

CONFLICT OF POLICIES
IN ASIA

CONFLICT OF POLICIES IN ASIA

BY

THOMAS F. MILLARD

Author of "DEMOCRACY AND THE EASTERN QUESTION," "OUR
EASTERN QUESTION," "AMERICA AND THE FAR EASTERN
QUESTION," "THE NEW FAR EAST," ETC.



THE CENTURY CO.

New York and London

13898
A.T.S.

Copyright, 1924, by
THE CENTURY Co.

PRINTED IN U. S. A.

FOREWORD

The purpose of this work is to present my conception of the policy and interest of the United States in the Orient; but attitudes and policies of other nations principally concerned also are indicated, and the relation of Europe to the question.

The survey includes the post-World War period from the peace conference at Paris to the present, with enough of background to make the argument comprehensible. In presenting the subject I have chosen often to give my own memoranda written contemporaneously with the events to which they apply, feeling that this method has the merit of revealing pointedly the political processes which motivated and shaped these events currently, and that this is the better way to demonstrate political science. The memoranda are unrevised and undeleted except here and there to omit repetitions and personal allusions.

Explanations and criticisms of American institutions are included because this work may be read in parts of the world where American administrative functions are not well understood; and they relate to the foreign policies of the American Government.

THOMAS F. MILLARD.

February, 1924.

CONTENTS

CHAPTER	PAGE
✓ I CLASH OF POLICIES	3
II PAWNS AT PARIS	50
III TRANSFER TO WASHINGTON	82
IV GENEVA	134
V INTERIM	159
* VI WASHINGTON AGAIN	219
✓ VII DISINTEGRATION	289
✓ VIII RESIDUE	339
✓ IX JAPAN: REFORM OR DISSIMULATION?	363
✓ X CONSTRUCTIVE	379

APPENDICES

A WASHINGTON TREATIES AND RESOLUTIONS	405
FOUR-POWER TREATY	406
ARMAMENTS	409
CHINA	431
RESOLUTIONS	445
B NOTES OF AMERICAN AND CHINESE GOVERNMENTS REGARD- ING GERMANY	450
C BRITISH FAR EAST PRESS ON THE ANGLO-JAPANESE ALLIANCE	452
D THE CASSEL AGREEMENT	469
E THE TWENTY-ONE DEMANDS	476
F STATEMENT OF THE POSITION OF THE AMERICAN GOVERN- MENT REGARDING LOANS IN CHINA	487
G RUSSO-JAPANESE TREATY	488
H INTER-POWER AGREEMENTS RELATING TO CHINA	490
I STATEMENTS IN THE WASHINGTON CONFERENCE REGARDING SIBERIA	494
INDEX	505

CONFLICT OF
POLICIES IN ASIA

CONFLICT OF POLICIES IN ASIA

I

CLASH OF POLICIES

§ 1

TREND of world evolution has given the issues now focused in the Far East and the Pacific Ocean first place in the foreign policy of the United States of America. The Hay Doctrine has superseded the Monroe Doctrine in urgency and importance.

This statement, with its broad implications, runs contrary to general opinion of Americans. It challenges ideas that have become almost traditional. Yet assuredly it is true; and if proof is needed that the American Government is approaching realization of it, this will be found in causes and effects of the international conference held at Washington in the late months of 1921 and extending into 1922.

The doctrines to which the names of James Monroe and John Hay are attached were separated, in their pronouncement, by a lapse of about eighty years (1823-99); but both doctrines sprang from similar general causes and reasoning. Both are predicated fundamentally upon the geographical position and political institutions of the United States.

The Monroe Doctrine was pronounced because tendencies of European politics as expressed by alliances and combinations of the period, which was the outgrowth of the Napoleonic Wars, were deemed by American statesmen of that time to endanger, by encroachment and interference with new and

weak states on the American continents, the free development of democratic institutions and ideals, and likely to create a situation in the Western hemisphere that might menace the security of the young American republic. The Monroe Doctrine as originally pronounced did not mention economic aspects specifically. The close linking of economics with international politics which has been an outstanding development of the last half-century had not begun to attract the serious attention of statesmen in President Monroe's time. Nevertheless, although the term had not been coined then, in practice the Monroe Doctrine has been the major influence in maintaining the "Open Door" in the Western hemisphere.

The Hay Doctrine came about because of the development of conditions in the region of the Pacific Ocean and especially in eastern Asia which in the opinion of far-seeing American statesmen presented a danger to American political institutions and national security closely analogous to apprehensions of the statesmen of Monroe's time. The Asian continent, with its immense populations, territory, and undeveloped resources, had become a field of imperialistic ambitions of the more powerful nations in Europe. A large portion of Asia had been annexed by European powers, and the process of bringing China and other weak Asiatic nations under the political and economic control of those powers was proceeding apace. While many thoughtful Americans perceived the danger and the economic disadvantages to America that might come from such developments, John Hay is credited with formulating and bringing into existence the international doctrine that bears his name.

The practical test of any political formula is found in its application to conditions as they arise; and in their practical applications the Monroe and Hay doctrines on close examination will be found to have the same fundamental motivations and very similar causations. The doctrines, however, differed in form.

The Monroe Doctrine had the form of a dogmatic statement of a unilateral position taken by the United States without consulting or seeking the approval of other nations.

The Hay Doctrine took the form of a diplomatic approach by the American Government to other powers with a view to establishing among them by general agreement a recognition of certain principles. What is called the Hay Doctrine consists of a number of diplomatic communications among governments, made at different times and under somewhat different circumstances, but in all of which the principles advocated by Hay are stated, recognized, and affirmed. All of the so-called principal powers—Great Britain, Russia, France, Japan, and Germany—which then and thereafter took prominent parts in events with respect to China, have subscribed to the Hay Doctrine by diplomatic commitments, in alliances, and in public utterances of statesmen. The elements of Hay's doctrine were taken as the foundation principles for covenants made at Washington in 1922, which covenants now may be considered as constituting the revised written international status.

The difference in form of the Monroe and Hay doctrines has caused them often to be construed differently, and has left a way open for various diverse and specious interpretations of the doctrines by governments which at times have desired to evade, undermine, and destroy them. This is not surprising, nor is it unusual or derogatory of the doctrines that they are liable to tergiversation, for that is a common defect of statutes.

That the Monroe Doctrine has withstood for a century all direct and indirect efforts to destroy or repeal it suggests much more than the presumed might of the United States to maintain it: it carries a positive assurance of its intrinsic worth and general beneficence. If it had accomplished nothing except to withdraw the Western hemisphere from the scope of Europe's political rivalries and war provocations, its value would be beyond question. That was a result of the

Monroe Doctrine; but it was not one of its professed objects, for it was pronounced before the saving of Europe from itself was urged as a duty of the United States. Recurring tergiversations and consequent misunderstandings have required the occasional reiteration of the doctrine, the more recent being given by Secretary of State Charles E. Hughes in a speech before a convention of the American Bar Association on August 30, 1923. Speaking of the doctrine "as it has been and as it is believed to remain," Mr. Hughes said (my italics):

First. The Monroe Doctrine is not a policy of aggression; *it is a policy of self-defense*. It was asserted at a time when the danger of foreign aggression in this hemisphere was very real, when the new American states had not yet established a firm basis of independent national life, and we were menaced by threats of Old World powers directed against republican institutions. But the achievements of the century have not altered the scope of the doctrine or changed its basis. It still remains an assertion of the principle of national security. As such it obviously is not exclusive.

Second. As the policy embodied in the Monroe Doctrine is *distinctively the policy of the United States*, the Government of the United States *reserves to itself its definition, interpretation, and application*. This Government has welcomed the recognition by other governments of the fact and soundness of this policy and of the appropriateness of its application from time to time. But the United States has not been disposed to enter into engagements which would have the effect of submitting to any other power or to any concert of the powers the determination either of the occasions upon which the principles of the Monroe Doctrine shall be invoked or of the measures that shall be taken in giving it effect. As President Woodrow Wilson observed: "The Monroe Doctrine was proclaimed by the United States on her own authority. It always has been maintained and always will be maintained upon her own responsibility." This implies neither suspicion nor estrangement. It simply means that the United States is asserting a separate national right of self-defense and that in the exercise of this right it must have an unhampered discretion.

Third. The policy of the Monroe Doctrine does not infringe upon

the independence and sovereignty of other American states. Misconception on this point is the only disturbing influence in our relations with Latin-American states. The declaration of our purpose to oppose what is inimical to our safety does not imply an attempt to establish a protectorate any more than a similar assertion by any one of the southern republics of opposition to the conduct of any of the others endangering its security would aim at the establishment of a protectorate. I utterly disclaim as unwarranted the observations which occasionally have been made implying a claim on our part to superintend the affairs of our sister republics, to assert an overlordship, to consider the spread of our authority beyond our own domain as the aim of our policy, and to make our power the test of right in this hemisphere. *They find no sanction whatever in the Monroe Doctrine.*

I have thought it worth while, even necessary, to include here an official and recent résumé of the Monroe Doctrine because of its living place as a key-stone of our foreign policy, and further because of tergiversations which seek to demonstrate an inconsistency of it with that other and later fundamental foreign policy of the United States, the doctrine of John Hay.

Much of the essence of the Hay Doctrine is given succinctly in Secretary of State Hay's circular to the powers of date July 3, 1900, urging in respect of the various issues arising out of the so-called "Boxer" disturbances in China; viz., *"bring about permanent safety and peace to China, preserve Chinese territorial and administrative entity, protect all rights guaranteed to friendly Powers by treaty and by international law, and safeguard for the world the principle of equal and impartial trade with all parts of the Chinese Empire."* In Monroe's doctrine it was asserted that certain acts and policies are regarded as inimical to the safety and interests of the United States. As more diplomatically advanced by Hay, in stating a general principle designed to assure the territorial integrity and administrative autonomy of China, the fact that the continuation of China as a field

for the exploitation and contentions of European imperialism constitutes a menace to the security and interests of America was conveyed by implication.

The Hay Doctrine as enunciated originally has two propositions:

1. Preservation of the territorial integrity and administrative entity of China.

2. Safeguarding the "Open Door" in China.

The first proposition ought to require no elucidation. What it means is plain. All persons having primary education know what the territorial entity of a nation is at a given time, for the boundaries are marked in maps and stated in geographies. If the boundaries are changed, then the territorial entities of nations are enlarged or diminished. China's territorial entity as meant by the Hay Doctrine obviously is as it existed when the doctrine was first pronounced. It existed then substantially as it had been for centuries previously without question, and as it exists to-day in international theory. There is slight ground for misapprehension of what is included in the territorial entity of China; no ground at all, in fact, except as the subject is obscured in the interest of nations that are trying to obtain an expansion of their own territorial entity by acquisition from China.

The "Open Door" is less plainly defined, especially in popular conception. A cloud of obscurities have been attached to the phrase since it was introduced by Hay as a diplomatic precept designed to apply to an element in world politics that has developed since Monroe's day, which every year takes on more significance and vitality, and is expressed in the conjunction of international commerce and finance with diplomacy. This conjunction was an inevitable result of modern industrialism and commerce and their extension into the field of international relationships. It is accepted now that international trade embraces and gives the wider expression to vital factors of civilization. It is by trading with each other,

rather than by reading, proselyting, and casually visiting, that peoples and nations progress to better mutual understanding. This economic interdependence in the fabric of international comity gradually is coördinating humanity.

Hay used the phrase "Open Door" first as applying in China; but nowadays it is heard almost daily in association with international developments in many regions, particularly in connection with "mandated" regions. The term quite aptly describes a principle which is by way of becoming an axiom of international policy; yet it is often misconstrued. Many people have an impression that the Open Door with respect to China and other weak nations means that foreign nations are to have the right to trade there as they wish, regardless of the wishes of Chinese and the Government of China; that the Open Door means a door for foreign trade into China, but does not mean reciprocity of an open door when Chinese want to trade in territories controlled by the major powers. That of course is a perverted definition or interpretation of the Open Door, as meant to be applied to China by the Hay Doctrine, and as now insisted upon in all analogous circumstances by the American Government. The Open Door as it is interpreted and insisted on by the American Government does not, for instance, assume to dictate to China the conditions under which foreign nationals shall do business in China. It merely desires that when the Chinese Government by its own volition or by treaties has established conditions for foreign trade in China, these conditions then shall apply impartially and equally to all foreigners. The Hay Open Door does not concern itself with the amount of tariff that China will impose on imports; it merely insists that when an import or other tariff is enacted by the Chinese Government, all commerce shall pay the same rates. The Hay Open Door does not concern itself with methods which the Chinese may adopt regarding the construction and operation of railways in their country, or for the development

of natural resources by foreign capital and with foreign assistance; it only insists that when Chinese do adopt regulations and conditions they shall apply impartially to all foreigners who may want to participate in developing China.

In using a phrase to embody what he was aiming at, Hay scarcely could have contemplated then that it would be adopted into diplomatic terminology and become world-wide in application. Moreover, apropos of certain implications invidious to China that occasionally have been read into the doctrine, it is pertinent that the Chinese Government was not approached by Hay regarding an open door in China. The matter was broached with an object of relieving China of dangers and apprehensions by agreement among outside nations. I frequently note a fallacy in current comments on this subject, to the effect that the Open Door doctrine contains an affront and injustice to China. The contrary is true. When it was pronounced, and to the present, the Chinese Government and Chinese generally strongly have approved the Open Door. The opposing thesis relating to China, exemplified by the so-called "spheres of interest" policy, was (and is) hindering development and insidiously undermining her administrative autonomy. The "sphere" thesis implies that a nation may assert for its nationals an exclusive privilege for the exploitation of certain opportunities within areas outside of its national territory. "Spheres of interest" usually are created by two or more powers mutually agreeing to restrict their own operations to specified regions, and jointly to exercise their diplomacy to protect their "spheres" from being penetrated by nations which are not included in the "sphere" cycle of agreements.

Prior and subsequent to promulgation of Hay's doctrine, the American Government respected and practised its guiding principles. Therefore there is no American "sphere" in China, or anywhere. But the whole of the territorial entity of China prior to the Washington Conference was divided into "spheres" apportioned among other powers. Those

"spheres" rested upon private (and sometimes secret) agreements of the "sphere" powers among themselves. This is none the less true because on occasion governments have attempted to legalize their "sphere" claims by referring them to interpretations read into agreements to which by devices the sanction of Chinese officials was obtained.

The basis in international law for the Open Door doctrine rests chiefly on so-called "most favored nation" clauses of modern commercial treaties. This clause owes its existence to the tendency of world politics which called the Hay Open Door into being. The American Government has taken pains to insert in most of the treaties it has made in recent times a provision assuring to American trade with the treaty nations a "most favored nation" treatment. This gives no especial advantage to American commerce with those nations; it means merely that in case a nation with which the United States has such a treaty grants an economic privilege to a third nation, the same (or equal) privilege automatically extends to American corporations and citizens. And in return the United States gives the same privileges and position to the commerce and economic penetration of those other nations in its country and possessions. The Open Door in China and elsewhere, as pronounced and construed by the American Government, is nothing else than fair play as between foreign commerce and exploitation in the territories of weaker nations which may be unable effectively to assert their preferences and rights. To China especially it means fair play in respect of foreign economic penetration. It is not a scheme to give to Americans any special advantage or privilege in countries where it is applied, nor to force upon those countries any economic policy which they do not want. The oblique meanings and implications given to the Open Door in the course of years of persistent and tortuous evasion by a majority of powers find no genuine justification in the doctrine of Hay, which survives disingenuous criticism and obscurantism.

§ 2

As the inherent vitalities of the American political and social system, when the national growth developed extensive foreign contacts and wider consciousness, found logical expression in the doctrines of Monroe and Hay, so also did the similar contacts of the older states of Europe develop in pursuance of Europe's institutions and traditions. The political game as practised among racial and national groups there always has been a game of grab. To the conqueror belonged the authority and spoils. During the period when Europe was pursuing territorial discovery and implanting its footholds afar, political institutions centered in the king idea. Kings and nobles who had power took what they wanted. When states became more consolidated and legalized, expansions of their authority and territory were in the names of kings and emperors. Royal standards were raised over discovered lands on sight; there was no pretense of considering the rights or wishes of native inhabitants if they were not able to repel invaders by force. In that way the principal states of Europe extended their domination over the greater part of the earth according to their accepted political and ethical standards. It could not have been otherwise; and it is mentioned here only because those old political and ethical standards of Europe, diluted and tempered by civilization, in this day constitute the postulate of European policy toward the colored world. Such policies no longer are proclaimed or confessed; but they persist powerfully in the secrecy of cabinets. The situation caused by the meeting in the Orient of the European thesis and the American policy as expressed by the Hay Doctrine, and reactions of this dual impact upon the rising revolt of the submerged peoples against white domination, are the issue which Americans face now across the Pacific.

By every standard of comparison the British policy in this question has greater significance to America. For years