," 14 March 1922, FO 414/453, No. 398.

commercial and investment landscape in China for years to come. On the other hand, the British and US delegations were under similar pressure their governments, which had to heed concerns from the Shanghai trading community. Not only was a restoration of full Chinese tariff autonomy therefore completely off the table, but even adjusting the terms of the Mackay Treaty faced challenges.

The Chinese would need see some concrete result to get them to sign onto any deal, and the powers understood the need to stabilize the Beijing government's finances. It seemed the only way to align these interests was to return to the 1902 and 1903 treaties, while conceding a surtax to incentivize the eventual abolition of *likin*. In the end, the linkage between tariffs and *likin* had been institutionalized in the trading communities: they thought granting China an interim 7.5% rate in exchange for empty promises to abolish transit taxes would destroy the powers' leverage to ever rid themselves of this impediment to 'free trade'.

4.3.3 British mediation and the future 'special conference'

As Christmas 1921 approached, and the wider Conference celebrated successful agreements on the quadruple pact and naval ratio, the SCR talks had completely stalled. To resolve the domestic and international issues creating the *impasse*, the British delegation established an internal subcommittee to adjust the Anglo-American proposal, which convened at their embassy on 21 December.

Borden's original draft, revised in conjunction with Underwood, had been accepted by all the other powers except Japan. But after receiving Curzon's instructions, it was a revised a second time "as seem[ed] necessary to meet British views". This latter version had not been shown to any other delegations, including the Americans, as before proceeding the internal subcommittee sought to adjust it again in anticipation of Japanese concerns. Borden argued that Odagiri seemed "so anxious" to link additional revenues to servicing unsecured Chinese debts like the 'Nishihara loans' of 1917 that it would likely be necessary to include a provision to this effect in any agreement raising the tariff rates. However, Jordan pointed out that these debts had been made to Duan Qirui's "extremely unpopular" Anhui faction, "which happened to be in power at the time". He insisted on keeping the issues of debts and customs revenue separate, not least because the US also wanted to ensure China had as much freedom of action as

possible with regard to internal finances. The subcommittee therefore needed to somehow square the US position with Japan's insistence on having debt service specified in any agreement.³⁶⁰

In brief, the discussions centered on Articles 3, 4, and 5 of the new draft. Article 3 provided for an interim surtax of 50% (i.e., adding 2.5% to the 5% tariff) on imports until *likin* was abolished and the Mackay increases could be enacted; until 1 January 1924, however, as Curzon had demanded, the surtax would only be 25% (i.e., adding 1.25%). Article 4 committed China, in exchange for the surtaxes, to immediately take steps toward abolishing all forms of internal taxation on foreign trade. Article 5 further bound China to use the increased revenues derived from the surtaxes to develop ports and railroads, while using a portion of the base 5% rate to discharge foreign debts. But all three articles proved controversial, even among the British delegation. Soon it had become clear that the draft "would have to be revised in light of the discussion". At minimum, these terms—like those regarding extraterritoriality—would need to be worked out in China by a "special Commission".³⁶¹

Borden held a meeting with Underwood and Odagiri on 22 December to devise a new draft, and the next day reconvened the British internal subcommittee. Geddes summarized three critiques that had emerged. First, the railway clause in Article 5 interfered with the consortium's purview, and moreover if all the powers agreed to it difficult negotiations for their entry into the consortium would necessarily have to follow. Second, the Mackay Treaty "must form the basis for all tariff arrangements in China" because a "departure from its principles" would weaken Britain's leverage in future Anglo-Chinese talks. Third, the US position was "to strengthen the 'Central' Government of China financially", but although the British had "tacitly accepted" this view, the subcommittee agreed it would be wiser to have any proceeds from a surtax "be utilised exclusively to compensate provincial Governments", if *likin* were to ever be abolished. The draft was amended in an attempt to meet these concerns, but it is not necessary to describe them here. Even with this draft—and despite further interviews with Odagiri and Koo—there was "no sufficient basis of agreement" for any proposals "regarding the conditions subject to which the import duties might be raised, and the

³⁶⁰ "Fifteenth Conference of the British Empire Delegation," 20 December 1921, CAB 30/1A, BED 62.

³⁶¹ "Fifteenth Conference of the British Empire Delegation," 20 December 1921, CAB 30/1A, BED 62; "First meeting of the Sub-Committee on Chinese Tariff," 21 December 1921, CAB 30/25, SCT 1.

purposes for which the additional revenue thus obtained should be used”. The informal discussions consequently deadlocked.³⁶²

Since it was becoming evident that a multilateral agreement on these issues could not be completed in Washington, the British internal subcommittee came up with new approach. A “general clause was therefore devised in substitution” for the interim provisions in Articles 3, 4, and 5. It pushed all difficult decisions into the future, namely, to a “special conference [...] empowered to authorize the levying of a surtax on imports” not exceeding 50% (i.e., raising the rate to 7.5%).³⁶³

This draft was presented to the SCR on 27 December, following a private meeting between Borden, Underwood, and Koo. The SCR discussions were brief, as the other delegates needed time to assess the draft in detail, so Underwood issued a parting plea to his colleagues: “The conference must yield where there were direct objections [but it should] go as far as possible, leaving for future consideration questions [that are] impossible to decide”. Borden confessed that he had been “guilty” of “having instigated the preparation of various drafts” that “were far more ambitious [...] in regard to details”; however, the newest version had the benefit of “omitt[ing] all points that seemed to be of a necessarily controversial character”. Moreover, since Borden thought the central difficulty was the “divergence of view between Japan and China”, his ‘special conference’—to be “held on the spot in China”—provided a forum where their conflicting positions “might be reconciled some time in the future”.³⁶⁴ For the time being, they could simply agree to disagree.

Negotiations in the SCR commenced the next day, but these can be summarized briefly. Odagiri forced the 12.5% increase of the import tariff tied to *likin* abolition to be replaced by an equivalent surtax, and insisted that the use of the surtax proceeds be used to service China’s debts. Koo, in turn, indicated that he could not agree to these conditions. As this was another Sino-Japanese conflict of interest, Borden conveniently suggested dealing with the issue at the future ‘special conference’. The only major problem came from the French delegate, Kammerer, who insisted on

³⁶² “Second meeting of the Sub-Committee on Chinese Tariff,” 23 December 1921, CAB 30/25, SCT 2; Memorandum by Board of Trade Section, “Chinese Tariff Agreement,” 14 March 1922, FO 414/453, No. 398.

³⁶³ Memorandum by Board of Trade Section, “Chinese Tariff Agreement,” 14 March 1922, FO 414/453, No. 398; Balfour to Curzon, 27 December 1921, FO 414/453, No. 233.

³⁶⁴ SCR Third Meeting, 27 December 1921, FO 414/453, No. 439.

eliminating the proposed article dealing with land-borne trade. Calling the issue a “purely Franco-Chinese question” that “could not be submitted for discussion to the new conference”, he refused to sign the treaty if this aspect—which Britain and the US considered a key pillar of the agreement—were included. The rest of the draft, however, was unanimously accepted. Underwood suggested composing a report for the FEC, but Borden, wanting to settle the French reservation beforehand, requested holding another SCR meeting in the new year.³⁶⁵

Alongside the private discussions on tariff and revenue questions, Borden also advanced a draft resolution on China’s military expenditure. As the problem of warlord armies was a major concern for the treaty powers, this was a necessary corollary for any increase in Chinese revenues. Hughes supported the idea of linking the issue of Chinese military spending to the proposed tariff increase (or, as it turned out, surtax imposition). The British delegation’s draft stated that, “in studying the question of increasing the customs tariff rates”, the SCR was “deeply impressed with the severe drain on China’s public revenue of excessive military forces in various parts of the country”. Noting that these appeared to be “mainly responsible for China’s present unsettled political conditions”, it suggested “large and prompt reduction of these forces will not only advance the cause of China’s political unity and economic development, but hasten her financial rehabilitation”. Underwood approved this resolution, and it would be adopted at the penultimate SCR meeting. But although Borden’s draft emphasized that no attempt to interfere with Chinese internal affairs was proposed—only an “earnest hope” that this reduction would occur in the “spirit of this Conference, whose aim is [...] the limitation of armament”—it was thought wise to have Koo compose the final version that would be submitted to the FEC.³⁶⁶

As Borden had planned, the final two SCR meetings, on 3 and 4 January 1922, disposed of the French reservation relating to land-borne trade by postponing a final decision. Underwood’s preliminary report, which had been sent to each delegation in advance, contained the following objectionable clause: “That reductions now applicable to the customs duties collected on goods imported into and exported from China by land

³⁶⁵ SCR Fourth Meeting, 28 December 1921, FO 414/453, No. 440.

³⁶⁶ Memorandum by Board of Trade Section, “Chinese Tariff Agreement,” 14 March 1922, FO 414/453, No. 398; “Sixteenth Conference of the British Empire Delegation,” 31 December 1921, CAB 30/1A, BED 63.

be abolished”, referring to the one-third rebate of 1.67% applied to the general import tariff of 5% that France had obtained in an 1885 treaty. France refused to accept the draft if this clause—in any form—were retained, but Underwood could not give his approval if it were eliminated. The US saw the rebate as a violation of the ‘open door’ principle and was unwilling to recognize any discrimination against seaborne trade. Koo, on behalf of China, agreed.³⁶⁷

It was left to Borden to break this last *impasse*. He replaced the objectionable clause with an amendment pledging to open future negotiations with the aim of “establishing complete uniformity in the customs duties levied on all frontiers, land and maritime, of China”. The French delegate, Sarraut, wished to refer the matter to the FEC but thought he could adhere to Borden’s solution. Finally, at the last SCR meeting, Sarraut submitted a proposal echoing Borden’s compromise, differing only in that it specifically referred the matter to the aforementioned ‘special conference’. With the ultimate resolution of this issue also pushed into the future, the modified Underwood report was sent to the FEC, where it was approved on 5 January.³⁶⁸

The Chinese Customs Treaty that resulted from Underwood’s report was a compromise, limited by domestic constraints, economic considerations, and rights enshrined in international treaties. In the final analysis, it went as far as the Washington powers could go at the time, and was designed as a framework for future negotiations. It did not come close to meeting China’s original aim of tariff autonomy, but it adopted a multi-stage approach that promised to levy a 50% surtax in imports—more than the Shanghai traders wanted—following the ‘special conference’ and “subject to such conditions as they may determine”.³⁶⁹

Underwood outlined these stages to the FEC. First, the price assessment scheduled for 1921, to calculate an effective 5% tariff, would occur in two months time without awaiting ratification. Second, “[i]mmediate steps would be taken for a special conference [...] charged with the duty of preparing the way for the speedy abolition of the *likin* and bringing into effect the [interim] surtaxes”, which would raise the revenue

³⁶⁷ SCR Fifth Meeting, 3 January 1922, FO 414/453, No. 441; SCR Sixth Meeting, 4 January 1922, FO 414/453, No. 442.

³⁶⁸ SCR Fifth Meeting, 3 January 1922, FO 414/453, No. 441; SCR Sixth Meeting, 4 January 1922, FO 414/453, No. 442.

³⁶⁹ Report of the SCR, 5 January 1922, CAB 30/2, BED 156.

collected on imports to 7.5%. Third, once the ‘special conference’ actually effected *likin* abolition, the increased tariff rates provided for in the Mackay Treaty would be implemented.³⁷⁰ The most important aspects were the interim 50% surtax on imports and the fact that the agreement was multilateral, binding the powers to participate in the ‘special conference’.

Koo then commented on the agreement. Calling it “valuable”, he nevertheless emphasized that it failed to mention the prospects for tariff autonomy. He declared that the ‘most-favored-nation’ treatment afforded to the treaty powers was hindering China’s aspirations and, more concretely, its fiscal health: “whenever China makes a proposal [...] the unanimous consent of more than a dozen treaty powers is necessary”, thus any agreement regarding tariffs could be upset by the “dissent of one power” while “a concession or privilege granted by China to one nation” would be “at once claimed by all”. This was a key weakness of the customs agreement: there was no mechanism to force a power with ‘most-favored-nation’ status from obstructing progress at the ‘special conference’. In any event, China would not be deterred from seeking to recover its tariff autonomy. As Koo’s speech warned, although the Chinese delegation accepted to the customs agreement, it was “not their desire [...] to relinquish their claim” to tariff autonomy; “on the contrary, it is their intention to bring the question up again [...] in the future”.³⁷¹

What mattered in the present, however, was that Koo accepted the deal. The British delegation had mediated the tariff talks to ensure China would have something to show for its efforts, shaping the discussions and working to bridge the gap between Britain’s treaty rights and the need to increase Chinese revenues. Though the ‘multilateral Mackay Treaty’ could hardly be construed as radical, no progress had been made in nearly two decades to get other powers with ‘most-favored-nation’ status to align with it. Moreover, by addressing the Chinese revenue issue through a surtax, the powers had signaled a limited willingness to go beyond a rigid insistence on their treaty rights, which had fettered China and interfered with its true ‘administrative integrity’. Whether tariff autonomy would ever be restored in the future remained to be seen.

³⁷⁰ Report of the SCR, 5 January 1922, CAB 30/2, BED 156; “Seventeenth FEC Meeting,” 5 January 1922, CAB 30/14, FEC 18.

³⁷¹ “Seventeenth FEC Meeting,” 5 January 1922, CAB 30/14, FEC 18.

This highlights a critical point about the tariff agreement from the perspective of the Washington system: it deferred all controversies into the future. These would be discussed in China where the stakes would be far lower. Indeed, the British delegation had not conceived the ‘special conference’ idea merely to facilitate a compromise on the surtax issue. They also sought to isolate any tariff disputes from affecting the prospects for a broader multilateral ‘open door’ treaty—one that still needed to be assembled in the FEC, where talks were about to resume.

4.4 Equality of opportunity: The limits of the ‘open door’

The heart of the ‘open door’ policy was the powers’ commitment to upholding ‘equality of commercial opportunity’ in China—in other words, the ‘free trade’ principles that underpinned the ‘treaty system’. It will be recalled from Chapter 2 that Britain had pioneered these principles long before the US issued the ‘open door’ note of 1899. Thus as the delegations from the trading powers gathered in Washington, Britain looked forward to buttressing the principle of ‘equality of opportunity’ by restating it in a multilateral treaty, possibly including a limited enforcement mechanism to settle disputes before they disturbed the fragile equilibrium in the Far East.

However, by mid-January, the future of the ‘open door’ had been sidelined from the Conference. After the Root Resolutions were approved by the FEC on 21 November, Hughes attempted to guide the committee through the first two items on the US Conference agenda, China’s ‘territorial and administrative integrity’, before moving on to the third item, ‘equality of commercial and industrial opportunity’. But for the Chinese delegation, the first two items encompassed their core concerns, and as shown in section 4.2, the ‘Chinese initiative’ to address these issues dominated the first phase of the FEC talks. In fact, Britain’s Board of Trade later attributed the delay in broaching the ‘open door’ question to the FEC being “occupied in dealing with certain specific subjects which the Chinese delegation brought forward as being infringements of [their] sovereignty”.³⁷²

These were not the most important issues facing the Conference as a whole; its objective was multilateral cooperation, and the limitations on China’s rights were only

³⁷² Board of Trade, “Note [...] respecting the Open Door in China,” 13 March 1922, FO 414/453, No. 397.

one aspect under discussion. Hughes therefore suspended the FEC talks on 14 December to focus on the CLA and to avoid Sino-Japanese clashes over relatively minor issues from contaminating the ongoing Shandong talks, which stalled on 27 December. It took until 14 January 1922 before Anglo-American mediation produced a draft Shandong compromise that offered a tangible way out of the *impasse*, and gave Hughes the confidence to restart the FEC discussions.

But the FEC's second phase did not begin where its first phase had left off. Once resolutions addressing the key infringements on China's 'administrative integrity'—extraterritoriality and the customs tariff—had been produced, the FEC could at last resume talks aimed at building on the Root Resolutions to replace the various bilateral 'open door' notes with a multilateral treaty. In this second phase, time was a factor. Balfour, for instance, had expected to sail home in early January and had to reschedule his plans; Jordan and other key members of British delegation had already departed. To speed the talks forward, Hughes would exercise his authority as Chairman more effectively to prevent the Chinese delegates from controlling the agenda and to facilitate an overarching nine-power agreement to support the Four-Power and Five-Power treaties. Thus beginning on 16 January, discussions of the 'open door' and related subjects "went on almost continuously until resolutions on all the necessary points had been agreed".³⁷³

These debates produced the so-called 'Hughes Resolution' on the 'open door'. The British role in the diplomacy of this resolution, which would become article 3 of the Nine-Power Treaty, has never been examined in the Washington system literature. Despite being characterized as emblematic of an 'American initiative' at the Conference, a close examination of the drafting process reveals a higher degree of Anglo-American alignment than is currently understood. In fact, the British delegation introduced the Hughes Resolution's most important feature: a proposal for a 'Board of Reference' to examine foreign claims in China.

Ryuji Hattori has correctly pointed out that the negotiations surrounding the Board of Reference should be central in any assessment of the Washington system, particularly the degree to which the Nine-Power Treaty inaugurated a sea change in the Far Eastern international order. The Board of Reference's scope as originally proposed

³⁷³ Board of Trade, "Note [...] respecting the Open Door in China," 13 March 1922, FO 414/453, No. 397.

would have covered any future claims in China as well as existing claims. Therefore, Hattori argues that when Japanese objections in the FEC talks forced the Board's scope to be limited to future claims, the Washington system "came into existence". This is a key insight, for the Board apparatus was prevented from challenging Japan's existing 'special interests' in Manchuria and elsewhere: the necessary condition, according to Hattori, for an Anglo-American-Japanese 'open door' consensus to emerge.³⁷⁴

Unfortunately, Hattori undermines his argument by taking the name of the 'Hughes Resolution' at face value. In doing so he incorrectly attributes the Board of Reference idea to the US Secretary of State, describing it as a part of the "original Hughes plan", and implicitly portrays Britain as aligned with Japan in opposing the extension of the Board's scope to existing claims.³⁷⁵ This section shows that the Board of Reference actually emerged through an Anglo-American alignment. Moreover, H. Llewellyn Smith conceived it two months before Hughes circulated his draft resolution, in which the Board was not mentioned—and it was only added when Smith revised the Hughes draft in conjunction with the American delegation.

Section 4.2 recounted the genesis of articles 1 and 2 of the Nine-Power Treaty. This section covers the diplomacy behind articles 3, 4, and 5, with a particular emphasis on the Board of Reference, thereby surveying the origins of the five key articles that created a multilateral 'open door' policy. It concludes by summarizing the drafting process that separated the issues covered in the Nine-Power and Chinese Customs treaties into two complementary documents.

4.4.1 The 'open door' and monopolies in China

The British delegation, unsure of when the 'open door' would be brought up, had been preparing to align with the US since the first week of the Conference. In the hopes of laying out a strategy for when the issue was ultimately raised, and to assess the evolution of the 'open door' over eight decades, Smith circulated an internal proposal on 16 November that outlined Britain's position.

This key memorandum asserted that "the interests of British trade in China would best be served by the prohibition of all monopolies which, to use an English legal

³⁷⁴ Hattori (2021, 6-7, 13-14).

³⁷⁵ Hattori (2021, 6-7).

expression, are ‘in restraint of trade’, except such as are required in order to ensure the development of the industrial resources of China”. Smith continued:

It is also evident that a weak Chinese Government, Central or Provincial, in perpetual straits for ready money, may tend to barter away the future economic development of the country in return for an immediate advantage which, on a long view, may be totally inadequate. Hence on both grounds we ought in principle to range ourselves on the side of the American government in opposing Monopolies or preferential privileges provided that the class of understandings and concessions to which the objection applies is reasonably limited and defined, and that the prohibition is not pushed to extremes which would bring to a standstill the assistance given by foreign enterprise and capital in the work of developing the resources of China, and would at the same time impose a new and galling disability on the Chinese Government.

But the US position was not entirely clear. Smith observed that in July 1921, Ambassador Harvey had told Curzon that the US would neither participate in nor acquiesce to any arrangement that “might purport to establish in favour of foreign interests any superiority of [economic] rights” in China. As Smith put it, “taken literally, [this] would prohibit any power from seeking or supporting, and the Chinese Authorities from conceding, any grant of mining rights or any public utility concession”—a position that would damage China’s economic prospects as it was “very unlikely that foreign enterprise would sink capital” in these undertakings “without some guarantee”.³⁷⁶

If the US were to stand firm on this interpretation, British firms, particularly in the mining sector, would be hard-pressed to expand their operations on Chinese territory. However, citing the case of Standard Oil, Smith noted that in practice American firms were just as insistent as their British counterparts in demanding guarantees from the Chinese government. In 1914, Standard Oil had acquired a 60-year claim on all petroleum rights in Shaanxi and Zhili provinces, which Smith described as an “outrageous monopoly” that was “open to grave objections in the interests of the Open Door and of the conservation and development of the economic resources of China”. The case suggested that, contrary to what popular opinion might expect, the US

³⁷⁶ Note by Smith, “Monopolies in China,” 16 November 1921, CAB 30/1B, BED 84.

was not wedded to a maximal version of the ‘open door’, and would even support its industries in blatantly undermining its lofty diplomatic principles in pursuit of profit.³⁷⁷

The problem was that the original ‘open door’ notes as well as the Anglo-Chinese treaty of 1843 only dealt with “monopolies of commerce, e.g. of buying and selling”. But in the era of leased territories and ‘spheres of influence’, foreign economic concessions had multiplied and expanded in scope; and the various ‘open door’ notes did not refer to enterprises such as manufacturing, mining, or railways, which required large investments and a long development process. Smith argued that the FEC’s aim should be to support the ‘open door’ by finding “some suitable formula which will hit the mean between an outrageous monopoly” and “ordinary business transactions which contain some monopolistic element but which are not only harmless but beneficial”.³⁷⁸

Britain should therefore use three criteria to judge exclusive or preferential foreign concessions in China: extension (i.e., territorial limits); duration; and scope. But Smith anticipated that a consensus would be difficult to reach. He wrote:

The position [...] would be greatly simplified if it were possible to frame a hard and fast rule prescribing the limits of extension, duration and scope beyond which a transaction becomes a monopoly ‘in restraint of trade’ to which we should refrain from according support. Unfortunately this is impracticable. We might possibly agree to to discourage all concessions conferring rights over the whole of China or over a whole province. But it is evident that this does not carry us very far, since the whole of an area likely to be rich in some particular mineral may be concentrated in a particular district [...]. As regards duration, we could only say that we should discourage concessions which are perpetual or whose duration is in excess of the limit reasonably necessary to enable the enterprise to be successfully established. As regards scope the definition of a limit becomes even more difficult. It is inevitable that this formula should admit differences of opinion as to particular cases.

The only way to reach an understanding that would constrain the deleterious effects of international competition in China would, in Smith’s view, be to “give any power party

³⁷⁷ Note by Smith, “Monopolies in China,” 16 November 1921, CAB 30/1B, BED 84.

³⁷⁸ Note by Smith, “Monopolies in China,” 16 November 1921, CAB 30/1B, BED 84.

to the agreement the right to challenge the validity of a concession before some tribunal on the ground that it conflicts with the formula”. Importantly, this would need to be an “international tribunal” that was “independent of the Chinese Administration in order to inspire confidence”. Smith closed his memo by noting “it would be interesting to see if America would object to this”.³⁷⁹

This was the first iteration of the ‘Board of Reference’, and attached to the Smith memorandum was a draft resolution that closely mirrors the language of the later Hughes Resolution. It was explicitly written “to give precision to our ideas of what we should aim at”, and Smith suggested the British delegation should not “take the initiative by submitting this draft agreement to the Conference at the present stage”.³⁸⁰

Yet by 3 January 1922, the ‘open door’ still had not been brought up in the FEC. That day Smith prepared another memorandum for the British delegation warning “at this late stage of the Conference it seems unlikely that so novel a proposal as [...] to set up a tribunal to test the monopolistic character of proposed concessions will be definitely adopted here at Washington”. Instead, he suggested aiming for a multilateral “platonic declaration” that the powers would not seek, and China would not grant, “any rights of monopoly or exclusive or preferential concessions [...] calculated to frustrate or seriously to prejudice the practical application of the principle of equal opportunity for commercial and industrial enterprise in China”. Smith still hoped a tribunal could be set up to impartially gauge whether a concession constituted an ‘open door’ violation. As the SCR had recently agreed to hold a ‘special conference’ in the near future to set the conditions for the Chinese tariff surtax and the abolition of *likin*, Smith reasoned that this meeting might be a more appropriate place to make the case for a tribunal. The memorandum suggests that, in Smith’s view, expected resistance to the tribunal plan could be also isolated from the more important goal of instantiating the ‘open door’ in a multilateral treaty, preventing any further delays that might result from pressing the issue immediately.³⁸¹

Hughes, like Smith and the rest of the British delegation, was equally conscious of the need to settle the important questions in Washington before the

³⁷⁹ Note by Smith, “Monopolies in China,” 16 November 1921, CAB 30/1B, BED 84.

³⁸⁰ Note by Smith, “Monopolies in China,” 16 November 1921, CAB 30/1B, BED 84.

³⁸¹ Board of Trade, “[...] respecting the Open Door in China,” 13 March 1922, FO 414/453, No. 397; “Outstanding economic questions relating to China,” 3 January 1922, CAB 30/1B, BED 150.

Conference concluded. To ensure the FEC remained on track, and to steer the committee away from particularly sensitive topics like the ‘twenty-one demands’, Hughes finally circulated a draft ‘open door’ resolution among the other delegations before reconvening the FEC on the morning of 16 January. Hankey reported to Balfour that Hughes would probably introduce it at the FEC meeting that afternoon, which was at that time only expected to adopt a resolution accepting the SCR’s report.³⁸²

There is no direct evidence in the British records indicating Smith’s 16 November draft resolution was shared with the Americans, however, when compared side-by-side with Hughes’ own draft, several similar phrases stand out. If Smith’s draft was not shared, similarities in the two documents at minimum indicate a remarkable coherence in Anglo-American thinking.³⁸³

After Smith studied Hughes’ proposed resolution, which he referred to as “afford[ing] a useful basis for discussion”, he quickly make several comments to be raised at the FEC that afternoon. Three of these points are relevant here. First, in contrast with his own draft, Smith was concerned about the vagueness of Hughes’ language, particularly the phrases “not to seek” any arrangements that violated the principle of ‘equality of opportunity’, and “not to support their nationals in asserting” such arrangements. He noted that “seek” seemed to “relate to the future”, while “assert” possibly applied to “existing rights and claims”. Therefore, Smith suggested “[i]t would be best to deal solely with the future in this resolution, and if necessary have another resolution as to existing commitments”. Second, there was no mention of China’s commitment to refrain from granting any new monopolistic concessions, so Smith

³⁸² Note by Hankey, “Draft resolution on the Open Door,” 16 January 1922, CAB 30/2, BED 171.

³⁸³ Smith had written: “The Signatory Powers declare that they will not support the grant to or for the benefit of their nationals of any rights of monopoly or exclusive or preferential concessions by the Government of China or of any Province thereof which by reason of their scope, geographical extension or duration or of a combination of these factors are calculated to frustrate or seriously to prejudice the practical application of the principle of equal opportunity for commercial and industrial enterprise in China. It is understood that this declaration in no way affects [...] exclusive concessions which are necessary in the interests of the economic development of China”. In comparison, the Hughes draft stated: “With a view to applying more effectually the principle of the open door or equality of opportunity for the trade and industry of all nations, the Powers represented in this Conference agree not to seek or to support their nationals in asserting any arrangement which might purport to establish in favour of their interests any general superiority of rights with respect to the commercial or economic development in any designated region of the territories of China, or which might seek to create any such monopoly or preference as would exclude other nationals from undertaking any legitimate trade or industry or from participating with the Chinese Government in any category of public enterprise—it being understood that this agreement is not to be so construed as to prohibit the acquisition of such properties or rights as may be necessary to the conduct of a particular commercial or industrial undertaking”. Note by Smith, “Monopolies in China,” 16 November 1921, CAB 30/1B, BED 84; Note by Hankey, “Draft resolution on the Open Door,” 16 January 1922, CAB 30/2, BED 171.

recommended adding a clause from his 16 November draft to fill this lacuna. Third, Smith pointed out that the last sentence of Hughes' draft allowed for the "acquisition of such properties or rights as may be necessary for the conduct of a particular commercial or industrial undertaking". The use of the term "necessary" appeared to raise an important issue: "Who is to be the judge of alleged necessity?" Unsurprisingly, Smith advised Balfour to push for the creation of an international tribunal, the key component of his original plan and which was entirely absent from the American proposal.³⁸⁴

When the FEC ended its long hiatus on 16 January, Hughes began discussions on the 'open door.' He observed that the topic "had an intimate connection" with the next item on the US agenda, namely "concessions or preferential economic privileges". Because the Conference had already lasted longer than expected, he suggested the FEC might render a long and contentious discussion unnecessary if it were to adopt a "statement of principle in amplification of the so-called 'Open Door' principle". Hughes continued:

[It would be] idle to deal generally with [the 'open door' question] unless it was recognized that there was inherent in that principle the agreement that the Committee was not attempting to obtain, either for the Governments represented on it or for their respective nationals, a general superiority of rights or [...] advantages which operated to the exclusion of other Powers and their nationals.

In other words, while the Root Resolutions dealt with government-to-government relations, the new 'Hughes Resolution' that had been circulated among the delegates that morning sought to ensure that the powers would not evade their commitments to uphold the 'open door' through ostensibly private commercial activity. The aim was to amplify the third Root Resolution, which it will be recalled only obliged the powers (other than China) to "use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations [in China]". Hughes' draft instead spelled out the criteria for how this influence was to be used.³⁸⁵

³⁸⁴ Note by Smith, "Rough notes on Mr. Hughes' resolution," 16 January 1922, enclosure 4 in Board of Trade, "Note [...] respecting the Open Door in China," 13 March 1922, FO 414/453, No. 397; Note by Hankey, "Draft resolution on the Open Door," 16 January 1922, CAB 30/2, BED 171.

³⁸⁵ "Eighteenth FEC Meeting," 16 January 1922, CAB 30/14, FEC 19; "Resolutions adopted," 21 December 1921, CAB 30/1B, BED 96.

The Chairman then opened the floor for discussion. Ambassador Geddes, after stating that the British delegation “accepted and were in most hearty agreement” with the purpose of the resolution, offered a modification to make it more enforceable. Drawing from Smith’s comments, Geddes told the other delegates that it would be difficult for the FEC to settle in advance the degree to which the proposed resolution could be relaxed to allow certain industrial enterprises. As he put it: “Obviously there must be certain relaxations of the central principle” to facilitate long-term industrial investments; the question was “how much relaxation was to be allowed”. Because there might be “international discussion without end” over the resolution’s interpretation, Geddes proposed “some quite simple machinery in the way of a court of reference to which such matters could be submitted”. Balfour later explained to Curzon that the task of interpreting the ‘open door’ resolution could not be left to the powers themselves; this would likely lead to bitter disagreements, exacerbating international competition in China and rendering the purpose of the resolution moot. Geddes’ proposal emphasized that “there must be somebody to whom cases of doubt should be referred if [the] resolution was to be effective”.³⁸⁶

The British delegation’s comments, and Hughes’ reaction, demonstrates that the Board of Reference was from its conception a British idea. Although Hughes agreed that “there was a great difference between a particular enterprise” and the assertion that “one Power, or its nationals, had a general superiority of right in any region of China”, he also thought the “main point” of the resolution was to “promote the friendly relations” and the “spirit of friendly co-operation which had so happily been in evidence” at the FEC. Hughes concurred that “before the labors of the Conference were finished” it would be “advantageous to provide some sort of machinery for the purpose of dealing with the questions which might arise” in the future regarding the application of the Root Resolutions’ “very broad provisions”. But he put forward no suggestion for how this machinery would operate, confining his remarks to the general principle of the ‘open door’ as opposing ‘spheres of influence’.³⁸⁷

It was in fact Balfour who laid the groundwork for the Board of Reference often attributed to Hughes. After once again stating the British view that ‘spheres of

³⁸⁶ “Eighteenth FEC Meeting,” 16 January 1922, CAB 30/14, FEC 19; Balfour to Curzon, 17 January 1922, CAB 30/6, WDC 144.

³⁸⁷ “Eighteenth FEC Meeting,” 16 January 1922, CAB 30/14, FEC 19.

influence' were "utterly inappropriate to the existing situation" in China—"that system had not only gone, but had gone forever, and was explicitly condemned"—Balfour emphasized that it was a waste of time to deal with "generalities" rather than the way the proposed resolution would "affect the actual, practical development of industrial and economic effort in China". In Britain's view, the multilateral adoption of the Root Resolutions back in November meant "the repudiation" of the 'spheres of influence' "system was as clear and unmistakeable as could possibly be desired". Now Hughes understood Geddes' position. No power present in the FEC opposed the general principle of the 'open door,' but the term presented complex questions of practical application that could only be adjudicated on a case-by-case basis. The Chairman therefore agreed it would be useful to have a mechanism to "avoid controversies, or at least have some way of practically settling them", and adjourned the meeting.³⁸⁸

4.4.2 Britain and the Board of Reference

The next version of the 'Hughes Resolution', far from being an US attempt to "establish a new order in East Asia by applying the open door principle aggressively",³⁸⁹ was actually based on an Anglo-American consensus and drafted by Smith. After the FEC meeting concluded, the British and Americans met privately to discuss the resolution "in order to ensure that the [two] delegations should be in agreement at the next [FEC] meeting". This point should be stressed: Balfour was willing to let the draft appear to stem from a US initiative, although both its text and the ideas behind it were of British origin.³⁹⁰

On the morning of 17 January, the British delegation drafted a new version incorporating suggestions made by Smith and Geddes; this "was sent to the American delegation, who accepted it in substitution for Mr. Hughes' original resolution". Balfour provided Lloyd George with more details. The new draft not only "incorporated our ideas", it had "in point of fact" been prepared by Smith "in full consultation" with John V.A. MacMurray of the US delegation. It was "more specific and generally better" than

³⁸⁸ "Eighteenth FEC Meeting," 16 January 1922, CAB 30/14, FEC 19; Board of Trade, "Note [...] respecting the Open Door in China," 13 March 1922, FO 414/453, No. 397.

³⁸⁹ Hattori (2021, 6).

³⁹⁰ Board of Trade, "Note [...] respecting the Open Door in China," 13 March 1922, FO 414/453, No. 397; Balfour to Lloyd George, 20 January 1922, FO 414/453, No. 18.

“Hughes’s original draft, and provides [...] for a board of reference, to whom any question arising out of [an economic] agreement or any inconsistencies in existing or future concessions can be referred”. The revised version read:

I. With a view to applying more effectually the principle of the Open Door, or equality of opportunity in China for the trade and industry of all nations, the Powers other than China represented at this Conference agree:

(a) Not to seek or to support their nationals in seeking any arrangement which might purport to establish in favor of their interests any general superiority of rights with respect to commercial or economic development in any designated region of China.

(b) Not to seek or to support their nationals in seeking any such monopoly or preference as would deprive other nationals of the right of undertaking any legitimate trade or industry in China or of participating with the Chinese Government or with any Provincial Government in any category of public enterprise, or which by reason of its scope, duration or geographical extent is calculated to frustrate the practical application of the principle of equal opportunity.

It is understood that this agreement is not to be so construed as to prohibit the acquisition of such properties or rights as may be necessary to the conduct of a particular commercial, industrial or financial undertaking or to the encouragement of invention and research.

II. The Chinese Government takes note of the above agreement and declares its intention of being guided by the same principles in dealing with applications for economic rights and privileges from Governments and nationals of all foreign countries whether parties to that agreement or not.

III. The Powers including China represented at this Conference agree in principle to the establishment in China of a Board of Reference to which any questions arising on the above Agreement and Declaration may be referred for investigation and report. (A detailed scheme for the constitution of the Board shall be framed by the Special Conference referred to in Article I of the Convention on Chinese Customs Duties.)

IV. The Powers including China represented at this Conference agree that any provisions of an existing concession which appear inconsistent with those of another concession or with the principles of the above Agreement or Declaration may be submitted by the parties concerned to the Board of Reference when established for the purpose of endeavoring to arrive at a satisfactory adjustment on equitable terms.

In short, this version of the resolution incorporated Smith's critiques of the American draft, as well as his previous emphasis on "scope, duration, and geographical extent", for the simple reason that he composed it.³⁹¹

Hughes was perfectly willing to omit any mention of Britain's input: on 17 January, he presented this draft to the FEC as his own. The first article's language was more precise and arranged to address both traditional 'spheres of influence' and more recent challenges to the 'open door'. It would also only apply to the future. As Hughes explained, clause (a) "was not limited to the mere seeking of a concession which might be in the nature of a monopoly or preference with respect to a particular sphere of enterprise; it had a wider range". This was to negate any possibility of securing or recognizing any 'spheres of influence' in China. On the other hand, clause (b) dealt with cases that "did not rise to the dignity" of establishing a 'sphere of influence', but with "the more limited, yet still objectionable, endeavor to obtain such a monopoly [...] as would deprive nationals of other Powers of the right to undertake legitimate trade or industry in China". Hughes observed: "Neither of these provisions would be entirely satisfactory without the other as its complement".³⁹² Together, they formed a stronger definition outlining the 'open door', extending to industrial monopolies a principle that had hitherto referred exclusively to commerce.

Articles 1 and 2 were straightforward, the latter merely supporting the terms of the former to ensure China did not enter into any monopoly contracts—one of Smith's critiques of Hughes' original draft. But articles 3 and 4 proposing the Board of Reference were more complex.

³⁹¹ Board of Trade, "Note [...] respecting the Open Door in China," 13 March 1922, FO 414/453, No. 397; Balfour to Lloyd George, 20 January 1922, FO 414/453, No. 18; Balfour to Curzon, 18 January 1922, FO 414/453, No. 286; "Nineteenth FEC Meeting," 17 January 1922, CAB 30/14, FEC 20.

³⁹² "Nineteenth FEC Meeting," 17 January 1922, CAB 30/14, FEC 20.

As Hughes noted, a “general declaration” would leave “much to be desired” if “the matter were left to the ordinary instrumentalities of diplomatic intercourse”. However, if he had truly intended the Board of Reference to be a radical mechanism to evict the powers from their vested interests, he would not have stressed that fact that the decisions of the Board of Reference would “bind no one”. It is important to reiterate that the US also did not want its nationals’ claims, such as the Standard Oil deal Smith had referenced, subject to the decisions of foreign adjudicators. In an effort to preempt objections from the other powers—or perhaps the US Senate—Hughes even told the FEC:

[The resolution] did not constitute a board with the authority to decide; it did not establish any [...] powers, the exercise of which would be in derogation of the sovereignty or the freedom of any State; but it did provide a machinery for examination of facts or [...] for investigation and report.

This was different than Smith’s original ‘tribunal’ concept. Instead of an enforcement mechanism for the ‘open door’, Hughes only wanted to establish a venue where disagreements could be discussed. As he put it:

It was highly desirable, if this Conference were to be made all it should be in removing causes of possible controversies [that] some mechanism [should be established] for the examination of the nature of the conflict [...] between claims. [...] Nations would in no way part with their rights to maintain what they conceived to be their interests. Nationals would in no way be impaired in what they thought were their rights and any concessions they might have, but they would at least avoid an unnecessary dispute [due to] a lack of opportunity for a general consideration, through an appropriate body, of the merits of the particular case.

This procedure might make it easier for the Board of Reference proposal to avoid the fate of the League of Nations, but at the cost of limiting its effectiveness. Later in the FEC meeting, Hughes added “there was nothing coercive” intended by articles 3 and 4, and the resolution “ultimately depended on the good faith of governments in applying the principles which they professed”.³⁹³

³⁹³ “Nineteenth FEC Meeting,” 17 January 1922, CAB 30/14, FEC 20.

Hughes' statements seem to undermine the claim that he intended to use the Board to aggressively apply the 'open door' principle. The two Board of Reference articles instead appear to merely create a kind of 'pressure valve' to prevent disputes over conflicting economic claims from subverting the broader Conference goal, namely sustaining multilateral cooperation in China. Moreover, the resolution carefully avoided any details of how the Board was to be composed, deferring this task to the future 'special tariff conference'.

Unsurprisingly, Geddes was willing to accept the resolution on behalf of the British delegation. French delegate Sarraut, however, had an issue with Article 4, which appeared to apply not only to future claims but also retroactively. This was an important distinction. Balfour reported to Lloyd George that this article "met with determined opposition" from Sarraut, who "seemed nervous" about including existing concessions within the scope of the resolution. As Smith had predicted, Sarraut worried these concessions would be "attacked before the proposed Board", and incentivize the powers to cynically challenge each others' existing rights. Articles 3 and 4, in France's view, potentially formed a venue that would "cause serious inconvenience for the various parties interested if they refused to submit to investigation".³⁹⁴

Hughes replied that he saw no issue with allowing the Board of Reference to examine existing claims, reiterating that "no power" would be "bound by [its] report", which would be "merely information and advice". But he conceded that the phrase "with those of another concession" in article 4 could be omitted so as to limit its application to those cases where a concession appeared inconsistent with the principles in article 1. Yet Sarraut was still concerned that existing rights might be compromised, so further debate on article 4 was aside until the next meeting the following day.³⁹⁵

The FEC discussion on 18 January casts further doubt on the idea that the 'open door' resolution represented a US-initiated break with the past. There, Shidehara observed that, although the 'open door' principle was "not a new invention", it "had undergone considerable changes, in its application, since it had originally been initiated by Secretary Hay" in 1899. Now he worried that the principles in the draft resolution

³⁹⁴ "Nineteenth FEC Meeting," 17 January 1922, CAB 30/14, FEC 20; Balfour to Lloyd George, 20 January 1922, FO 414/453, No. 18.

³⁹⁵ "Nineteenth FEC Meeting," 17 January 1922, CAB 30/14, FEC 20; Balfour to Lloyd George, 20 January 1922, FO 414/453, No. 18.

referring to monopolies were “of an entirely different scope” and gave “a new definition to that policy”. Therefore, Shidehara agreed with Sarraut that the “new definition should not have any retroactive force” and he proposed an alternative draft of Article 4, watering down the Board of Reference’s scope to future concessions only. Hughes attempted to counter this argument by reading into the record all previous ‘open door’ notes—from the Hay notes to the Root-Takahira agreement of 1908—illustrating that the powers had over time consented to an expanding definition of the ‘open door’. He concluded that the resolution was not based on a new interpretation, but rather “a more definite and precise statement of the principle that had long been admitted, and to which the Powers concerned had given their unqualified adherence for twenty years”. Hughes even insisted that article 1 was a “reaffirmation” of a longstanding principle, and the Board of Reference was only intended for its “effective application”.³⁹⁶

Shidehara’s draft altered the meaning of article 4, prompting Borden of the British delegation to suggest eliminating the article altogether. The FEC minutes do not provide the context for Borden’s suggestion, potentially giving a false impression that Britain was aligning with France and Japan against giving the Board of Reference retroactive scope. However, as Balfour explained to Curzon, Shidehara’s revisions “would have entirely emasculated” article 4, rendering it unnecessary. The Board of Trade’s post-Conference memo went into greater detail:

[Shidehara’s] amendment would have robbed the article of all value, and Sir Robert Borden accordingly pointed out that the article was not really necessary in order to enable existing concessions to be submitted to the board of reference, as such submission could take place by agreement between the parties whether express provisions were made or not. He therefore suggested that the best course would be to omit the article altogether.

Moreover, Hughes agreed with Borden. The Chairman was more concerned with securing an overall agreement than defending article 4 and creating a venue to attack the powers’ existing claims in the future. He told the FEC “it possibly would induce agreement” if article 4 was omitted, adding that the matter could be brought up at the ‘special tariff conference’, where “a scheme would emerge” to “carry out the intent” of article 3. At this late stage in the Conference, Hughes’ focus was on “bring[ing] the

³⁹⁶ “Twentieth FEC Meeting,” 18 January 1922, CAB 30/14, FEC 21.

matter to agreement”. He therefore called a vote on the first three articles, with article 4 omitted, and the resolution was adopted.³⁹⁷

The discussions surrounding the Board of Reference indicate two relevant points regarding the Anglo-American ‘open door’ vision at Washington. On the one hand, Britain and the US were aligned in hoping to limit the ability of monopoly enterprises to create industrial ‘spheres of influence’. In fact, although Hughes was willing to accept Smith’s version of the Board, the record indicates that the British were more amenable to a ‘tribunal’ with actual enforcement power, rather than merely a body able to clear the air surrounding economic conflicts of interest. But both agreed that the most important thing was that the principle of ‘equality of opportunity’ had been expanded to cover industries as well as commerce.

On the other hand, neither delegation thought the Board’s ability to examine existing claims would be worth engaging in a lengthy debate with their French and Japanese counterparts. Retroactivity, while useful in principle, was not as fundamental as preventing future claims from disturbing international cooperation in the Far East. The Conference’s paramount objective was achieving a multilateral consensus on the meaning of the ‘open door’, not setting up a framework to challenge extant industrial enterprises in China, which were essentially a *fait accompli*. In the interests of agreement, then, article 4 was duly set aside. Not unlike the thorny issues of China’s tariff surtax and the abolition of *likin*, the non-essential problem of the Board’s ultimate scope could be discussed later at the ‘special conference’. There it would have no impact on more pressing matters.

4.4.3 Producing the Nine-Power and Chinese Customs treaties

The FEC had now agreed on the resolutions that would become the first three articles of the Nine-Power Treaty—the centerpiece of the multilateral ‘open door’. However, two corollaries were brought up in the last few FEC meetings, which deserve mention as they became articles 4 and 5. Neither provoked controversy or serious debate, and together they reinforced the new ‘open door’ framework.

³⁹⁷ “Twentieth FEC Meeting,” 18 January 1922, CAB 30/14, FEC 21; Balfour to Curzon, 18 January 1922, CAB 30/6, WDC 145, No. 3; Board of Trade, “Note [...] respecting the Open Door in China,” 13 March 1922, FO 414/453, No. 397.

First, the ‘open door’ had always been intimately associated with railroads in China. Smith’s 16 November 1921 memorandum on monopolies had been complimented with one addressing the railroad question, composed the same day, in which he noted that on “certain railways” under foreign control—“and especially on some of the Japanese controlled railways”—there had been “persistent complaints by our traders of indirect but effective discrimination in favour of the trade of the country whose nationals are in control”. In this context, Japan was expected to violate the ‘open door’ resolution adopted in the FEC, as it was accustomed to reducing the cost of importing its traders’ goods into China relative to those of the other powers. To Smith, the problem stemmed from the bilateral ‘open door’ agreements that did not explicitly prohibit the practice. Some affirmations of the ‘open door’ were “too vague and general”, while others were “too narrowly worded”, like the “Hay formula of 1899, which can quite easily be evaded”.³⁹⁸

Linking the issue to monopolies in China, Smith recommended establishing a “tribunal before which complaints of [railway] preference could be properly tested”; if “the Tribunal suggested” in his monopolies memorandum were established, “it could be used for [this] purpose”. He attached a draft to this effect, which Geddes submitted to the FEC immediately following the vote adopting the ‘open door’ resolution—and after replacing Smith’s ‘tribunal’ with the newly approved term, ‘Board of Reference’. When the FEC convened on 19 January 1922 to discuss his railway resolution, Geddes stated that the British delegation was “animated by the desire to make the Open Door policy effective. They believed that [the resolution], if adopted by the Powers, would go far to make the Open Door a reality”. Importantly, it restricted the Chinese government as well as the powers operating railroads in China from interfering with freight rates, both of which would be treaty violations. After the American and Chinese delegates assented to Geddes’ proposal, Shidehara stated that in his view the resolution was “entirely in line with the principle of the open door in China that was accepted at the previous meeting”, as it only related to future actions. The multilateral declaration of ‘open door’ principles thus produced its first tangible benefit, as this resolution allowing the method

³⁹⁸ Note by Smith, “Monopolies in China,” 16 November 1921, CAB 30/1B, BED 84; Note by Smith, “Preferential rights on Chinese railways,” 16 November 1921, CAB 30/1B, BED 83.

for examining monopolies to be applied to foreign-controlled railways was adopted with only minor drafting changes.³⁹⁹

Second, on 21 January, Root proposed an additional resolution to ensure that ‘spheres of influence’ were explicitly rejected. Although the powers had verbally committed to abandoning the policy, nothing binding was present in the ‘open door’ language already adopted, nor in the Root Resolutions. In short, the four ‘general principles’ referred to agreements between governments, and the ‘open door’ resolution referred to governmental support of monopoly enterprises pursued independently by their nationals. However, nothing explicitly bound governments from allowing their nationals to claim ‘spheres of influence’ in China.

To fill this lacuna, Root proposed to add:

Resolved, that the Signatory Powers will not support any agreements by their respective nationals with each other designed to create spheres of influence or to provide for the enjoyment of mutually exclusive opportunities in designated parts of Chinese territory.

Shidehara questioned the need for this resolution, which he saw as redundant, but Hughes observed “it was within the spirit and principle of the Resolutions already adopted”, and “involved a definitive statement of a particular matter which was to bind the consciences of the governments”. Citing the Anglo-German banking agreement of 1898, which mutually recognized the two respective powers’ ‘spheres of influence’ in China, Root argued that agreements of this kind could allow bankers to “commit their governments”. If these types of private deals were not explicitly condemned, he argued, “all this business the [FEC] was doing would go to pieces”, as in the past, private agreements had been “the way spheres of interest were created”. Balfour agreed, noting that Root’s proposal added an important aspect to the ‘open door’ commitments already

³⁹⁹ Note by Smith, “Preferential rights on Chinese railways,” 16 November 1921, CAB 30/1B, BED 83; “Twentieth FEC Meeting,” 18 January 1922, CAB 30/14, FEC 21; “Twenty-first FEC Meeting,” 19 January 1922, CAB 30/14, FEC 22. The railway resolution became article 5 of the Nine-Power Treaty, stating: “China agrees that, throughout the whole of the railways in China, she will not exercise or permit unfair discrimination of any kind. In particular there shall be no discrimination whatever, direct or indirect, in respect of charges or of facilities on the ground of the nationality of passengers or the countries from which or to which they are proceeding, or the origin or ownership of goods or the country from which or to which they are consigned, or the nationality or ownership of the ship or other means of conveying such passengers or goods before or after their transport on the Chinese Railways. The Contracting Powers, other than China, assume a corresponding obligation in respect of any of the aforesaid railways over which they or their nationals are in a position to exercise any control in virtue of any concession, special agreement or otherwise”.

accepted by the FEC. Eventually Shidehara realized the other delegations supported the resolution, and after he withdrew his critique it was adopted.⁴⁰⁰

The multilateral ‘open door’ policy had thus been defined. Coupled with the customs agreement, which created a ‘multilateral Mackay Treaty’ on the Chinese tariff, the powers had replaced the bilateral agreements that had evolved over twenty years with a new framework. Their final task, before the FEC could close, would be assembling the China resolutions into treaty form.

A constant fear among the British delegation throughout the Conference was that their work would suffer the same fate of the Versailles Treaty in the US Senate. Like the Four-Power Treaty, which was carefully written as a consultative pact rather than a defensive alliance to ease ratification, the China treaties could not contain any controversial aspects that would cause the Senate to reject them as interfering with American sovereignty. At the same time, the British delegates were conscious of the necessity of putting the most important China resolutions into treaty form because, as Geddes noted privately to his colleagues, future US Presidents could “decline to be bound by any arrangement which was not part of United States law”. For these reasons, the British were willing to defer to Hughes and the American delegation in the structure of the China treaties.⁴⁰¹

The FEC had produced a disparate group of resolutions, and even as the Conference was about to conclude, the way these would ultimately be assembled remained undetermined. In the British delegation, it was still assumed as late as 19 January that “the Americans were probably busy with the draft of a Treaty which was to include the various Agreements relating to China” in a single, all-encompassing document. However, this was not the case, as Balfour learned on 30 January when he met informally with Hughes to finally discuss how to arrange the resolutions into an acceptable China treaty.⁴⁰²

⁴⁰⁰ “Twenty-third FEC Meeting,” 21 January 1922, CAB 30/15, FEC 24. Root’s corollary, with minor drafting changes, became article 4 of the Nine-Power Treaty: “The Contracting Powers agree not to support any agreements by their respective nationals with each other designed to create Spheres of Influence or to provide for the enjoyment of mutually exclusive opportunities in designated parts of Chinese territory”.

⁴⁰¹ “Twenty-fourth Conference of the British Empire Delegation,” 19 January 1922, CAB 30/1A, BED 71.

⁴⁰² “Twenty-fourth Conference of the British Empire Delegation,” 19 January 1922, CAB 30/1A, BED 71; “Memorandum of a conversation regarding the Nine-Power China Treaty,” 30 January 1922, CAB 30/27, SW 49.

The Secretary of State pointed out to Balfour that “for certain constitutional reasons, he did not think it desirable to include all the Far Eastern Resolutions in one single treaty”. For example, because raising the Chinese tariff rate to an effective 5% related to existing treaty provisions, the Senate’s assent was not required. Other resolutions that did not affect existing rights could also be separated from the main treaties to avoid complicating the ratification process. Balfour recalled that Hughes was “particularly anxious not to hang anything up unnecessarily by lumping all the Resolutions together [...] where they would all stand or fall together”.⁴⁰³

Thus Hughes proposed grouping the resolutions into three treaties. First, there would be a treaty for the four Root Resolutions and the agreements on the ‘open door’ and railways; this would be the main treaty. Second, a customs treaty on Chinese tariffs and revenues would separate these issues from the others. But Hughes was most concerned with the third proposed treaty establishing the Board of Reference, telling Balfour it “was the one which was most likely to lead to trouble in the Senate”. The idea would be to decouple article 3 from the ‘open door’ resolution, placing the first two articles in the main China treaty to ensure they would not be impacted by expected Senate resistance to the Board of Reference. Similarly, the resolution on railroad rates would also be amended to remove Geddes’ reference to the Board so as to include it in the main treaty. Balfour agreed with Hughes’ approach, and deferred to the Americans in structuring the treaty.⁴⁰⁴

When the FEC convened on 31 January, Hughes elaborated on his plan to divide the resolutions into three classes. Many of the resolutions “did not require treaty form to be effective”, as they pertained to existing treaties (e.g. extraterritoriality) or to actions that would be taken by the powers based on declarations made in the FEC (e.g. the abolition of foreign post offices). The issue of Chinese customs, however, modified existing treaties, and would therefore need to be ratified by the respective governments; Hughes delegated the task of drafting it to a separate subcommittee. Finally, the multilateral “declarations of principle to govern the action of the Powers in the future” represented a new multilateral commitment replacing the ‘open door’ agreements of the

⁴⁰³ “Memorandum of a conversation regarding the Nine-Power China Treaty,” 30 January 1922, CAB 30/27, SW 49.

⁴⁰⁴ “Memorandum of a conversation regarding the Nine-Power China Treaty,” 30 January 1922, CAB 30/27, SW 49.

past, and thus required an altogether new treaty. This plan received a favorable response from the other delegations, so Hughes scheduled two drafting meetings for the following day—one for the Nine-Power Treaty, and another for the Chinese Customs Treaty.⁴⁰⁵

On 1 February, because the Conference had gone well beyond its expected duration, the most important resolutions were arranged into the Nine-Power Treaty in a hasty and somewhat haphazard manner. Indeed, the delay in settling the essential naval and Shandong issues had already forced Balfour to reschedule his return trip to Britain from 14 January until 7 February.⁴⁰⁶ As this new departure date approached, the Conference proceedings show evidence of the immense time pressure to complete the final treaties. It was not until 30 January that the critical issues outside of the FEC were resolved: Japan accepted the Pacific islands fortification agreement—the crucial link supporting the Four-Power and Five-Power treaties outlined in Chapter 3—and, as shown in Section 4.5 below, that same day China at last agreed to the terms brokered by Hughes and Balfour respecting the retrocession of Shandong. Although the major issues had ceased to interact with each other by the end of December 1921, the Washington Conference could not have concluded until the naval and Shandong treaties were completed. So as February began the powers had only one task remaining: assembling the China treaties out of the resolutions passed in the FEC.

The Subcommittee of the Heads of Delegations met twice to finalize the Nine-Power Treaty on 1 and 2 February. The first five articles constitute the foundation of the Washington system, defining a multilateral ‘open door’ in China. It will be recalled from Section 4.2 that the four Root Resolutions were never intended to become part of a treaty—their purpose had been to simply restate and consolidate the existing ‘open door’ consensus. This point was raised in the second drafting meeting on 2 February by the Dutch delegation, and they had to cable The Hague for permission to accept the Root Resolutions as binding. Once accepted, these ‘general principles’ became article 1, complemented by article 2 committing the powers not to violate them in any future agreements, even with states not represented at the Conference. Next, article 3 would

⁴⁰⁵ “Twenty-eighth FEC meeting,” 31 January 1922, CAB 30/15, FEC 29.

⁴⁰⁶ “Twenty-sixth Conference of the British Empire Delegation,” 31 January 1922, CAB 30/1A, BED 73; “Memorandum of a conversation regarding the Nine-Power China Treaty,” 30 January 1922, CAB 30/27, SW 49.

contain the first two articles of the ‘open door’ resolution; these clarified Root’s third principle, extending the powers’ commitment to ‘equality of opportunity’ to all economic agreements conducted between their respective nationals and the Chinese government. China had similarly promised not to cede monopoly rights to foreign powers. However, as Hughes had warned Balfour, the Board of Reference had been omitted and reformed into a standalone ‘special resolution’. The expectation was that the ‘special tariff conference’, to be held within three months of ratification of the customs treaty, would define the Board’s scope and authority in more detail. Following the ‘open door’ resolution was article 4, Root’s corollary committing the powers not to recognize ‘spheres of influence’ in China established by private individuals or firms, and article 5, prohibiting preferential rates on Chinese railways.⁴⁰⁷

For completeness, the remaining articles will be briefly summarized. Article 6 respected China’s neutrality in third-party wars, based on a resolution passed on 7 December. The Chinese delegation insisted on this being in the final treaty, as Japan had traversed territory on the Shandong Peninsula not occupied by Germany to seize the Jiaozhou Bay concession in 1914. Article 7, in language reminiscent of the Four-Power Treaty, set out the procedure to be followed in the case of a dispute triggered by conflicting interpretations of the treaty: the governments concerned would engage in “full and frank communication” whenever a situation arose that threatened international cooperation. Hughes made clear that this did not mean a new conference would have to be called if there were a dispute, merely that communication between the concerned powers would be the first step if one arose. Finally, article 8 invited the powers not present at the Conference, such as Germany and the Soviet Union, to adhere to the Nine-Power Treaty, and article 9 spelled out the ratification process.⁴⁰⁸

During the FEC discussion on these articles, an interesting exchange took place on the subject of future leased territories in China that illustrates how Balfour and Hughes saw the Conference as representing a historic inflection point. The context was Hughes’ suggestion to add an article to the Nine-Power Treaty committing China “not to

⁴⁰⁷ “Third meeting of the Sub-Committee of the Heads of Delegations of Pacific and Far Eastern questions,” 2 February 1922, CAB 30/16, HDP 3; “Thirty-first FEC meeting,” 3 February 1922, CAB 30/15, FEC 32.

⁴⁰⁸ “Third meeting of the Sub-Committee of the Heads of Delegations of Pacific and Far Eastern questions,” 2 February 1922, CAB 30/16, HDP 3; “Thirty-first FEC meeting,” 3 February 1922, CAB 30/15, FEC 32.

alienate or lease any portion of her territory or littoral to any Power". Although this would compliment the second clause of article 3, in which China committed to not grant foreign firms monopoly contracts, Koo objected to putting a "declaration of policy" into the treaty. He was hesitant to restrict China's sovereign rights in any way, and despite the fact that his government "naturally" had "no intention" to grant any future leased territories, Koo viewed Hughes' suggestion as a "rather unusual procedure".⁴⁰⁹

Balfour disagreed. "So far as the troubles of China with western states were concerned", he argued, "they had been largely due to the fact that the latter had arranged matters among themselves in regard to China without consulting China; this was one of the evils that the Conference had protested against and which it hoped to put [to] an end". Hughes echoed the British delegate's comments:

If the same question had come up prior to 1898 [the Western nations] would have said that China was a sovereign Power and that it was for her to decide whether she would alienate territory or not. But alienation of territory had taken place and China was in the position of having called on the Powers for help to save her from the consequences of her own acts and to aid and assist her in the future. This was a historical justification, not a theoretical one. The [Nine-Power Treaty] represented fair dealing toward China and furnished a practical way out of the difficulty.

Koo still resisted the proposed article, but he understood Balfour and Hughes' argument. Indeed, Balfour specifically mentioned the prospect of China providing future leased territories to the Soviet Union, which was not a party to the Nine-Power Treaty. Thus Koo conceded that it would be appropriate to incorporate the pledge as an annex rather than an article, "in order to forestall any possibility" that it would be viewed in China as a new restriction on its sovereignty. His view was that promising to not grant monopoly contracts would only amplify an obligation already contained in China's commercial treaties, whereas Hughes' proposal would introduce an altogether new limiting commitment. Hughes made a futile attempt to convince Koo that the article would be in China's interests, but in the end accepted it as an annex.⁴¹⁰

⁴⁰⁹ "Third meeting of the Sub-Committee of the Heads of Delegations of Pacific and Far Eastern questions," 2 February 1922, CAB 30/16, HDP 3.

⁴¹⁰ "Third meeting of the Sub-Committee of the Heads of Delegations of Pacific and Far Eastern questions," 2 February 1922, CAB 30/16, HDP 3.

Nevertheless, Balfour's comment was quite revealing. At the Washington Conference, the era of 'spheres of influence' and leased territories had clearly come to an end—but so too had the era of 'old diplomacy' in the Far East, which had been used to negotiate the powers' mutual recognition agreements. Going forward, they would no longer make agreements among themselves regarding Chinese questions. But the powers that were not present at the Conference had no such obligations; and the new China would be unwilling to further limit its rights in order to fill this lacuna in the Nine-Power Treaty.

A similar issue arose at the final FEC meeting on 3 February, where the Chinese Customs Treaty (which had been drafted by a separate subcommittee) was presented to the delegations alongside the Nine-Power Treaty. It was nearly identical to Underwood's 5 January report, and the only debate centered around China's pledge at the SCR to not interfere in the customs administration. Balfour wanted to include this as an article in the Customs Treaty. But Koo, again not wanting to give the impression he was allowing any restrictions on Chinese sovereignty to be instantiated in treaty form, argued that he had made the pledge because it was his government's policy, which "had been pursued for many decades in the past". He assured the powers that "no departure from this policy was contemplated at the present time". Balfour suggested following the precedent of the aforementioned leased territories issue, and including Koo's pledge as an annex to the customs treaty. But Underwood agreed with Koo, stating, "it would not be a nice position to take to put a declaration in this treaty compelling China to agree that her customs tariff should be administered by nationals not of her own but of other countries". In response, Balfour made a lengthy case for including it either as an annex or in the preamble, and soon the reason for Underwood's reticence became clear—he thought the American people would reject any perceived constraint on Chinese sovereignty. As Balfour later explained to Curzon, if the pledge were included, "Underwood strongly felt that his task of defending [the customs] treaty before the Senate would become much more onerous". Recognizing the potential for future ratification problems, Balfour withdrew his proposal.⁴¹¹

The customs administration issue underlines a distinction between the 'old diplomacy' associated with the 'scramble for China' with the much older 'treaty system'

⁴¹¹ "Thirty-first FEC meeting," 3 February 1922, CAB 30/15, FEC 32; Balfour to Curzon, 4 February 1922, CAB 30/7, WDC 194.

governing China's commercial relations with the powers. Britain saw the conditions in the Far East between 1898 and 1922, characterized by 'spheres of influence' and international rivalry, as representing a deviation from the 'free trade' approach it had championed in China under the original Anglo-Chinese treaties. Equality of commercial opportunity was in fact the foundation of Britain's China policy—and it was this policy that the 'open door' euphemism sought to capture. In the case of the Maritime Customs Service tasked with collecting the Chinese tariff, ever since its founding in 1854 the agency had been administered by a British national, and this approach had provided fair treatment to the commerce of all nations. Balfour was thus particularly concerned with receiving a Chinese assurance that this traditional arrangement be respected.

But the constraint imposed by the need for US Senate ratification forced Balfour to withdraw his proposed annex; it had also kept the Board of Reference from being included in the Nine-Power Treaty. Although generally speaking Britain and the US sought to remove the restrictions imposed on Chinese sovereignty since 1898, this suggests the two powers were not as aligned as their respective delegations. Both agreed on wanting to restore the *laissez-faire* conditions of the 'treaty system'—which united them against Japanese economic penetration in China—yet they had differing visions of what would be required to make these conditions durable. As had been the case when Hay had issued the 'open door' notes, the Americans had lofty ideals but were unwilling to back them up with effective mechanisms for enforcement, while the British had a more realistic view of international politics and understood their diplomacy needed to be supported by binding commitments.

What really motivated the Anglo-American alignment at the FEC, however, was a shared interest in securing a multilateral agreement defining a common China policy. Upholding the principle of 'equality of opportunity' was only the beginning, the most basic factor; the details and minor disagreements could be settled at the 'special conference'. All that mattered at Washington was building a solid foundation for cooperation in China, one capable of supporting the Anglo-American-Japanese equilibrium that had tentatively emerged with the Four-Power and Five-Power treaties, in a form that could be ratified by the Senate.

If this were achieved, Britain hoped the Anglo-American alignment in the Far East could become institutionalized, allowing the two powers to use 'diplomacy by

conference' to stabilize other regions of the globe. In fact, outside the FEC their first test had just been met: Britain and the US worked together to mediate a settlement to the Shandong question, which had threatened to spoil the fruits of the whole Conference. Shandong was a bilateral issue, but Hughes would not present the two multilateral China treaties until this third treaty had been finalized. As shown below, the British and American delegations would facilitate a Sino-Japanese compromise in part by tying it to the success of the other treaties, achieving a result that had eluded their countrymen in Paris in 1919.

4.5 Territorial integrity: Weihaiwei and the Shandong deadlock

The Shandong question was more than a diplomatic dispute. By the time of the Washington Conference it had come to symbolize the larger problem of leased territories infringing on China's 'territorial integrity'. Moreover, as the German claim to Jiaozhou Bay in 1897 had precipitated the 'scramble for China' and Japan's seizure of the concession in 1914 had poisoned its relations with America, Shandong was the archetype for international rivalry in China. But this ostensibly Sino-Japanese dispute not only contradicted the aims of the Conference. It also represented one of the key questions that had to be solved in order to enact a multilateral framework defining the powers' common China policy.

Nevertheless, the Shandong settlement, being a bilateral issue that was resolved outside the Conference, is not considered to be a pillar of the Washington system. The Shandong Treaty also resolved a preexisting dispute, which makes it different from the other Washington treaties that formed a basis for the powers' future relations in the Far East. In the literature surveyed in Chapter 1 it is only mentioned in passing to illustrate Japan's decision to choose a path of conciliation and cooperation in pursuit of better relations with both the US and China.⁴¹²

This section highlights an additional dimension of the Shandong talks. From the first week of the Conference, Balfour was concerned that Britain's possession of a leased territory on the Shandong peninsula—the port of Weihaiwei—would negatively impact its ability to induce a Sino-Japanese settlement. In a long series of dispatches, he

⁴¹² E.g., Iriye (1965); Hosoya (1978); Asada (1992).

engaged in a revealing disagreement with Curzon over whether the British delegation should use the opportunity presented by the Conference to restore Weihaiwei to China. This disagreement has never been assessed in the context of the Washington system, but it is one of the clearest examples of Britain ‘between the old diplomacy and the new’.

As Sadao Asada has argued, the Washington system was neither a return to prewar ‘old diplomacy’ nor a crystallization of the ‘new diplomacy’ of 1919. Rather, it emerged when the US backed away from Wilsonian idealism and toward a type of American realism represented by Root, while Japan adopted Shidehara’s approach to international relations and discarded its wartime policy characterized by the ‘twenty-one demands’. US-Japan cooperation, in other words, materialized between these two extremes, and came into being when a midway point was discovered at the Conference. This, according to Asada, was the equilibrium supporting the Washington treaties.⁴¹³

The Curzon-Balfour exchange suggests a similar dynamic. Whereas Curzon sought to stand firm on Britain’s legitimate holding of the Weihaiwei lease, Balfour, conscious of the mood on the ground in Washington, argued persuasively that restoring Weihaiwei to China would be in Britain’s interests. He realized that this would both soften the blow for Japan when Shandong was restored, as well as represent a symbolic yet tangible demonstration of Britain’s commitment to the regime of international cooperation that was emerging, which was bound to please the Americans.

After introducing the differences between how Curzon and Balfour viewed Weihaiwei, this section surveys the Sino-Japanese *impasse* over the Shandong railway, which required Anglo-American mediation to resolve. The difficulties encountered in securing a settlement shows how indispensable Balfour, Hughes, and their respective subordinates were to arranging the final deal. This provides the context for Balfour’s last-minute decision to go beyond his instructions from Curzon and publicly commit to restoring Weihaiwei, showing the British delegate’s consciousness of the emerging international order—a ‘Washington system’ of diplomacy, between ‘old’ and ‘new’.

4.5.1 Balfour, Curzon, and the problem of Weihaiwei

The Shandong dispute simmered in the background throughout the entire Conference; its presence was felt in both the Anglo-American-Japanese negotiations and the FEC

⁴¹³ Asada (2006, 230).

meetings. Chapter 3 showed how challenging it was to get China and Japan to begin discussions, yet concluding an agreement would be even more arduous. Thus as the spirit of international cooperation at Washington became more apparent, and as the Sino-Japanese *impasse* threatened the success of the other treaties, Balfour time and again appealed for permission to restore Weihaiwei to China.

The Foreign Office and CID had given the British delegation instructions to preserve the *status quo* with respect to leased territories, including Weihaiwei as well as Kowloon and the New Territories in Hong Kong. However, on 17 November, a day after Sze presented China's '10 points' to the FEC, Balfour wired Curzon to ask for "greater liberty" to concede Weihaiwei.⁴¹⁴ This request sparked a flurry of activity in London, with the Admiralty, Foreign Office, and other relevant departments debating the strengths and weaknesses of Balfour's request.

On 24 November, at a meeting of the Conference of Ministers at 10 Downing Street, Lloyd George and Curzon led a discussion of the implications. The consensus was that Weihaiwei "under existing conditions [...] had no strategical importance", although the threat of disturbances in northern China suggested it might in the future become a valuable naval outpost. But the ministers in London failed to grasp the meaning of Balfour's request. Despite the unclear benefits from retaining Weihaiwei, they thought "in no circumstances should His Majesty's Government agree to give up any territory without knowing what they were going to get in return, and what the other Powers represented at Washington were ready to do". The brief exchange contained no mention of Weihaiwei's relationship to the Shandong question and focused almost entirely on the fact that Britain's chief delegate was proposing to return Weihaiwei solely to improve Britain's image at the Conference, without obtaining any material compensation. Balfour was told:

Emphasis [at the Conference of Ministers] was laid on the inexpediency of making any concessions to China so long as the country was in its existing chaotic position, and it was pointed out that, in any case, if any concessions were made it should be as part of a general bargain, and that in [China's] present position it would be ridiculous to hand over anything to her as a gift.

⁴¹⁴ Committee of Imperial Defence, "Memorandum of the Standing Sub-Committee," 24 October 1921, CAB 30/1A, CID 67; Balfour to Curzon, 17 November 1921, FO 414/453, No. 347.

Thus Curzon rejected Balfour's request, replying: "Colonial and Foreign Offices attach much greater value to retention of Wei-Hai Wei than you appear disposed to do".⁴¹⁵

If Balfour was willing to stick to this traditional diplomatic line, he would have let the matter rest. But as he considered the issue he became increasingly "convinced" that to "cling to [Britain's] treaty rights in any narrow spirit would be a profound mistake even from the point of view of our material interests". The British delegation, in a 26 November meeting to strategize for its wider Conference goals, sought to interpret Curzon's reply in a way that gave them the greatest freedom of action, unanimously agreeing that Balfour should announce Britain "might" be willing to return Weihaiwei "in order to secure a general settlement in China and subject to corresponding action by other Powers".⁴¹⁶ This 'general settlement' was apparently viewed as involving the restoration of not only Jiaozhou Bay, but the French leased territory in Guangzhouwan as well.

Balfour pressed his case two days later. Attempting to frame his argument in a way that appealed to Curzon's perspective, he observed: "You hint that Foreign Office and Colonial Office attach more value to [Weihaiwei] than I do. But you do not tell me in what that value consists". Meanwhile, "the reasons for returning it to China are easily stated". Balfour attached a memo from Jordan to support his position. It argued, first, that if a Sino-Japanese agreement on Shandong were reached, "it is morally certain that China [...] will receive the sympathy and support of the American and other delegations" in seeking the return of the remaining leased territories. Surrendering Weihaiwei would "call for an infinitely less sacrifice on our part" than the return of Shandong would entail on Japan, and if the Japanese did evacuate the peninsula, Britain's base there would lose its strategic value. Moreover, as Jordan put it, "it would be impolitic in our own interest" to insist on retaining Weihaiwei, as this would alienate the US delegation. Second, the FEC discussions had raised the possibility of the French restoring Guangzhouwan if Shandong were returned, which would leave Britain "in the invidious position of being the only one of the original aggressors to retain Chinese territory". Noting that Britain only occupied Weihaiwei in 1898 "with great reluctance"

⁴¹⁵ Balfour to Curzon, 17 November 1921, FO 414/453, No. 347; "Extract from Conclusions of a Conference of Ministers," 24 November 1921, FO 414/453, No. 350; Curzon to Balfour, 24 November 1921, FO 414/453, No. 352.

⁴¹⁶ "Seventh Conference of the British Empire Delegation," 25 November 1921, CAB 30/1A, BED 54.

in order to balance against German and Russian expansionism, Jordan urged his government to reconsider its position in light of the changed postwar strategic environment. He then segued to his third and main point:

Feeling here [in Washington] is that there can be no permanent peace in the Far East as long as China remains in her present disintegrated position. [...] The only return we can expect from China is the goodwill of the Chinese people, which, as Japan has realised, is far more valuable to a trading nation than territorial expansion producing resentment and commercial boycott.⁴¹⁷

These points suggest a shifting mood at the Conference that London could not yet grasp.

Still, Jordan's arguments led Curzon to soften his position. On 1 December, the Foreign Secretary conceded that Weihaiwei could be given up "if for other reasons it is found [to be] desirable or necessary". He recognized the decline of Weihaiwei's strategic relevance meant the decision to retain or restore it was in "the sphere of politics", and up to Balfour's judgement, but insisted that careful consideration be made to the "political or administrative advantages to be gained in return for a possible surrender". Interestingly, Balfour interpreted Curzon's telegram to mean that "the question [...] was to be left to his discretion". He was flummoxed by the conditions Curzon had stressed in the reply, telling the British delegation on 2 December: "theoretically it seemed appropriate that retrocession should not be agreed to without political and administrative advantages being secured in return", however Balfour "did not see how to secure such concessions. China had nothing to give but promises".⁴¹⁸

The delegation was keenly aware that the FEC would soon broach the topic of leased territories in China, so a strategy had to be quickly devised. After a brief discussion a two-pronged approach was adopted:

- (a) That Wei-Hai-Wei should be used as a political lever to satisfactorily regulate the attitude of the Japanese and the Chinese [delegations] in regard to questions at issue between them.
- (b) That when the question of leased territories is raised [in the FEC] Mr. Balfour's statement should be regulated by this consideration; the actual form of his statement being determined by the instinct of the moment.

⁴¹⁷ Balfour to Curzon, 27 November 1921, FO 414/453, No. 353.

⁴¹⁸ Curzon to Balfour, 1 December 1921, FO 414/453, No. 354; "Tenth Conference of the British Empire Delegation," 2 December 1921, CAB 30/1A, BED 57.

This approach seems to take the most generous possible reading of Curzon's instructions, giving Balfour greater freedom of action at the Conference than Curzon had intended.⁴¹⁹

At the same time, Balfour's impression of the general attitude at the Conference was correct. When Hughes opened the FEC for discussions on leased territories on 3 December, the other powers made declarations that would have put Britain in an awkward position had Balfour not made his request to Curzon. Koo began with a lengthy appeal for China's territorial integrity in language calculated to appeal to the American delegation, while promising to "respect and safeguard the legitimately vested interests" of the powers if the territories were restored. Next, French delegate Viviani pledged to restore Guangzhouwan provided the other powers agreed to restore their leased territories, and China agreed to never lease it again to any power in the future. Hanihara then rose to present Japan's position. Noting that discussions were already underway with the Chinese delegation on the restoration of Jiaozhou Bay, he hoped for a "happy solution of the problem" outside the FEC. However, Hanihara distinguished between this Japanese leased territory—which had been obtained from Germany—and the concessions at Port Arthur and Dalian. Japan could not restore these latter territories in the near future. He reasoned that these territories were in Manchuria, a region in "close propinquity" to Japan and where it had "vital interests" related to "economic life and national safety". This aligns with Japan's interpretation of article 4 of the Root Resolutions, and in fact Hanihara explicitly stated:

This fact was recognized and assurance was given by the American, British and French Governments, at the time of the formation of the International Consortium, that these vital interests of Japan in the region shall be safeguarded.

He concluded, therefore, that the leases at Port Arthur and Dalian were not in violation of the Root Resolutions.⁴²⁰

Balfour spoke next, synthesizing the French and Japanese positions with Curzon's instructions. Leased territories, he argued, "though nominally all described under the same title, were held under very different and varying circumstances".

⁴¹⁹ "Tenth Conference of the British Empire Delegation," 2 December 1921, CAB 30/1A, BED 57.

⁴²⁰ "Twelfth FEC Meeting," 3 December 1921, CAB 30/14, FEC 13.

Hanihara had distinguished between Manchuria and Shandong, and Balfour extended this line of reasoning to Kowloon and Weihaiwei, respectively. The former was essential to the security of Hong Kong and thus could not be restored, but the latter could be returned to China under the conditions Viviani had described. In other words, if Guangzhouwan and Jiaozhou Bay were both restored, Britain was willing to give up Weihaiwei “as part of a general arrangement intended to confirm the sovereignty of China and to give effect to the principle of the ‘open door’”. Hughes asked Balfour to clarify his position, to which he responded:

The British Government’s policy was to make use of the surrender of Wei-hai-wei to assist in securing a settlement of the question of Shantung and that, if agreement could be reached on this question, the British Government would not hesitate to do their best to promote a general settlement by restoring Wei-hai-wei to the Central Government of China.

Koo and Hughes reacted favorably to this statement. In fact, the way Balfour had worded his response left the onus on Japan and China to reach a Shandong settlement before the issue would be brought up again. Hughes accepted it because the US also wanted to speed up the Shandong talks, and he closed the FEC by tabling the issue of leased territories until progress was made in the Sino-Japanese negotiations.⁴²¹

These developments were communicated to Curzon, who replied on 6 December with anxiety over Balfour’s FEC statement: “We are somewhat concerned [...] that you are prepared to give up Wei-hai Wei merely as an affirmation of the sovereignty of China and the principle of the open door, and in order to assist solution of the Shantung question”. The main problem was Britain seemed “likely to get nothing in return for our generosity”. Curzon’s remarks indicate he had not in fact given Balfour the latitude the British delegate had assumed from the 1 December dispatch, and he reiterated many of his original points.⁴²² The nuances of the Conference, and the sense that international cooperation was beginning to emerge, seemed to escape the Foreign Secretary. He still wanted something in return from China, as would be expected under the ‘old diplomacy’.

⁴²¹ “Twelfth FEC Meeting,” 3 December 1921, CAB 30/14, FEC 13; Balfour to Curzon, 4 December 1921, FO 414/453, No. 356.

⁴²² Balfour to Curzon, 4 December 1921, FO 414/453, No. 356; Curzon to Balfour, 6 December 1921, FO 414/453, No. 357.

Balfour did not reply until 19 December, as he was busy with finalizing the quadruple arrangement and naval ratio, and because the FEC had moved on to other matters before suspending its meetings on 14 December. Once again, Balfour attempted to convince Curzon that Weihaiwei should be surrendered in the interests of the wider Conference agenda. He made an eloquent case that Weihaiwei's "value as an instrument for procuring what is vaguely called a general settlement" was minimal, unlike its value as a political instrument to facilitate cooperation:

I am rather surprised that you should regard the solution of the Shantung question as of small importance. By American public opinion it is deemed the most critical problem of the Far East and the greatest obstacle to good relations between the United States, Japan and indirectly England, as the ally of Japan. Negotiations for its settlement are proceeding satisfactorily, but they are somewhat imperiled by the attitude which the Chinese delegates, under domestic pressure, are inclined to adopt. I cannot imagine a better purpose to which Wei-hai Wei could be put than that of smoothing the course of the difficult discussions now in progress, for which its position on Shantung Peninsula fits it.

Balfour closed his argument by asking: "if China breaks with the conference, which some persons expect, she will not get Wei-hai Wei. But to show [a] grudging spirit as things are at present would be to lose all influence over the course of these promising proceedings".⁴²³

Remarkably, even at this stage, Curzon was unable to comprehend the linkage between Shandong and Weihaiwei. One can sense some exacerbation in his reply: "You are labouring under a misapprehension in supposing that we attach little importance to the Shantung question. On the contrary, we have always regarded it as of the first importance". Yet geographic proximity, in Curzon's view, was no reason return Weihaiwei, for it seemed "unreasonable that we should be called upon to surrender Wei-hai Wei to China solely in order to facilitate a settlement, the main advantages of which will accrue to China and the main credit for which will accrue to the United States". He again impressed on Balfour the importance of getting something in return for Weihaiwei, but acknowledged the British delegation at the Conference would have a

⁴²³ Balfour to Curzon, 19 December 1921, FO 414/453, No. 358.

better understanding of the diplomatic constraints. In the end, Curzon had to defer to their assessment on the ground:

I do not know how far we are committed, but so long as you keep steadily in view our principal object of an honest and efficient Chinese administration [...] the use to which Wei-hai Wei [can be leveraged] in the negotiations must be left to your discretion. Our main point is that if we are to make so substantial a concession to China, it is China who ought to make some return.⁴²⁴

Curzon had honed his diplomatic skills in an era when nations received compensation for their concessions in private, bilateral talks. But so too had Balfour; and Curzon had enough experience to trust the chief British delegate's judgement. In Washington, Balfour had come to recognize that in the era of public diplomacy and multilateral conferences, material compensation could sometimes be outweighed by intangible benefits. He could see that restoring Weihaiwei would enhance British prestige among the American and Chinese delegations, and provide cover for Japan to make concessions without losing face—gains that could be neither financially nor geographically measured, but which might be invaluable in terms of resolving the 'Far Eastern question'. Retaining Weihaiwei, or extracting some concession from China for its return, would on the other hand damage Britain's position as a mediating influence at the Conference.

However, before Balfour could reply with these arguments, his debate with Curzon was interrupted by a more serious problem: the Sino-Japanese Shandong talks had reached an *impasse*. To find a compromise, the British and American delegations would work closely together, cementing Balfour's impressions about Weihaiwei and its true value at the Conference.

4.5.2 Breaking the Sino-Japanese *impasse*

Chapter 3 briefly described the British and American efforts to initiate Sino-Japanese talks outside of the formal Conference, thereby isolating the dispute from the FEC's multilateral discussions. It will be recalled that China had hoped to rely on Balfour and Hughes' support to press Japan to return the leased territory without conditions; however, the Japanese would only negotiate bilaterally as they saw the issue as outside

⁴²⁴ Curzon to Balfour, 23 December 1921, FO 414/453, No. 359.

the scope of an international conference. A compromise was eventually reached wherein bilateral talks would take place outside the FEC, but members of the British and American delegations would be present. Balfour and Hughes would also offer their “personal good offices” as mediators—or “solicitors”, as Hankey told Saburi—if the Sino-Japanese meetings deadlocked.⁴²⁵

The most controversial issue concerned the Tsingtao-Tsinanfu railway, which the Japanese sought to restore to China on three conditions: Japan would be provided financial compensation; China would agree to operate it under a joint Sino-Japanese company; and it would also appoint a Japanese traffic manager. On 2 December, the second day of the negotiations, it had already become clear that China would reject these conditions. By this time the Chinese delegation had been “subjected to considerable pressure [on the railway question] by numerous Chinese students in Washington”. Balfour reported to Lloyd George that the first bilateral meeting was actually delayed because “a number of these students for a time prevented certain delegates from leaving their residence”; thus he warned the Prime Minister that “in the[se] circumstances a very rapid settlement can hardly be looked for”.⁴²⁶

The student protests did not let up. On 9 December, Jordan, one of the British observers, wrote a memorandum describing how this outside pressure was affecting the talks. China “showed great anxiety to begin with the railway question, but were eventually induced to make a start with some of the less difficult questions and gradually lead up to the crux of the whole Shantung dispute”. This procedure shifted the talks in a more positive direction. The railway issue was set aside to first settle the status of the concession’s customs administration, and over the next week several compromises were reached. Jordan was optimistic, noting: “there seems to be a fair prospect of a successful solution of the Shantung question, if only the Chinese delegates do not yield to the pressure and intimidation to which they are being subjected”.⁴²⁷

Despite the Sino-Japanese compromises on the minor questions, neither side was willing to make concessions regarding the railway. Balfour recalled that “a distinct advance appeared to have been made” up until 20 December, when “matters reached a

⁴²⁵ Balfour to Lloyd George, 29 November 1921, FO 414/453, No. 6.

⁴²⁶ Balfour to Lloyd George, 2 December 1921, FO 414/453, No. 8.

⁴²⁷ Note by Jordan, “Progress with the Shantung negotiations,” enclosure 1 in Balfour to Lloyd George, 9 December 1921, FO 414/453, No. 10.

deadlock, which though not insuperable, is bound to suspend negotiations for a time". That day, the Japanese delegation suddenly announced that they "had gone far enough in the way of concessions to China, and could do no more" until they cabled Tokyo for instructions. As Jordan recounted:

This move [by] the Japanese was dramatic and unexpected, as it had been anticipated that an agreement was at hand. Although it had evidently been decided upon beforehand, the Japanese had never up to the last moment given to the Chinese or to the foreign observers any indication of the action which they were preparing to take. There is no reason to believe that they seriously intend to break off the negotiations; in fact, they offered to continue to discuss other points connected to the Shantung question. This, however, the Chinese refused to do, and they made a counter-statement traversing the Japanese version of the negotiations. Both sides then agreed to adjourn and await the instructions from Tokyo.⁴²⁸

The railway *impasse*, briefly stated, stemmed from Japan's terms. When talks broke off, Shidehara—Japan's lead negotiator—had insisted on retaining a Japanese traffic manager and consulting engineer, operating the railway under joint control, and being reimbursed via a ten-year railway loan agreement. But China rejected any Japanese management and sought to make a payment immediately. Balfour still hoped that a deal could be made by early January, believing that "the distance separating [China and Japan had been] very much reduced" by the time the Conference adjourned for Christmas on 22 December. To this end, British diplomats in Tokyo and Beijing were asked to put pressure on the Japanese and Chinese governments for a solution.⁴²⁹

As noted above, Hughes had suspended the FEC on 14 December in part to allow China and Japan to put more effort into Shandong conversations, but no progress had been made on the critical railway issue. The Sino-Japanese *impasse* was therefore quite concerning to the British delegation, especially as the delay began impacting other Conference issues. Miles Lampson, the other British observer alongside Jordan, met privately with Japanese delegate Tsuneo Matsudaira on the morning of 27 December to

⁴²⁸ Note by Jordan, "Shantung Negotiations," enclosure 5 in Balfour to Lloyd George, 22 December 1921, FO 414/453, No. 11.

⁴²⁹ Balfour to Lloyd George, 22 December 1921, FO 414/453, No. 11; "Memorandum of a conversation on the Shantung question between Mr. Balfour and Baron Shidehara," 28 December 1921, CAB 30/27, SW 26; Balfour to Lloyd George, 13 January 1922, FO 414/453, No. 14.

see if a reply from Tokyo had arrived. Lampson surmised it had, but that Shidehara “had gone considerably beyond his original instructions during the course of the negotiations” and “now found his position a trifle difficult” owing to Japanese public opinion. After pointing out “the disastrous effect which any failure to reach a settlement on Shantung [would have] upon the ratification by the Senate of the Quadruple Treaty”, Lampson told Matsudaira that if ratification failed British public opinion and perhaps even Parliament would turn against Japan. He recalled: “I fancy this made some impression upon him for he said he perfectly understood the point and realised this was so”.⁴³⁰

Alarmed by this report, Balfour arranged to meet with Shidehara personally the next day. The Japanese delegate explained how the points of difference in the Shandong talks were “now very slight, but that the progress which had been effected was entirely due to the concessions made by Japan. It was impossible for this to continue indefinitely”. The instructions from Tokyo were to hold fast on maintaining a Japanese railway manager and being paid through a loan agreement; China’s counterproposal was unacceptable. Shidehara recognized this “would involve a rupture” in the Shandong negotiations, however he had no room to maneuver. In his view, China was strategically refusing to accept Japan’s conditions for returning the railway in the hopes Britain and the US would intervene to force a settlement in the interests of the other Conference goals. But at the Balfour-Shidehara meeting, both men deemed the possibility of Anglo-American mediation as inappropriate for the time being, as the British did not want to play into China’s strategy.⁴³¹

Nevertheless, Balfour invited Hughes to his residence on 31 December to get his perspective. Koo and Sze had given the British and American delegations dire reports regarding the pressure they were under from the Chinese government and implicitly requested mediation. But Hughes also resisted intervening, as “it was essential that any settlement should be reached by the coming together of the two parties, and that it should not present an appearance of having been forced upon either by other Powers”. He anticipated that neither China nor Japan would be satisfied with

⁴³⁰ Balfour to Lloyd George, 13 January 1922, FO 414/453, No. 14; “Note of a conversation between Mr. Lampson and Mr. Matsudaira,” 27 December 1921, CAB 30/27, SW 25.

⁴³¹ Balfour to Lloyd George, 13 January 1922, FO 414/453, No. 14; “Memorandum of a conversation between Mr. Balfour and Baron Shidehara,” 28 December 1921, CAB 30/27, SW 26.

the terms of a final deal, and this was one reason he had kept the negotiations bilateral and isolated from the rest of the Conference agenda. Still, Hughes clearly understood the stakes: the Senate would not approve the Four-Power Treaty with Japan unless it returned Shandong. So instead of formally intervening, he would instead ask MacMurray, the American observer at the Sino-Japanese negotiations, to make a private attempt at breaking the *impasse*.⁴³²

Balfour would direct his subordinates to work parallel to MacMurray in order to solve the railway issue. After leaving Hughes' residence, he learned that Lampson had, on his own initiative, devised a proposal reducing the railway loan repayment's duration and suggesting other technical solutions that he thought could produce a compromise. Lampson was thus sent back to meet with Matsudaira again, who looked over the draft and agreed to present it to his colleagues.⁴³³ This was noteworthy: whereas MacMurray was attempting to use persuasion, Lampson's proposal was the first informal attempt to mediate the railway dispute by providing substantive terms for a potential agreement.

Increasingly worried about the effect on the wider Conference, Balfour pressed Admiral Kato at an unrelated naval meeting in early January to consider the ramifications of insisting on the loan terms. He remarked, "although the Quadruple Treaty and the question of Shantung appeared at first sight to be as far as the Poles asunder, nevertheless, there was, in fact a very close connection between the two". Balfour knew that a Shandong settlement was an essential corollary to any pact to supersede the alliance, for as he told Curzon:

Mr. Hughes and I are doing our best to secure a [Shandong] agreement. If we fail, it seems probable that the whole work of the conference in other directions will be wasted, since the Senate are unlikely to ratify any treaty.

But in this context, if Japan were to evacuate the Jiaozhou Bay concession, Balfour argued, "our position will be impossible unless we show our readiness to leave Wei-hai Wei". The entire British delegation agreed, and he told Curzon he would "act accordingly" if the circumstances required returning Weihaiwei without time to alert

⁴³² Balfour to Lloyd George, 13 January 1922, FO 414/453, No. 14; "Note of a conversation between Mr. Balfour and Mr. Hughes," 31 December 1921, CAB 30/27, SW 27.

⁴³³ "Note of a conversation between Mr. Lampson and Mr. Matsudaira," 31 December 1921, CAB 30/27, SW 28.

London.⁴³⁴ As the deadlock dragged on, the linkage between the two leased territories on the Shandong Peninsula was becoming more apparent. Balfour recognized that in order to secure Senate ratification of the Four-Power Treaty, Weihaiwei would be a small price to pay.

The Shandong talks resumed on 4 January but no progress was made. Despite Japan dropping the issue of joint railway administration, China refused to accept a Japanese traffic manager and Lampson's loan scheme, forcing the negotiations to break off once again two days later. At the 5 January meeting, China even requested in open session that the British and US delegates formally mediate the railway dispute, which Japan, suspicious of Anglo-American motives, rejected. However, Balfour reported to Curzon that because "there was no hope at making progress" he and Hughes had tasked Lampson and MacMurray with informally drafting a new compromise arrangement. Four options were presented to the Chinese and Japanese delegations on 9 January, only one of which met with reluctant Japanese approval:

Japan [will] accept payment in Chinese Treasury notes with payment spread over twelve years and with three years' option; so long as [this] debt remains unredeemed, [the railway's] traffic manager and chief accountant [will] be Japanese, [but] subject to control of Chinese Ministry of Communications.

It was hoped that in the three to 12 years it took China to pay back the loan, the strong Japanese views regarding control of the railway would dissipate. Yet China insisted on minor changes to the Anglo-American draft. The two sides again deadlocked, until MacMurray persuaded them on 11 January to set the railway issue aside and continue discussing other Shandong questions while he worked to adjust the proposed terms.⁴³⁵

MacMurray and Lampson were able to apply "some pressure" on the Chinese and Japanese delegations to settle all other outstanding Shandong issues by 16 January, leaving only the railway. At this point, Hughes decided he and Balfour had no choice but to step in to find a solution, so the two men met on 18 January to devise a compromise. The Secretary of State saw the problem as twofold:

⁴³⁴ Balfour to Lloyd George, 13 January 1922, FO 414/453, No. 14; "Note of a Conversation between Mr. Balfour and Baron Kato," 4 January 1922, CAB 30/27, SW 30. Balfour to Curzon, 5 January 1922, FO 414/453, No. 317; Balfour to Curzon, 8 January 1922, FO 414/453, No. 318.

⁴³⁵ Balfour to Lloyd George, 13 January 1922, FO 414/453, No. 14; Balfour to Curzon, 10 January 1922, FO 414/453, No. 319; Balfour to Lloyd George, 20 January 1922, FO 414/453, No. 18.

The first was that the Japanese were, not unnaturally, reluctant to make their last concession. They were dealing with a people who they believed were in the habit, if they obtained one concession, of demanding more. Consequently, they would not make their final concession until they were convinced that the other side would close with it. The second consideration was the chaotic state of China, which might result at any moment in a state of affairs which would render the *status quo* in Shantung almost unavoidable.

Hughes thought the Japanese government was refusing to give its Washington delegation permission to make concessions in the expectation they would be able to retain Shandong and blame China for the deadlock. For this reason, Koo and Sze had approached Hughes with another formal request for Anglo-American mediation.⁴³⁶

Both Balfour and Hughes would now get personally, though still informally, involved in breaking the *impasse*. Hughes' plan was for him and Balfour to propose that China reimburse Japan in Treasury bonds that could be paid off in five years, and in this five-year interval agree to allow Japan to have the right to nominate a traffic manager and chief accountant "on the understanding these officials were not to fill their offices with Japanese". This plan received Balfour's "full agreement". The next task was to determine the best way to approach the Chinese and Japanese delegations, with Hughes suggesting meeting the delegations separately before reconvening the talks. But this gave Balfour an idea. Observing that press opinion had a tendency to paint the US as friendly to China, and with Britain being an ally of Japan, he recommended that Hughes should take the lead when they met with Koo, while Balfour would direct the conversations with Shidehara.⁴³⁷ This division of labor would exploit perceptions of sympathy in both delegations, thereby maximizing their leverage.

The Anglo-American consensus prompted a flurry of informal diplomatic activity. Highlighting the urgency of the issue, Balfour was able to get Shidehara and Hanihara to attend a meeting with him and Hughes only two hours later, where he "contrasted the comparatively slight difference" between China and Japan with "the

⁴³⁶ Balfour to Curzon, 19 January 1922, FO 414/453, No. 322; "Memorandum of a conversation between Mr. Balfour and Mr. Hughes," 18 January 1922, CAB 30/27, SW 33.

⁴³⁷ "Memorandum of a conversation between Mr. Balfour and Mr. Hughes," 18 January 1922, CAB 30/27, SW 33.

magnitude of the effects” on the whole Conference should they fail to reach agreement. Balfour told Lloyd George:

I pointed out that to the ordinary man in the street, the difference between the two delegations must seem infinitesimal, and what, I asked, would be the effect on the world at large if it should prove that not only the Shantung question, but possibly the whole labours of the present conference, should wreck on so trivial a matter as whether the Japanese should have a traffic manager and an accountant or merely a chief engineer on the Shantung line? I felt that in such an event, not only the Japanese delegates, but also those who, like Mr. Hughes and myself, had done their best to further a settlement would have to regrettably admit the utter failure of our endeavours.

Shidehara was well aware of the stakes. He personally supported the MacMurray-Lampson proposal of 9 January, and “in spite of [his] instructions from the Japanese Government”, he would try to induce Tokyo to accept its terms to salvage the Conference. A technical discussion followed, but as Hanihara was leaving he offered a revealing remark—the Japanese government was not standing firm in order to obtain minor advantages with respect to the railway, it was simply unwilling to be the only party making concessions. He observed: “Quite apart from the merits of the question, this fact alone was placing the Japanese Government in a difficult position”.⁴³⁸

With this in mind, Balfour and Hughes met with Koo and Sze the next morning, 19 January. Hughes made a similar case to the Chinese that Balfour had made to their Japanese counterparts, stressing that if China failed to accept the MacMurray-Lampson proposal the “unique opportunity” afforded by the Conference would not occur again “for years and years”. Moreover, if a Shandong settlement were not reached, China would also lose the benefits of the “immense advantages which were now opening up for them”, namely, the customs agreement and multilateral ‘open door’ treaty.⁴³⁹

Sze replied that the main difficulty was “a question of principle” regarding the “degree of control” China would have over the railway, and insisted on co-equal

⁴³⁸ Balfour to Lloyd George, 20 January 1922, FO 414/453, No. 18; “Memorandum of an informal conversation at Mr. Balfour’s apartment,” 18 January 1922, CAB 30/27, SW 34.

⁴³⁹ “Memorandum of an informal conversation at the Secretary of State’s private house in Washington,” 19 January 1922, CAB 30/27, SW 35.

Chinese and Japanese traffic managers. He was also concerned that Japan could not be trusted. Hughes replied that a Shandong agreement would be formally recognized by the whole Conference, whose “moral sanction” would “provide all the guarantee that was necessary”. But Sze still demanded full railway control. Becoming frustrated at this point, Hughes declared: “If anyone had told him early in the summer that the Japanese would have gone as far as they have [...], he would have found it impossible to believe that the question would not be settled within an hour”. As Balfour later recalled:

Hughes did not mince his words, and it was plain they evidently went home, for the Chinese delegates left our presence in a chastened mood, having before their departure gone so far as to admit that an associate Japanese traffic manager and associate chief accountant might possibly be accepted.⁴⁴⁰

The division of labor was having an effect. China could no longer retain the illusion that Hughes would out of sympathy force Japan to make all the concessions.

Hughes and Balfour then divided their responsibilities and agreed to respectively consult with the Chinese and Japanese delegations, as neither side could afford to be seen making any concessions. Between 19 to 21 January, while Hughes met with Koo and Sze, Balfour and Hankey met with Shidehara and Hanihara each day to present several compromise plans. At the first meeting, Shidehara noted that his instructions from Tokyo prevented him from accepting a joint traffic manager. But at the second meeting Hankey had an insight. He asked the Japanese delegates for a moment to consult with Balfour, where he presented the following alternative. In the first half of the five-year interval before China received full control of the railway, the traffic manager would be Japanese, and in the second half, the post would be held by a Chinese. Shidehara agreed to consider the plan. The following day, 21 January, he informed Balfour that although Hankey’s plan went beyond his instructions from Tokyo, he felt he could not reject it. The Japanese delegation would have to take responsibility for the agreement if their government reacted with hostility, but there was no other solution.⁴⁴¹

⁴⁴⁰ “Memorandum of an informal conversation at the Secretary of State’s private house in Washington,” 19 January 1922, CAB 30/27, SW 35; Balfour to Lloyd George, 20 January 1922, FO 414/453, No. 18;

⁴⁴¹ “Memorandum of an informal conversation at Mr. Balfour’s apartment,” 19 January 1922, CAB 30/27, SW 36; “Memorandum of an informal conversation at the Pan-American building,” 20 January 1922, CAB 30/27, SW 37; “Memorandum of an informal conversation at the Pan-American building,” 21 January 1922, CAB 30/27, SW 38; Balfour to Lloyd George, 25 January 1922, FO 414/453, No. 20.

Balfour immediately informed Hughes of the tentative breakthrough, and after a brief discussion the Secretary of State, he put forward a strategy that ultimately broke the deadlock. The “idea was to put the Chinese in the position of having to accept the proposal as the utmost which could be extracted from the Japanese, or else to take the whole responsibility for a breakdown of the negotiations”. This message would be advanced to the Beijing government via the British and American Ministers, so when the Chinese delegates asked for instructions they would be induced to accept. Agreeing to Hughes’ strategy, Balfour called another meeting with Shidehara where he received permission to present Hankey’s compromise plan to Koo and Sze.⁴⁴²

On 22 January, Hughes and Balfour held a long meeting where the Chinese were told “the time had come when a settlement must be reached”; there would never be a “favourable atmosphere” like the Washington Conference again. Hughes even stated emphatically that from an American perspective “there would be no more Conferences on [the Shandong] question” if China missed the opportunity, and even if by some miracle there were future bilateral Sino-Japanese discussions, the US would no longer provide China with any diplomatic support against Japan. As he put it: “the moment had come when China must take note of all that she stood to gain or lose”. However, Sze replied that “it would be very difficult, if not impossible to accept the proposal”, and pushed for more concessions. He and Koo put forward various minor revisions to the plan, but Hughes would not support them, finally stating:

The Conference was nearing an end, and time was almost exhausted. These were not [Hughes’] terms; they represented not what he or Mr. Balfour would propose themselves, but what they had, as the result of their exploration of their subject, convinced themselves was the best set of terms that China could hope to obtain. [...] If China would not take advantage of the present opportunity to reach a settlement, it would be China’s own fault.

This declaration ended any further Chinese attempts to extract better terms. Koo said he would consult Beijing, and asked Hughes and Balfour to do all they could to impress upon his government the urgency of the situation at Washington.⁴⁴³

⁴⁴² Balfour to Lloyd George, 25 January 1922, FO 414/453, No. 20; “Memorandum of a conversation between Mr. Balfour and Mr. Hughes,” 21 January 1922, CAB 30/27, SW 39; “Memorandum of a conversation held at Mr. Balfour’s apartment,” 21 January 1922, CAB 30/27, SW 40;

⁴⁴³ Balfour to Lloyd George, 25 January 1922, FO 414/453, No. 20; “Memorandum of a conversation held at Mr. Hughes’ private house,” 22 January 1922, CAB 30/27, SW 41.

The Chinese delegates recognized their position: they could either use to their advantage the fact that Japan was in a unique bargaining environment, where critical treaties related to naval power and the future of its alliance with Britain had been tied to a Shandong settlement, or hope to somehow get better terms in the future, without any hope of American assistance. But it was unclear if the Beijing government understood these stakes. Therefore, after Koo and Sze left the meeting, Balfour stayed for a moment to arrange for Hankey and MacMurray to draft identical telegrams to send to Beijing. These would be written in the strongest possible language, and the British and American Ministers were told to make it clear that China stood to lose all the benefits of the customs agreement and ‘open door’ treaty if they did not agree to the Anglo-American compromise.⁴⁴⁴

The approach worked. Chinese Foreign Minister Yan Huiqing accepted the proposal but requested that President Harding communicate the terms personally to Sze as a form of guarantee. Although this was an extraordinary request, Harding agreed, and met with Sze on 25 January at the White House to affirm that China must immediately take the deal or lose US support on the Shandong question. According to Alston, the British Minister in Beijing, the “attitude of America was the deciding factor”.⁴⁴⁵

The *impasse* now appeared to be broken, for on 30 January the Japanese delegation finally received permission from Tokyo to accept the compromise plan.⁴⁴⁶ Hughes and Balfour met with the Chinese delegates in the morning to make sure there would be no last minute complications. To their astonishment, Sze insisted on having Hughes read the transcripts for each one of the bilateral Sino-Japanese meetings into the official Conference record. As Sze tried to press his point, Hughes interrupted him, declaring, “the Conference had no interest in the arguments which had been used by either side. It was merely interested in the result. [...] The rest was useless”. As a conciliatory gesture, Hughes offered to personally announce the completion of a Sino-Japanese Treaty at the Fifth Plenary Session on 1 February, provided one was agreed by

⁴⁴⁴ “Memorandum of a conversation held at Mr. Hughes’ private house,” 22 January 1922, CAB 30/27, SW 42; Balfour to Curzon, 22 January 1922, FO 414/453, No. 323; Balfour to Curzon, 24 January 1922, FO 414/453, No. 326; Balfour to Lloyd George, 4 February 1922, FO 414/453, No. 26.

⁴⁴⁵ Balfour to Curzon, 24 January 1922, FO 414/453, No. 326; Balfour to Lloyd George, 4 February 1922, FO 414/453, No. 26.

⁴⁴⁶ Kajima (1980, 633).

that date. In the end, this Anglo-American pressure forced the Chinese to accept the deal on 31 January.⁴⁴⁷

Once this critical bilateral treaty had been reached, Hughes convened the FEC's final meeting to accept the two multilateral China treaties, which were presented on 4 February at the Sixth Plenary Session. He had waited until the Chinese had finally compromised in order to obtain maximum leverage. In addition, Balfour had held the future of Weihaiwei close to his chest, implying but not promising that it would be restored to China as part of a 'general settlement'. But once the Shandong Treaty was agreed, he realized the moment for action had arrived.

4.5.3 The Weihaiwei announcement and cooperation in China

The time pressure that forced a result in the Sino-Japanese Shandong talks affected all the Conference treaties. On 30 January, Japan accepted the islands fortification compromise that had held up completion of the naval treaty for a month; and as will be recalled from section 4.4, the crucial FEC resolutions to create a multilateral 'open door' in China were compiled into the first draft of the Nine-Power Treaty the following day.

Not all the issues were able to be resolved in the remaining time, the most notable examples being the Chinese Eastern Railway and the promulgation of a mining code in China. But the Japanese delegation did make two key announcements in the final FEC meetings—to evacuate its troops from Siberia and to withdraw the controversial 'fifth group' of the 'twenty-one demands'—which added to the spirit of international cooperation in China that marked the last weeks of the Conference.⁴⁴⁸

The haste to resolve these outstanding questions provides the background for Balfour's final pleas to Curzon for permission to restore Weihaiwei. On 20 January, in the midst of his combined effort with Hughes to break the Sino-Japanese *impasse*, Balfour replied to Curzon's telegram from 23 December. The Foreign Secretary had insisted on receiving some tangible benefits in exchange for returning Weihaiwei to China, but Balfour had been too busy with other matters to press the issue further. Now,

⁴⁴⁷ "Memorandum of a conversation held at Mr. Hughes' private house," 30 January 1922, CAB 30/27, SW 48; "Twenty-sixth conference of the British Empire Delegation," 31 January 1922, CAB 30/1A, BED 73; Balfour to Lloyd George, 4 February 1922, FO 414/453, No. 26.

⁴⁴⁸ "Twenty-fourth FEC meeting," 23 January 1922, CAB 30/15, FEC 25; "Twenty-fifth FEC meeting," 24 January 1922, CAB 30/15, FEC 26.

as a solution to the seemingly intractable Shandong question appeared in view, he wrote: “if Japan, with our warm approval, surrenders to China her rights in Shantung we cannot decently retain Wei-hai Wei for ourselves”. Balfour assured Curzon he would not “act [with] unnecessary haste, but as I may have to face [a] sudden and unforeseen situation”, instructions from London were urgently requested. No reply had arrived by 26 January, however, so Balfour sent another telegram arguing “we cannot reasonably insist on better terms than the Japanese are giving [in exchange for returning] Tsing-tao”. When the Sino-Japanese Shandong Treaty was agreed on 31 January, time had run out: he had to act on his own initiative.⁴⁴⁹

Balfour made his move at the Fifth Plenary Session on 1 February, where Hughes’ announcement of the Shandong Treaty had been met with sustained cheers. After Shidehara and Sze delivered remarks thanking the British and American delegations for mediating the dispute, Balfour rose. He later told Curzon:

It was evident the psychological moment had now been reached when an announcement respecting Wei-hai Wei would have the most striking effect and make the greatest appeal to the general public. [...] I felt I could not afford to miss the present opportunity. [...] I feel confident that in these circumstances [the British government] will recognise that I was fully justified in taking action [...]. To have done less would have placed [them] in an invidious and really most undesirable position.⁴⁵⁰

Indeed, the other delegates had no idea what Balfour was planning to announce. He started off by noting the importance of the Shandong settlement, echoing the other delegations, before reciting a brief history of how it had arisen:

Those of you who have followed the course of events in China during the last generation are aware that a most critical position arose when Russia and Germany began to attempt to dominate more and more the Chinese Empire. It was when Russia seized Port Arthur that, in order to bring some foreign equipoise to the assistance of China, and to maintain international equality in

⁴⁴⁹ Balfour to Curzon, 20 January 1922, FO 414/453, No. 360; Balfour to Curzon, 26 January 1922, FO 414/453, No. 362; Balfour to Curzon, 1 February 1922, FO 414/453, No. 371.

⁴⁵⁰ Fifth Plenary Session, 1 February 1922, CAB 30/3, PS 5; Balfour to Curzon, 1 February 1922, FO 414/453, No. 371.

the East, an arrangement [...] by which Weihaiwei was leased to Great Britain [was concluded].

But the Washington Conference had inaugurated a new set of conditions. With the restoration of the Jiaozhou Bay concession, Britain recognized:

The circumstances [are] now not only provisionally changed, but they have altogether disappeared. The rest of the Province of Shantung is now handed back [...] to the complete sovereignty of China. [Therefore] I have to announce that Great Britain proposes to hand back Weihaiwei to the country within whose frontier it lies. [...] Chinese sovereignty will now be restored, as it has been restored in other parts of the Province [...].

The proceedings note the applause that followed Balfour's surprise announcement. His move had the desired effect, prompting a warm response from Sze expressing his gratitude.⁴⁵¹

As it turned out, Balfour's instinct to seize the moment was in line with his government's policy; the next day, on 2 February, Curzon's telegram finally arrived granting him permission to return Weihaiwei. The British pledge was, according to Hughes, the "crowning act" for the retrocession of Shandong. Balfour attached minimal conditions, explicitly deferring the details to future Anglo-Chinese discussions, which he thought "made an excellent impression". He told Curzon that the surprise Weihaiwei announcement had even turned the American press against France for not following suit and restoring Guangzhouwan to China. But most importantly, his contacts in US "political circles" now told him that the Four-Power and Nine-Power treaties would almost certainly receive Senate ratification.⁴⁵²

To Lloyd George, Balfour was more eloquent. Recounting the Fifth Plenary Session, he recalled that if he had "remained silent" once the key "psychological moment" arrived, he would have lost "a golden opportunity for giving concrete evidence of the spirit in which the British Empire [had] taken part in this conference". After outlining a summary of his arguments for restoring the leased territory to China, Balfour concluded with language that depicts an international order 'between the old

⁴⁵¹ Fifth Plenary Session, 1 February 1922, CAB 30/3, PS 5; Balfour to Curzon, 1 February 1922, FO 414/453, No. 371.

⁴⁵² Fifth Plenary Session, 1 February 1922, CAB 30/3, PS 5; Balfour to Curzon, 1 February 1922, FO 414/453, No. 371; Curzon to Balfour, 2 February 1922, FO 414/453, No. 373; Balfour to Curzon, 2 February 1922, FO 414/453, No. 374.

diplomacy and the new', fusing the moral principles of a war-weary world with Balfour's well-honed instinct for *realpolitik*:

[Although] there are no reasons—strategic, administrative or economic—for keeping Wei-Hai-Wei, there are the strongest reasons of high policy for giving it up. The Conference at Washington was no ignoble wrangle for petty gains, where every concession made by a Great Power for a great object had to be paid for by an equivalent fragment of somebody else's rights. It was a sincere attempt to put international affairs, especially in the Pacific Ocean and the Far East, upon a footing at once more friendly and more stable. [In these circumstances] how could the British representative effectively urge the abandonment by Japan of a special position in Shantung while he knew that a special position in that province was to be retained by Great Britain? It may be easy to draw distinctions between the two cases; let me add that it would be entirely useless. If Great Britain had retained Wei-Hai-Wei [after Japan restored Shandong] the moral position of this country would certainly have suffered in the estimation of the world, and in my opinion it would have suffered justly. For such a calamity the lease of a hundred Wei-Hai-Wei's would have furnished a very insufficient compensation.⁴⁵³

At the Washington Conference, Balfour was able to grasp that Weihaiwei—like the larger Shandong question—symbolized an era of leased territories, 'spheres of influence', and particularistic agreements among great powers that was drawing to a close. He realized that in early 1922 the fact a Sino-Japanese Shandong Treaty was completed at all meant more than its articles, terms, and conditions. It indicated that China had the same status as the treaty powers, and could utilize world opinion and the rules of the diplomatic system to roll back infringements on its 'territorial integrity'. Britain could either get ahead of this change in the international order, gaining American respect and prestige in the process, or resist it and cling to the practices of the 'old diplomacy'. Nations, it appeared, no longer needed to necessarily have military or economic might to receive equal consideration, assert their sovereign rights, and participate in any negotiations that would determine their fate. The 'new diplomacy' was not purely transactional; it would have a moral character.

⁴⁵³ Balfour to Lloyd George, 4 February 1922, FO 414/453, No. 25; Balfour to Lloyd George, 4 February 1922, FO 414/453, No. 26.

This at least was the popular impression. In reality, Balfour also understood that neither Weihaiwei nor Jiaozhou Bay could have been so easily restored in the absence of the unique constraints of the Washington Conference, which forced an agreement in the interests of regional stability. It is doubtful whether China could have received similar terms at the League of Nations, for example, and at the Paris Peace Conference just three years prior, the powers had agreed to let Japan retain Shandong's economic rights if it restored political control. There, even Wilson—the architect of the 'new diplomacy'—had compromised on Chinese 'territorial integrity' in the wider interest of the Versailles Treaty, prompting China to walk out.

At Washington, however, Shandong's role in the bargaining environment was inverted. Every delegation knew the Shandong question, while technically outside the Conference's purview, was one of the chief impediments to an overall, across-the-board settlement of major issues. Japan had to restore Shandong to obtain the naval treaty and supersede the alliance, and China had to accept a compromise on the railway to receive the benefits of the multilateral 'open door' and customs treaties. Moreover, for similar reasons, Britain and the US were incentivized to push the two parties toward a deal, break their *impasse*, and act as 'solicitors' to mediate an agreement. It was these conditions, and the need to ensure Senate ratification, that tied the Shandong talks to the whole Washington project: the cost of not achieving a Sino-Japanese deal was considerably higher than it had been at Paris.

Balfour recognized both these factors. As his speech restoring Weihaiwei indicated, the era that was ending was that of international rivalry, ignited by the 'scramble for China'. In 1898, Britain had reluctantly pressed China for the Weihaiwei lease because the weakened Qing government was unable to stop Russian and German expansionism, which combined to produce the central dynamic behind the 'Far Eastern question'. The British solution was to create a balance of power against its rivals in north China by securing a leased territory between their respective 'spheres'. Not unlike Salisbury's 'insurance policy' that attempted to reconcile the 'open door' with 'spheres of influence', this was from its inception a temporary solution; the Weihaiwei lease stated this explicitly.

With the removal of Russia and Germany from the strategic equation, and with US-Japan antagonism over China questions driving its ally and preferred postwar

partner apart, Britain thought the time had come to return to the conditions of the ‘treaty system’—and in doing so, restore international cooperation in China. In this context, the Beijing government needed to be strengthened, and its ‘territorial integrity’ restored, not only to enable it to better resist Japanese economic penetration, but also so it could more effectively enforce China’s commercial treaties signed eighty years prior.

Therefore, the advantage of restoring Weihaiwei was not only that it cohered with the ‘spirit of the Washington Conference’; Balfour’s announcement would also add a measure of stability to the Far East in two important ways. On the one hand, it would directly improve Britain’s relations with the region’s principal actors, China, Japan, and the US. On the other, it would indirectly support the interests that had led Britain to acquire the leased territory in the first place, namely to *defend* Chinese ‘territorial integrity’, contributing to the spirit of ensuring it remained a single market regulated under the terms of the commercial treaties. Curzon’s understanding of the issue was colored by the ‘old diplomacy’ of 1898. But interestingly, Balfour seems to have discerned that the multilateralism underpinning the ‘new diplomacy’ of 1922 might actually support the much older ‘treaty system’.

In working with Hughes to mediate the Shandong negotiations, as well as in the FEC, Balfour came to find that their approaches, though not identical, were complimentary. Both wanted to foster a cooperative atmosphere to put the ‘treaty system’ on a more solid footing, and neither wanted to give up their nation’s commercial rights; thus they worked together to prevent Tokyo as well as Beijing from undermining the ‘open door’. Just like Balfour refrained from unconditionally backing Japan, as American popular opinion might have expected, Hughes would not throw his weight behind the Chinese delegates and reward their intransigence. As had been the case in defining the ‘general principles’, negotiating the customs agreement, and expanding the ‘open door’ to cover monopoly enterprises, British and American preferences regarding the Shandong settlement were more aligned than divergent.

Anglo-American cooperation had been the deciding factor at the Conference, and the restoration of Weihaiwei was a gesture that could potentially solidify this alignment among the ‘English-speaking peoples’ in the years to come. A naval base in the Far East had to be weighed against Britain’s image in the US—particularly in the Senate, which would soon deliberate the merits of the Four-Power Treaty. In this new

strategic landscape, the line between moral and material benefits in international politics had been blurred.

4.6 Conclusion

The diplomacy that produced the China treaties was a sincere attempt to address the root causes of the ‘Far Eastern question’. When taken as a whole, the treaties set out a novel framework for a multilateral ‘open door’ policy designed to consolidate and update the bilateral agreements that had defined international relations in China for nearly a quarter century. But beyond the new principle of multilateralism underpinning them, the Nine-Power and Chinese Customs treaties could hardly be construed as radical. As this chapter has shown, they had a specific and limited purpose: to align the powers behind a common China policy, eliminate sources of rivalry, and provide a stable cooperative foundation for the Four-Power and Five-Power treaties.

All the key articles defining the multilateral ‘open door’ aimed to articulate the concept’s traditional understanding, or fill the gaps that had arisen in its application. The Root Resolutions that became article 1 of the Nine-Power Treaty were, despite their characterization in the Washington system literature, actually one of its least innovative features. These ‘general principles’, it will be recalled, had been drafted in response to a ‘Chinese initiative’ to truly transform its relations with the powers; Root merely restated the existing FEC ‘open door’ consensus to create a basis for examining China’s proposals in the more substantive discussions to come. In fact, the other lead articles had more originality, particularly article 2 committing the powers not to enter into any agreement violating the Root Resolutions, article 4 pledging them not to support their nationals in creating ‘spheres of influence’, and articles 3 and 5 extending the ‘equality of opportunity’ principle to monopoly enterprises and railroad rates, respectively. None of these lacunas had been explicitly covered in previous agreements, but filling them tended to reinforce Britain’s ideal with respect to the meaning of the ‘open door’.

This chapter sought to highlight two aspects of the bargaining environment that shaped the China treaties. First, the multilateral setting enhanced the FEC’s ability to extract commitments in a way that somewhat overcame the problem of the Mackay Treaty: the difficulty in getting all powers with ‘most-favored-nation’ status to enter into

parallel bilateral treaties with Beijing. At the same time, this did not necessarily make it easier for China to secure more progressive terms. One power could still veto articles that went against its interests, a factor that prevented the Board of Reference from having retroactive scope and deferred the more controversial tariff questions to a future ‘special conference’. China nevertheless made advances toward relaxing infringements on its ‘administrative integrity’, as the eight other powers agreed to abolish foreign post offices and to convene two ‘special conferences’ to discuss ending extraterritoriality and increasing the tariff rate. But both these latter issues were resolved by returning to the terms of the Mackay Treaty, albeit in multilateral form, with the exception of a modest surtax on imports.

In short, the nine-power talks were constrained by the fact that any agreement had to be accepted by nine governments, which reduced the range of possible deals that could satisfy all parties. During the tariff negotiations, the British and American delegations faced domestic pressure to retain China’s longstanding commitments under the Mackay Treaty, the French stood firm on keeping their rebate for land-borne trade, and the Japanese insisted on tying a revenue increase to servicing foreign debt. Moreover, the Chinese delegation, representing the financially weakened and politically feeble Beijing government, had very little leverage. The only credible threat it had was to walk out of the Conference. To preclude this possibility and ensure China had something to show for its efforts, Britain and the US eventually agreed to an interim surtax in excess of what their respective trading communities wanted, and pushed the toughest decisions into the future. Multilateralism, therefore, had countervailing effects. It allowed the powers to better align their interpretations of the ‘open door’, but forced them to focus only on the most essential topics that could potentially produce a consensus.

Second, the FEC talks were not the only negotiations taking place at the Conference, nor were they the most important. On the one hand, this gave the powers an incentive to reach an overall agreement that might not have been present at another conference focused solely on Chinese questions. On the other hand, however, this also made them hesitant to address China’s chief concerns out of a fear such issues would alienate Japan. Many discussions in the FEC’s first phase were driven by the Chinese delegation’s insistence on applying the principles of ‘territorial and administrative

integrity' retroactively, but their initiative stalled when it began impacting the wider Conference objectives—particularly the Shandong talks, which from this perspective was by far the most critical China issue.

The FEC was, in the end, subordinated to the larger Washington project. Hughes, like Balfour, was conscious of the need to limit the committee's work to questions that could be resolved, and even more narrowly to those agreements that were necessary for an overall settlement of major issues driving international competition. As a result, Hughes paused the FEC for a month, roughly corresponding to a shift in attention to the CLA, SCR, and Shandong. When it resumed, the FEC had a slightly different character: there is evidence of tacit coordination between the British and American delegations during its first phase; but after the naval ratio and quadruple pact were finalized, its second phase bears the mark of actual collaboration based on an Anglo-American 'open door' alignment. Popular opinion might have expected the US to support China and Britain to back Japan, but in actuality Hughes and Balfour found themselves working together, often in opposition to their somewhat intransigent Chinese and Japanese counterparts. Uniting them was a commitment to establishing a 'Washington system' across all major issue areas.

Furthermore, contrary to the 'American initiative' thesis, Britain introduced several key features to the multilateral 'open door' regime later attributed to the US, most notably the Geddes' resolution reinforcing the 'general principles' and the Board of Reference idea. The most important example of the Anglo-American alignment, however, was in mediating the Shandong talks. There, Britain played a major role in brokering a compromise that ensured the US Senate would ratify the Four-Power Treaty.

Indeed, the Senate ratification constraint was never out of view. It made Hughes separate the Board of Reference clause from article 3 of the Nine-Power Treaty, reducing the enforceability of the 'open door' resolution, and partially motivated Balfour's debate with Curzon over the merits of restoring Weihaiwei. Yet as was the case in the drafting process for the quadruple pact, this constraint was not the same as an 'American initiative'. The treaties also had to be ratified by the Japanese, Chinese, French, and British governments—and each nation's delegates were conscious of domestic considerations that limited their freedom of action.

This brings up a final point about the China treaties: they reflected a midpoint ‘between the old diplomacy and the new’. But it is important to reiterate that, for Britain, the ‘old diplomacy’ in the Far East was an aberration. Leased territories and ‘spheres of influence’ were, like China’s internal weaknesses, impediments to the ‘treaty system’, and the diplomacy that embedded them into the regional order and fostered great-power competition had been conducted in an era that was drawing to a close.

Though the sun had not yet set on this epoch of world politics, it had certainly passed its meridian; whether a new age of international cooperation would dawn still remained to be seen. However, in the first week of February 1922, what Hughes called the ‘spirit of the Washington Conference’ appeared to have produced a workable framework for the future. The Shandong Treaty and Balfour’s Weihaiwei announcement marked the end of an era, while the multilateral ‘open door’ and customs treaties tentatively signaled another’s arrival. The ‘Far Eastern question’, it seemed, had been solved.

5 Conclusion

5.1 The Conference closes: Architecture of the Washington treaties

The Washington Conference concluded with optimism and relief. For the British delegation, the rough outlines of their objectives appeared to have been met; and although none of the powers could claim they got all they wanted, the final treaties embodied the essential characteristics found in the preliminary instructions from the CID and the Foreign Office. As Balfour told Lloyd George:

[T]he aims of the British Empire delegation [...] related in part to the limitation of naval armaments, [and] in part to the settlement of certain political problems without which no limitation of armaments could prove satisfactory or durable. Chief among these must be counted the problems raised by the Anglo-Japanese Alliance. This, which was originally designed to secure stability in the East, had, with changing circumstances, lost its value for that purpose; and, being out of relation to the existing condition of affairs, had become the cause of misunderstanding rather than a guarantee of peace.

He then compared his initial impression of Britain's political aims for the Conference, put forward in November 1921, with the treaties of February 1922:

I suggested the advisability of substituting for the [alliance] a tripartite agreement between the three great naval Powers interested in the Pacific [and] pointed out that there were a number of problems relating to China which must be solved if our labours for the limitation of armaments were to produce an enduring result, [particularly] the controversy relating to the Province of Shantung. The [Washington] treaties [...] achieve all these results.⁴⁵⁴

Juxtaposing the Five-Power Treaty with the CID's guidance, Balfour observed that “in all essentials the safeguards of our naval position [...] have been fully secured. [...] The financial burdens of the great naval Powers have been alleviated with no injury

⁴⁵⁴ Balfour to Lloyd George, 6 February 1922, FO 414/453, No. 28.

to national honour or diminution of security”; likewise, the Four-Power Treaty “involves no change in policy” from that envisioned his draft tripartite treaty, as it “merely add[ed] the only other great naval Power owning insular possessions in the Pacific”. Finally, “to best of [his] belief”, the China treaties were “in complete harmony with the general policy of His Majesty’s Government, set forth in the memoranda prepared by the Foreign Office”, and would “provide the foundation of a solid and enduring peace in the regions of the Pacific and the Far East”. Two post-Conference memoranda by the Board of Trade elaborated on the British delegation’s approach to the ‘open door’ and Chinese tariff issues in the FEC talks, concluding that they had produced satisfactory results, given the internal conditions in China and the constraints of the Conference. Moreover, the tariff surtax, which would raise the interim rate on imports to 7.5%, was expected to “bring about [the] development of [China] and improvement in its conditions [which] will greatly add to its value as a commercial market”.⁴⁵⁵

Yet despite the achievements of the Nine-Power and Chinese Customs treaties, Balfour was clear: “The Shantung Agreement must be regarded as one of the most important consequences of the Washington Conference”. He reminded Lloyd George of the situation in 1918, when in America “vague humanitarian feelings of sympathy for China crystallised around [the] question of Shantung, which became responsible for much of the hostile sentiment [...] against Japan, and, in a secondary fashion, against Great Britain, as the ally of Japan”. This had negatively affected British interests, as it led to heightened regional tensions, an awakening of anti-foreign sentiments in China, and, as Senator Lodge told Balfour personally, the failure of the US to enter the League of Nations. According to Lodge, the Senate thought that under the League Covenant “they would be committed to the preservation of the Shantung clauses of the [Versailles] Treaty”, and thus there was “little hope of a tripartite agreement [at Washington] unless the Shantung question [was] settled”. With the Sino-Japanese Treaty concluded, Balfour was proud to report that Lodge now thought the Four-Power Treaty would be ratified. Furthermore, the wider Conference environment had facilitated compromises from

⁴⁵⁵ Balfour to Lloyd George, 6 February 1922, FO 414/453, No. 28; “Note by the Board of Trade Section respecting the Open Door in China,” 13 March 1922, FO 414/453, No. 397; Board of Trade, “Chinese Tariff Agreement,” 14 March 1922, FO 414/453, No. 398.

Japan; as Balfour recalled: “Six months ago a [Shandong] solution so favourable to China would have seemed quite out of reach in the near future”.⁴⁵⁶

The Conference disposed of the key China questions, but there was some unfinished business. For instance, Japan’s “invitation to China to give greater opportunity for the opening up of her resources to increased development with foreign assistance” had been “dropped without any very definite result”; this was the only issue addressed in the Board of Trade’s pre-Conference instructions on which no progress had been made. Still, Geddes took the opportunity to “call the attention of the Chinese delegation to [their] obligations under article 9 of the Mackay Treaty [...] and their failure so far to introduce the promised mining code”. On the Chinese Eastern Railway, which China wanted to obtain from Russia, Balfour thought “no one could have seriously expected that a solution [...] would be found in Washington” to put it under the joint control of the consortium powers, since the issue involved Russian interests. That being said, discussing the railway in open session had been “most useful, for it has shown China that the eyes of the world are upon her and that her proceedings [with Russia] in North Manchuria are not passing unnoticed”.⁴⁵⁷

In addition to these unsettled matters, there was also the problem of Japan’s ‘special interests’ in Manchuria and Mongolia. Balfour had been relieved when, after the Shandong Treaty had been finalized, Shidehara agreed to withdraw group 5 of the ‘twenty-one demands’ of 1915 that had forced China to appoint Japanese political and financial advisors in these provinces. But Shidehara had also made clear that “to admit that the treaties of 1915 are invalid through the mere fact of their having been signed under duress was to admit a theory most dangerous in international law and practice”. This left a primary source of US-Japan antagonism in the region unresolved. Although Japan agreed to “throwing open to the [...] consortium any special privileges accruing to her under those treaties for railway construction”, Hughes had only “reaffirmed [...] the traditional [US] policy” of refusing to recognize “any arrangement in any way curtailing the treaty rights of their nationals, the principles of the most-favoured-nation treatment, or the integrity of China, or the policy of the open door”.⁴⁵⁸

⁴⁵⁶ Balfour to Lloyd George, 6 February 1922, FO 414/453, No. 28; Balfour to Lloyd George, 4 February 1922, FO 414/453, No. 26.

⁴⁵⁷ Balfour to Lloyd George, 5 February 1922, FO 414/453, No. 27.

⁴⁵⁸ Balfour to Lloyd George, 5 February 1922, FO 414/453, No. 27.

Thus the China treaties were not seen as completely resolving every minor detail of the ‘Far Eastern question’. Rather, they were intended to settle the major issues driving regional competition, so as to form, in Balfour’s words, the ‘foundation’ of the wider Washington project. There would be later opportunities to build on what the Conference had established, reinforcing this foundation with further agreements.

It was also hoped that the China treaties would help stabilize the Beijing government so that the powers would have a more settled entity with which they could negotiate in the future. In this context, Balfour thought it could be “fairly claimed” that the FEC’s work had “been successful”, given the conditions in China:

There are, it is true, indications that the Chinese are not content with what has been done at Washington; but it is difficult to see what more could have been seriously expected. The Chinese delegation have all along shown an almost pathetic inability to face realities and to appreciate the difficulty other nations find in taking seriously the lofty professions of a delegation which at the moment represents no Government worthy of the name. Yet very tangible results have in fact been achieved.

He summarized these results, the interrelationship of the China treaties, and the ‘spirit of the Washington Conference’ that produced them as follows:

In the first place the fundamental principles of the integrity of China, of respect for Chinese sovereign rights, of the ‘open door’ and of equal opportunity have been reaffirmed in a form sufficiently authoritative and binding to render it difficult for any of the Powers represented [...] to disregard them in the future. Further, China has definitely secured [...] the immediate revision of her tariff [...] and the prospect of a further revision [...] in the near future [...]; and she has received back in full sovereignty not only the leased territory [of Jiaozhou Bay], and all the ex-German rights in Shantung, but also Wei-hai Wei. Whilst these are the more immediate and tangible results of the conference, perhaps more important still is the improved atmosphere in regard to Far Eastern matters which has been promoted.⁴⁵⁹

In short, Balfour saw the Washington treaties as individual agreements linked by an overarching purpose. Taken separately, each addressed a certain aspect of the ‘Far

⁴⁵⁹ Balfour to Lloyd George, 5 February 1922, FO 414/453, No. 27.

Eastern question' that had led the powers dangerously close to a naval arms race; however, they also reinforced each other, as none could have been concluded in isolation. The China treaties, though not Britain's most important objective, were absolutely necessary for the wider success of the Conference.

Two more Plenary Sessions were scheduled before the British delegation would sail for home. On 6 February the Seventh Plenary Session was convened, consisting of a signing ceremony for the Washington treaties and a farewell address by President Harding. The nine chief delegates had delivered their final speeches two days earlier at the Sixth Plenary Session on 4 February, where they praised their accomplishments, pledged to sustain the spirit of cooperation, and expressed gratitude to one another.⁴⁶⁰ In this contest of grandiloquence, one man alone alluded to a system of interlocking treaties: Arthur J. Balfour.

I can well believe that the mass of treaties, of resolutions, of statements put on record, may almost produce in the minds of the auditors a feeling of confusion, as if the mass of work turned out was indeed formidable in quantity, but that there was no underlying idea regulating its character; that it was a mighty mass of which the plan was by no means obvious. [...]

If you would really estimate the magnitude of our accomplishment, and the method by which our results have been achieved, may I ask you to cast your memories back only a few months ago, when a spirit of deep anxiety overshadowed the minds of every man who contemplated the state of public feeling in the great Pacific area. [...] I am not talking about ancient history. I am talking about a state of things which was prevalent within the last twelve months, and indeed up to a time more recent than a year ago.

May we not see in the changed feelings of men that already the work of this Conference has produced beneficent results. [...] Now, if you think for a moment, you will see how closely all the apparently infinitely varied labors that we have undertaken, combine to cooperate with those great results, that we are happy to proclaim to-day.

The center of our troubles has been the peculiar problems with which the special conditions of China have given rise during the last quarter century. [...]

⁴⁶⁰ Sixth Plenary Session, 4 February 1922, CAB 30/3, PS 6.

The great commercial nations that trade with China have suffered in the relations between themselves, [...] and for these many years past it has been found very difficult to reconcile, not merely the difficulties arising between China and this or that Power, but between all the Powers in their common relations to the great empire of the Far East. [...]

If the Far Eastern difficulties were the beginning of the trouble, if it is from them that this brood of suspicions arose, how were the difficulties thus arising to be dealt with? Those difficulties were aggravated by a grouping of naval powers in the Pacific which had indeed a very solid justification in the historic past, although it had no relevance to the existing situation, and the first thing therefore to do was to clear away that which [was] the cause, rightly or wrongly, of unhappy suspicions [...]. These causes of misunderstandings have been removed; and now, under the quadruple arrangement, all the great maritime Powers of the Pacific have entered into a formal and public undertaking which as far as I can see must remove all further causes of international offense. That, you will notice, is the second stage of the proceedings. I regard the Chinese problem as the root, as the first stage. I regard the quadruple arrangement as the second stage; and the third stage of this great policy of peace and disarmament is the diminution of fleets, and the cessation of rival building between the great maritime Powers.

These are all inter-connecting: one cannot be understood without the other. The effect of one cannot be estimated unless the effect of all the others is taken into account. Thus we come to the crown and summit of the great effort that has been made in favor of the diminution of armaments, and with the diminution of armaments a great diminution of their being ever required.⁴⁶¹

Lest this speech be regarded as mere rhetoric, Balfour gave a similar and more concise summary of the Conference in his penultimate letter to Lloyd George. After noting that he had fulfilled his objectives, Balfour closed his letter with these words:

As I endeavoured to bring out in my speech before the Sixth Plenary Session [the Washington treaties] are all necessarily interdependent. The Four-Power Treaty, carrying with it the termination of the exclusive Anglo-Japanese

⁴⁶¹ Sixth Plenary Session, 4 February 1922, CAB 30/3, PS 6.

Alliance, the Shantung settlement, the Nine-Power Treaty and the Naval Treaty, all these are part of one connected whole. Taken together they should materially promote that stability in the Far East, which in its turn must contribute so materially to the peace of the world".⁴⁶²

These impressions depict Balfour's version of the Washington system. Chapters 3 and 4 have argued that he saw the Washington treaties as a new diplomatic architecture that would recast the regional order and buttress Britain's traditional China policy in defense of the 'treaty system'; and as Chapter 2 has shown, the treaties cohered with longstanding British interests as well as its immediate postwar objectives. Although this was not an altogether 'new order', as the treaties built on preexisting concepts, it was definitely envisioned as distinct from the diplomacy that had defined Far Eastern affairs from the 'scramble for China' in 1898 up to Conference's First Plenary Session in 1921.

The negotiations at Washington highlight three fundamental changes to the regional order. First, it was multilateral. Nine delegations had discussed China questions—with Chinese participation—so as to reconcile conflicts of interest, settle disputes over the interpretation of key phrases, and avoid the pitfalls that had arisen from basing their interactions around particularistic bilateral agreements. The Anglo-American-Japanese talks on the naval ratio and consultative pact similarly harmonized what had hitherto been three bilateral relationships characterized in the postwar years by varying degrees of discord and suspicion.

Second, the Washington framework was divided into what Balfour called 'stages'. Tensions in the Far East had contributed to naval rivalry because there had been no clear structure isolating the issues and preventing them from impacting each other. This is a key point, for Balfour did not believe the conclusion of separate treaties meant they were unrelated as a whole. Instead, he thought this procedure strengthened the system, limiting participation in the treaties to the powers that were essential for a stable and durable agreement.

Third, and vitally important to the Conference's success, the expected benefits of armaments limitation opened up the bargaining space for concluding parallel political treaties that would reduce the tensions driving naval rivalry. Balfour made this point

⁴⁶² Balfour to Lloyd George, 5 February 1922, FO 414/453, No. 27.

explicit in his speech noting three ‘stages’ at the Sixth Plenary Session. The naval ratio was the ‘crown and summit’ or ‘capstone’ for his version of the Washington system; supporting it was a ‘superstructure’ represented by the quadruple pact and linked to the ratio via the Five-Power Treaty’s article 19, which halted Pacific fortifications; and this cooperative architecture rested on the ‘foundation’ of the China treaties. Thus by uniting the powers behind a common China policy, there would be a more solid basis on which Britain, Japan, and the US could construct a multilateral coordination mechanism to replace the alliance, which in turn was a prerequisite for naval arms reduction and the alleviation of its associated financial pressures. In this way, according to Balfour, the individual Washington treaties were arranged in ascending ‘stages’, and therefore formed ‘part of one connected whole’.

With their work completed, and the treaties signed, Balfour and the British delegation departed Washington on 7 February. That day in London, King George V delivered a speech announcing their accomplishments to both Houses of Parliament:

During the last three months the Washington Conference on the question of Disarmament and the Far East has continued its Sessions. A [Four-Power] Treaty designed to maintain peace in the Pacific has been signed [...] and awaits ratification. While this treaty replaces the Anglo-Japanese Alliance, I am happy to feel that the long-standing concord between the two countries will remain as cordial as ever under the arrangements thus concluded. At the same time our relations with the United States of America enter upon a new and even closer phase of friendship. Agreement has also been reached on the question of disarmament and a [Five-Power] Treaty has been signed providing a large measure of relief from the burden of armaments. In all these respects great results have been attained; and the success of the Conference [...] will be of the happiest augury for the future of international relations.⁴⁶³

Then, in the House of Commons session that followed the King’s departure, Lloyd George responded to a question by praising Balfour’s efforts:

[The Washington Conference] is one of the greatest achievements for peace that has ever been registered in the history of this world. I have already expressed elsewhere what I think is due to my Right Hon. Friend the Lord

⁴⁶³ “King’s Speech,” in House of Commons Debate, 7 February 1922, *Hansard*, Vol. 150, 5.

President of the Council [i.e., Balfour] for the dexterity and the high distinction with which he has represented the interests of this country in America [...]. [It has been] said that this Conference only dealt with [...] the arithmetic of peace, but really I do not know what [this] means. All peaces resolve themselves into arithmetic as to how many ships, what tonnage, how many guns and what men. Everything of that kind, if it is to be practical and if it is to reach any definite conclusion, must be arithmetical. The arithmetic of peace therefore means reducing the dynamics of war, and that is done.⁴⁶⁴

In conclusion, the British government did not grudgingly accept the Washington treaties, which had been forced on them by an ‘American initiative’. The treaties reflected Britain’s core interests in the postwar world, sparing it from a shipbuilding competition it could not win, bringing it into closer cooperation with the US without abandoning Japan, and reinforcing its traditional China policy. Moreover, the Conference negotiations that produced them bear the stamp of Balfour’s experience, his diplomatic tact, and, as Lloyd George pointed out, his ‘dexterity’.

Thus upon their return to London, the British delegation was greeted on the platform at Waterloo station by the Prime Minister and the Cabinet, and a war-weary crowd of onlookers erupted in cheers as they disembarked. Later that day, Balfour learned that in recognition of his achievements the King would bestow upon him the Order of the Garter; three months later he was rewarded with an Earldom and Viscountcy for his family’s ancestral lands.

5.2 Britain and the Washington system

This thesis has attempted to integrate Britain into the Washington system literature. By surveying the diplomacy that produced the key aspects of the Washington treaties, it has advanced three core arguments. First, that the Conference was not an ‘American initiative’ but rather a forum in which multilateral bargaining took place, and where all delegations contributed to the shaping of the final treaties. Second, that the British approach was ‘between the old diplomacy and the new’, and its delegates dedicated their efforts to updating the traditional ‘open door’ principles for the postwar era, as

⁴⁶⁴ House of Commons Debate, 7 February 1922, *Hansard*, Vol. 150, 40.

well as to establishing multilateral cooperation across all issue areas. Third, that the treaties were indeed interconnecting, with the China treaties representing the ‘foundation’, the Four-Power Treaty the ‘superstructure’, and the naval treaty the ‘capstone’ of the Washington system. The first two arguments challenge the way the ‘system’ has been portrayed in the Japanese literature, while the third offers a more nuanced heuristic device to reframe the concept based on evidence found in the British archival materials.

It should be apparent from the preceding chapters that, contrary to Iriye’s claims, the Washington system did not emerge from an ‘American initiative’.⁴⁶⁵ Outside of Hughes’ surprise announcement of the US naval ratio proposal, there are no indications in the British records suggesting the Conference discussions were marked by such a dynamic. Moreover, since the bulk of Iriye’s book—as well as the literature applying the Washington system concept—focuses on international relations surrounding China, it is particularly significant that Chinese delegation launched the only clear initiative in the FEC.

This Chinese initiative, however, did not dominate the FEC negotiations, although it did shape the first phase of the talks and to an extent directed the committee’s attention toward the issues that were most important to China. But the British and other delegations understood before the Conference began that discussions on China’s ‘administrative and territorial integrity’ would be inevitable, and indeed necessary for any final agreement.

In actuality, the FEC was a forum for multilateral bargaining. Hughes, as FEC Chairman, presided over the talks, yet the phrase ‘initiative’ far overstates his impact. The British, Japanese, and to a lesser extent French delegates all played a role in determining the contours of the Nine-Power and Chinese Customs treaties. As shown in Chapter 4, these two treaties were acceptable to Britain because Balfour, Geddes, Borden, Smith, and Jordan all helped to craft their terms; and the Root Resolutions, which have been presented as the embodiment of the US attempt to end the ‘diplomacy of imperialism’, had the same effect as the principles contained in Balfour’s draft China treaty. At the same time, the Anglo-American alignment behind the ‘open door’ meant that occasionally, as with the so-called ‘Hughes Resolution’ and Board of Reference, the

⁴⁶⁵ Cf. Iriye (1965, 1-22).

British delegation allowed its work to be presented by the Americans as their own. Yet it should be noted that Japan's objections to the Board's retroactivity led its scope to be reduced to future claims only. This example indicates that the Japanese delegation had sufficient leverage to ensure the Nine-Power Treaty reflected its interests as well.

Similarly, in the diplomacy that produced the Anglo-American-Japanese equilibrium, all three powers contributed to the language of the final treaties. Balfour's draft tripartite treaty set the stage for the talks; Shidehara reformulated this draft, which Balfour then amended, and it was found so suitable to the US that Root abandoned his own revisions and accepted the joint Anglo-Japanese version. The allies were conscious of the need for Senate ratification so military clauses were not included, however, this was done willingly in order to get the US to step aside from its aversion to 'foreign entanglements'. Regarding the naval ratio and Pacific fortifications, Japan was comfortable with challenging aspects of the American and British proposals to ensure its security, and forced both to be revised. Agreement was only reached behind the scenes through a complex negotiation process in which preferences and bottom lines were revealed, and the gaps separating Britain, Japan, and the US were bridged. Thus there was significant give-and-take at the Conference, and no single power dominated its proceedings.

The Japanese literature, particularly Hosoya's work, also tends to present the Washington system as a manifestation of the 'new diplomacy' replacing the 'old diplomacy' in the Far East. In a way, this argument builds off the claim that the US was wedded to applying 'new' diplomatic principles as a part of its 'initiative' against those of the 'old', represented by Japan.⁴⁶⁶

British diplomacy, as shown in Chapter 1, occupies an opaque place in this literature because it is never mentioned as a factor in creating the 'new order'. Iriye, for example, implicitly presents Britain as an 'imperialist' power; on the surface, its alliance with Japan and possession of leased territories in China seem to support his case. But as Chapter 2 has argued, the British government saw these 'imperialist' instruments as a means of defending the 'treaty system', the 'open door' for commerce, and paradoxically, even Chinese 'territorial integrity'—just as Salisbury's claim of a 'sphere of influence' in the Yangtze basin was an 'insurance policy' in the event the other

⁴⁶⁶ Hosoya (1978, 3-4).

powers partitioned China. By 1921, however, these diplomatic instruments were viewed as anachronistic. The alliance not only appeared to violate the League Covenant, it had been ineffective in restraining Japan's wartime policy and had even been activated to seize Jiaozhou Bay. Moreover, it was a principal obstacle in improving Anglo-American relations, Britain's main postwar strategic objective. When Curzon maneuvered to attach a 'Pacific conference' to the US-proposed naval arms limitation talks, he did so with the express intention of ending the alliance and the mutual recognition of 'spheres of influence' in China.

In fact, Britain's China policy was more nuanced than the Washington system literature implies. For eighty years it had been based on the principle of the 'open door', and had the opportunity to embed this norm into a multilateral treaty appeared before the Conference, no coercion would have been required to induce the British government to take it. The alliance with Japan, the Mackay Treaty, and the bilateral notes recognizing 'spheres of influence' all carried 'open door' clauses. Essentially, great-power rivalry and instability in late-Qing China made Britain abandon its traditional policy and use the 'diplomacy of imperialism' to protect its commercial interests under the 'treaty system'. Once the Far Eastern strategic environment shifted again, during the war and immediate postwar period, this approach was no longer sufficient to defend these interests—and for this reason, Balfour was relieved to sign the Washington treaties, since they were intended to restore cooperation in China behind the 'open door'. It could even be said that the Washington system emerged twenty years late, as it finally gave Britain a multilateral opportunity to bring China into the international system in a way that could facilitate its further expansion as a commercial market.

The difference between the diplomatic system instantiated in 1898 and the much older 'treaty system' may on the surface be difficult to distinguish. But it is important to point out that the US never put forward proposals to overthrow the 'treaty system' at Washington; and in response to Shidehara's comments on the 'twenty-one demands', Hughes reasserted the 'traditional US policy' based on the 'most-favored-nation' principle and the 'open door'. It will also be recalled that the US-Japan divide was a conflict between American treaty rights and Japanese 'special interests'. In this context, the Britain and the US were aligned on the meaning of the 'open door'—and had been since 1899—however, in the wake of the 'scramble for China' and the sharp

rise in European geopolitical rivalry, Britain had hedged its bets and attempted to enforce this principle with diplomatic instruments rather than a profession of ideals.

Asada has correctly depicted the Washington system as ‘between the old diplomacy and the new’: it neither reflected the ‘old diplomacy’ of 1898 nor the ‘new diplomacy’ of 1918.⁴⁶⁷ This thesis has attempted to show that Britain saw the multilateral Washington treaties as a new and better way to defend its commercial interests in China than the bilateral diplomacy of alliances and ‘spheres of influence’. But because the Washington treaties evolved out of the ‘old’ system—transforming the alliance into a consultative pact, consolidating the ‘open door’ notes without expressly rejecting Japan’s ‘special interests’, enlarging the Mackay Treaty into a multilateral customs agreement—it was not entirely ‘new’ like the League. It is also worth noting that the British delegation’s instructions from the Foreign Office suggest precisely this approach. In fact, the midpoint between the US and Japan that Asada claims created the Washington system might actually have been Britain’s preferred outcome for the Conference.

This segues to the final argument introduced above. Although the ‘American initiative’ and ‘new diplomacy’ claims tend to undermine the Washington system concept, the idea that it represented a shift in the international order based on interlocking and mutually reinforcing treaties is supported by the British materials. Nish’s view neglects to consider how Balfour and the British delegation saw the relationship between the treaties during the drafting process.⁴⁶⁸ In part, this is because the purpose of the Washington system in the Japanese literature is to explain its failure and collapse; but as this thesis has sought to emphasize, it is in the Conference negotiations that the architecture of the system—its design as well as its purpose—is to be found.

The deep origins of the Washington system begin with the powers’ inability to solve the ‘Far Eastern question’ through the diplomatic arrangements of the 1898-1902 period. These arrangements enveloped the British-enacted ‘treaty system’ in China, which were then challenged by the evolution of international affairs in the post-Versailles world. The Washington Conference sought to harmonize relations among the

⁴⁶⁷ Asada (2006).

⁴⁶⁸ Cf. Nish (1977, 141-142).

powers, and between them and China, in order to construct a framework that was expected to facilitate long-term Anglo-American-Japanese cooperation, further open the China market, and stabilize the strategic environment. Thus in addition to superseding the alliance and aligning their policies behind a common interpretation of the ‘open door’, a Shandong settlement needed to be reached in which Japan would restore Jiaozhou Bay, thereby removing an impediment to a Four-Power Treaty’s prospects in the Senate. Something would also need to be done to strengthen China and prevent the Beijing government’s weakness from being a source of international rivalry. But none of these political issues could be solved in isolation, nor could the treaties have been realized in the absence of a shared incentive: preventing a naval arms race. This led to what Balfour called the ‘three-stage’ approach.

The British negotiators, like their American and Japanese counterparts, therefore saw the Washington treaties as linked; and in 1922 it seemed that the ‘three-stage’ framework had put a cooperative future for the Far East within reach. But this was not to be. As the Washington system literature has shown, the powers failed to build on the structure established at the Conference, and China was gripped by years of warlord competition that only heightened regional instability. Ultimately, the reasons for Washington system’s collapse lie precisely in the treaties’ linkage—the equilibrium was unable to be sustained once its ‘foundation’ was undermined.

During their negotiations, the various delegations did not consider two potential lacunas in the Nine-Power Treaty. First, no mechanism was devised to deal with the possibility that the ‘treaty system’ would be violently challenged from within China, as their efforts were directed toward reducing international competition among the powers. But the Washington system rested on the ability of the Chinese government to enforce the commercial treaties. When the Beijing government fell to the nationalist Kuomintang during the Northern Expedition, the ‘treaty system’ came under a new and unprecedented challenge.

If the powers had speedily ratified the Chinese Customs Treaty, perhaps the increased revenue could have stabilized the Beijing government and prevented its downfall. France, however, insisted during the ‘gold franc dispute’ to have its Boxer Indemnity payments made in gold specie rather than their depreciated currency. This delayed ratification and thus the convening of the ‘special tariff conference’, as it was

set to occur two months after all powers had ratified the treaty. In a way, this was a manifestation of the problem with the ‘most-favored-nation’ principle, which persisted in the new multilateral system.

Moreover, the French policy not only compounded China’s financial problems, it also heightened domestic animosity toward the powers. By the time the tariff conference was held in Beijing from 1925 to 1926, China had already been internally weakened from the Zhili-Fengtian War (1924-1925). The ‘special conference’ was unable to produce satisfactory results, and talks broke off during the Northern Expedition. Britain then unilaterally recognized the Kuomintang government on Christmas 1926, as it saw their rule as a potentially stabilizing factor in China after years of civil war.⁴⁶⁹ This, according to Iriye, marked the end of the Washington system.

Second, the Nine-Power Treaty did not account for the existence of the Soviet Union, a power with Far Eastern interests that espoused a revolutionary foreign policy. This left a major actor outside the Washington system, providing an opportunity for China to negotiate new agreements to create a parallel order and escape the commitments made under its commercial treaties.⁴⁷⁰ In the pre-Conference Foreign Office memoranda, and in the meetings of the British delegation, it had been anticipated that a return of Russian or German power to the Far East would exacerbate the ‘Far Eastern question’. However, Britain incorrectly assumed it could bring these powers into the treaty structure they were creating. After the ‘lost opportunity’ of 1922-1926, Soviet revolutionary diplomacy undermined the ability of the powers to build on the Washington treaties.

Another weakness of the Washington system was the conflict between Japan’s ‘special interests’ and the ‘open door’. Article 4 of the Root Resolutions seemed to imply that these interests had been acknowledged in a return to the spirit of the Lansing-Ishii note. But although Hughes refrained from directly challenging these ‘special interests’ in the FEC, largely to promote the aims of the wider Conference and to reach a deal to support the Four-Power and Five-Power treaties, later American governments would see them as ‘open door’ violations. As the pioneering international relations theorist Hans Morgenthau observed: “Compromise, the virtue of the old diplomacy,

⁴⁶⁹ Waldron (1995).

⁴⁷⁰ Elleman (2015).

becomes the treason of the new".⁴⁷¹ Ultimately, the spirit of compromise that bridged the US-Japan divide at Washington would not survive the growing divergence between the American and Japanese visions for the Far East, which between 1931 and 1941 were revealed to be based on fundamentally incompatible principles.

The Great Depression, the Japanese creation of Manchukuo, and the failure of the League of Nations to solve the crisis that followed all contributed to the 'road to Pearl Harbor'. Asada argues that after the attempt to build on the Five-Power Treaty at the 1930 London Naval Conference, the 'naval pillar' of the Washington system collapsed in 1936, the same year Japan turned decisively toward Germany and Italy in a bid to recast the international order.⁴⁷² In other words, once the 'foundation' of the Washington system was weakened, its 'superstructure' soon fell apart, resulting in a war that dislodged the 'capstone' of peace in the Pacific.

However, the Washington Conference marked a turning point in Anglo-American relations, in many ways forming the prehistory of the 'special relationship'. The fall of Lloyd George's coalition government in October 1922, and the end of 'Liberal Britain', slowed but did not stop the trend of a solidifying alignment between Britain and the US. As Goldstein has observed, the long-term impact of the Washington treaties on Britain was that they formed "the first installment of an insurance policy [...] which was to prove [...] a sound investment when the Second World War erupted".⁴⁷³ By then, however, Japan had long since invaded 'China proper' and effectively brought the era of the 'open door' policy to a close.

5.3 Coda

The centenary of the Washington Conference passed without much fanfare. For the most part, the treaties it produced are remembered—if at all—as a cautionary tale for the limits of idealism in international affairs.

This thesis sought to show another side to the Conference. From the perspective of the British delegation, the Washington treaties represented a realistic

⁴⁷¹ Morgenthau (1949, 193).

⁴⁷² Asada (1992).

⁴⁷³ Goldstein (1994, 30). See also Goldstein (2022, 33).

alternative to either prewar imperialism or postwar Wilsonianism, and their failure to create a durable international order was not due to lack of effort. They faced immense challenges and inescapable constraints—from the US, Japan, France, and China, as well as the British government and the trading community in Shanghai—that limited what was achievable at Washington. Unfortunately, the delegates were unable to do more than establish a framework for future cooperation, one that in the interests of securing a limited deal over no deal did not do enough to resolve the ‘Far Eastern question’. But the British Conference records do not suggest that a much better overarching agreement across all issue areas could have been realized in less than three months of diplomacy. In the short term, the Washington treaties were the best-case scenario for British interests.

Bismarck called politics “the art of the possible, the attainable—the art of the next best”.⁴⁷⁴ The Washington Conference was no different. In the end, faced with the tensions that gripped the Far East between 1919 and 1921, Balfour and the British delegation did not expect to settle every component of the vast, complex, and longstanding ‘Far Eastern question’ and produce a perpetual peace. They were happy to stabilize relations between the powers, prepare the groundwork for further cooperative diplomacy, and settle for what was possible—the next best option—the treaties of the Washington system.

⁴⁷⁴ Bismarck (1895, 248).

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