

# Keeping the Door Open at Lausanne Conference: The U.S. Open Door Policy in the Near East during 1920's

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**ÖZET** Birinci Dünya Savaşı'ndan sonra Amerika Birleşik Devletleri Ortadoğu'da Açık Kapı politikası uyguladı. Türk kurtuluş mücadelesi veren liderler de bu politikanın beklenmedik savunucusu oldular. 1922 ve 1923 yıllarında Lozan Konferansı sürerken Ankara Hükûmeti Amerika'lı Chester grubuna Musul ve çevresindeki yeraltı kaynaklarını doksan-dokuz yıl kullanma imtiyazını verdi. Bu sayede Ankara Hükûmeti Musul üzerinde egemenlik hakkı kurma amacını güttü. Buna karşılık olarak da Amerikan Hükûmeti oluşmakta olan yeni Türkiye'nin tam bağımsızlık talebini Lozan Konferansı'nda destekledi. Yeni Türk hükûmeti Amerika'nın Acık Kapı politikasını Avrupa emperyalizminden daha hazmedilebilir buldu. Bu yüzden Amerika'nın Ortadoğu Açık Kapı politikası bölgede zor kullanarak değil, tam tersine Avrupa emperyalizminden çekinen Ankara Hükûmeti'nin isteği ve desteğiyle uygulandı. Ankara Hükûmeti tam siyasal bağımsızlık kazanmak uğruna Amerika'ya ekonomik imtiyaz vermeye gönüllüydü.

**ANAHTAR KELİMELEER** Lozan Konferansı, Amerika Birleşik Devletleri, Chester İmtiyazı, Ortadoğu, Açık Kapı politikası, Musul

**ABSTRACT** The United States vigorously promoted an Open Door policy in the Near East in the aftermath of World War I. The Turkish nationalists who were fighting for independence became an unlikely ally of this policy. During the Lausanne Conference in 1922 and 1923 the nationalist government in Ankara granted the Chester concessions which permitted the United States to exploit the mineral resources in and around Mosul. This way the new Turkish state would maintain nominal sovereignty while the United States controlled the oil reserves for ninety-nine years. In return, the United States supported the Turkish nationalists' demand for unconditional independence at the Conference. Turkish nationalists considered the Open Door policy benign and preferred it to European imperialism. Thus, U.S. infiltration into the Near East did not come as an imposition of the Open Door policy. To the contrary, it was encouraged by the Turkish nationalists who considered American entrepreneurs more palatable than European imperialists. Turkish nationalists valued political independence far greater than commercial interests that would be difficult to exploit and therefore were willing to trade economic limitations to their sovereignty.

**KEYWORDS** Conference of Lausanne, United States of America, Chester Concessions, the Near East, Open Door policy, Mosul

During World War I modernized nations recognized the importance of fuel operated war machines such as tanks, airplanes, and dreadnoughts. Modern warfare demonstrated that a nation's strength depended upon its oil reserves and steel production capacity. Hoping to maintain its imperial power after the War, Britain coveted the oil reserves of the Near East as its victory price. The United States, meanwhile, proved that it had

become perhaps the most powerful nation both economically and militarily by 1920. The United States also recognized the importance of the Near Eastern oil reserves for its future. During its peace negotiations with the remnants of the Ottoman Empire first, and later the successor Turkey after the Great War, the United States strove to keep the region open to all investors regardless of their nationalities.<sup>1</sup>

Two interrelated principles influenced U.S. foreign policy during the 1920's: fear of the collapse of the world economy, and distrust of politicians and bureaucrats who failed to prevent the Great War. American policy makers and businessmen assumed that the United States could not maintain its wealth when the major customer nations could not buy American industrial and agricultural products. The conviction that U.S. wealth depended upon a stable world economy led policy makers to encourage American businessmen to invest overseas. Thus, they maintained, in order to open new frontiers for American businesses, the United States needed to invest in war-damaged nations. In his book, historian Michael J. Hogan described this consensus between the policy makers and American businesses as an 'Informal Entente.'<sup>2</sup> According to Hogan, both parties would take "cooperative action" in order to "achieve peace and prosperity." In this cooperation, Hogan maintains, U.S. administrations during the 1920's protected private interests abroad.<sup>3</sup> Another historian, Herbert Feis, concurs and claims that as a result the Harding, Coolidge and Hoover administrations actively encouraged foreign investment.<sup>4</sup>

In early 1920's, it was a common belief among policy makers and businessmen that the American market would not be sufficient for American producers in the near future. That was why it was important to look for new markets. In addition, many American businessmen were convinced that they could conduct more peaceful international relations than politicians and diplomats.<sup>5</sup> After all, these politicians and diplomats were responsible for the most destructive war in history. The American business class welcomed the opportunity to use their surplus money and manufacturing goods around

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1. A more detailed treatment of this subject is to be found in my 'Oil, Honor, and Religion: United States Foreign Policy Towards Turkey, 1923-1927' (M.A. thesis, University of New Hampshire, 2007). I wish to express my gratitude to Professor Kurk Dorsey who served as my supervisor. My thanks also to the Department of History at the University of New Hampshire that enabled me to visit the National Archives and the Library of Congress in Washington, D.C. by granting me the Donald Wilcox Travel Award. I would also like to thank the library staff at the University of Hampshire, as well as the Houghton Library which allowed me to use their Joseph Grew manuscripts.
  2. Michael J. Hogan, *Informal Entente: The Private Structure of Cooperation in Anglo-American Economic Diplomacy, 1918-1928* (Columbia: University of Missouri Press, 1977).
  3. Michael J. Hogan, *Informal Entente* , p.1.
  4. Herbert Feis, *The Diplomacy of the Dollar: The First Era, 1919-1932* (Baltimore: The Johns Hopkins Press, 1950), pp.5-6.
  5. In his book, *The Age of Roosevelt: The Crisis of the Old Order 1919-1933* (Boston: Houghton Mifflin, 1957), Arthur M. Schlesinger, Jr. claims that after the War there was "an age of business" when "an economic success and metaphysics of optimism" were predominant (p.71).

the world. In their second World Congress at Rome in 1923, for instance, the International Chamber of Commerce (ICC) declared that businessmen from all nations would maintain the peace rather than the “ignorant and impractical politicians and bureaucrats.”<sup>6</sup>

At the conference, the ICC adopted a resolution that accused the Old World regimes of failing catastrophically by causing the Great War and dragging humanity into the biggest tragedy. According to the resolution, businessmen did not have a political agenda – they worked for the enhancement of profit and that was good for the masses. Fred I. Kent, Vice President of Bankers Trust Company of New York, said that “the impracticable, the ignorant and the vicious” political leaders caused misery and disaster for the masses. The time, he asserted, had come for businessmen to stop this destructive system. With its resources, namely oil, and the potential to be a new market place, the Near East was one of the destinations on which the ICC focused.<sup>7</sup>

That same year, the ICC published the “Report of the Present Situation in Turkey, December 1922.”<sup>8</sup> This report was based largely on contacts made through American officials of the State Department and the courtesy of the American Chamber of Commerce for the Levant. According to this report, although industries were non-existent in Turkey, the country was rich with mineral wealth such as gold, silver, lead, copper, iron, coal and oil.<sup>9</sup> The oil fields of Mosul discovered by the Germans, the report claimed, had become one of the biggest victory prizes for the Allied forces. Additionally, the copper deposits in eastern Anatolia were reputed to be among the richest in the world. The report concluded that the Asiatic possessions of Turkey constituted a promising market for the products of industrial Europe and America.<sup>10</sup> Although American capital was welcome almost anywhere in the world, the United States struggled to have a foothold in the Near Eastern oil reserves because of the British dominant imperial presence in the region.<sup>11</sup>

Under the leadership of the First Lord of the Admiralty, Winston Churchill, Britain built a division of fast battleships fed by oil between 1911 and 1914.<sup>12</sup> After this transition in its navy, having steady access to oil supplies became a national policy for Britain. Towards the end of the Great War, the British government declared that it was going to

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6. Julian Gillespie to Mark L. Bristol, June 4, 1923, Box 39, File: Correspondence June 1-31 1923, Mark Lambert Bristol Papers (Manuscript Division, Library of Congress).
  7. Julian Gillespie to Mark L. Bristol, June 4, 1923, Box 39, File: Correspondence June 1-31 1923, Mark Lambert Bristol Paper.
  8. Mark L. Bristol to Basil Miles at Rome, International Chamber of Commerce, March 12, 1923, Box 39, File: Correspondence March, 1-31, 1923.
  9. “Report of the Present Situation in Turkey, December 1922,” p.9.
  10. “Report of the Present Situation in Turkey, December 1922,” p.9.
  11. Herbert Feis, *The Diplomacy of the Dollar*, p.48.
  12. John A. DeNovo, “Petroleum and the United States Navy before World War I,” *The Mississippi Valley Historical Review*, 41/4 (March 1955), p.654.

be their fixed policy to keep aliens out of oil properties both in the British dominions and in foreign neutral countries.<sup>13</sup>

The U.S. Navy also converted their ships from coal burners to oil burners before the war. Since the United States was using the reserves within its own borders and in Mexico until the end of the War, American policy makers did not need a concrete foreign oil supply policy until the end of the Great War. The United States appreciated the significance of oil not only as an indispensable fuel but also as a lubricant after its wartime experience.<sup>14</sup> At the end of the war, however, oil experts concluded that the United States had only thirty years worth of oil reserves.<sup>15</sup> The oil industry and government officials now considered that the national interests were in serious jeopardy due to the depletion of domestic petroleum reserves and British inroads into the remaining promising oil fields of the world, particularly those of Asia Minor.<sup>16</sup> American oil companies realized that by 1919 the British companies, which were currently turning out less than five per cent of the world's production, had acquired more than half the world's estimated future reserves, mostly through the Turkish Petroleum Company.<sup>17</sup> Although the United States declared that it did not have any expansionist ambitions before the war, the U.S. government advocated for the Open Door principle, which would give equal access to all powers and forbid any exclusive rights in the Middle East after the war.<sup>18</sup> Britain, on the other hand, viewed the Near Eastern resources as its ultimate Great War victory prize.

In 1914, Britain, Germany and the Netherlands had agreed to share the oil reserves of the Near East by establishing the Turkish Petroleum Company (TPC)—half owned by the Anglo-Persian Oil Company (British), a quarter by Dutch Shell, and a quarter by a German company. The TPC obtained the exclusive rights to exploit the vast oil deposits of Mosul and Baghdad from the Ottoman government the same year.<sup>19</sup> After the war, the German shares in the company were nullified, and an Anglo-French-Dutch monopoly was created in mandated Iraq.<sup>20</sup>

In April 1920, Britain and France came together in San Remo, Italy to conclude the partition of the previously Ottoman-ruled areas. At the conference, France took over the German shares of TPC, and Britain and France established complete authority over the

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13. John A. DeNovo, "The Movement for an Aggressive American Oil Policy Abroad, 1918-1920," *The American Historical Review*, 61/4 (July 1956), p.860.

14. John A. DeNovo, "Petroleum and the United States Navy before World War I," p.641.

15. John A. DeNovo, "The Movement for an Aggressive American Oil Policy Abroad, 1918-1920," p.857.

16. John A. DeNovo, "The Movement for an Aggressive American Oil Policy Abroad, 1918-1920," p.874.

17. John A. DeNovo, "The Movement for an Aggressive American Oil Policy Abroad, 1918-1920," p.865.

18. Edward Mead Earl, "The Turkish Petroleum Company: A Study in Oleaginous Diplomacy," *Political Science Quarterly*, 39/2 (June 1924), p.265.

19. Herbert Feis, *The Diplomacy of the Dollar*, pp.50-51.

20. Merlo J. Pusey, *Charles Evans Hughes*, Vol.2 (New York: The Macmillan Company, 1951), p.572.

Mesopotamian oil fields.<sup>21</sup> Britain planned to establish a pipe line from Mesopotamia through Syria (then under French mandate) to the Eastern Mediterranean.<sup>22</sup> The San Remo Treaty, according to the U.S. government, ran counter to their Open Door policy. The U.S. Secretary of State, Bainbridge Colby, protested the San Remo agreement on the grounds that the mandated areas were to be administered and kept open to all the nations.<sup>23</sup> Colby further indicated that Near Eastern oil “interested public opinion in the U.S. as a potential subject of international strife.”<sup>24</sup>

American oil companies were eagerly interested in investing in the region.<sup>25</sup> During the early 1920s, U.S. policy makers and American businesses, especially the Standard Oil Company, pursued an aggressive Open Door policy in the Near East. The United States had an ideally suited representative in the region. During his tenure in Turkey between 1919 and 1927, Admiral Mark Lambert Bristol devoted his time to protecting U.S. commercial interests by combating the Allies’ attempt to colonize the region and negotiating concessions with the Turkish government.

#### MARK LAMBERT BRISTOL: AN OPEN DOOR DIPLOMAT IN CONSTANTINOPLE

The Wilson Administration assigned Admiral Mark Bristol as the High Commissioner to Constantinople to protect U.S. institutions and interests in the Allied-occupied Near East in August 1919. Earlier Bristol served with distinction as commander of a naval ship in European waters. He was also a member of the International Armistice Commission in Belgium in November 1918.<sup>26</sup> Bristol made opening the door for the Standard Oil Company his top priority by revitalizing the earlier Chester Concession.<sup>27</sup> The Standard Oil Company supported the Chester Concession partly because one of the railway concessions included the rights to exploit the underground resources of the region, especially Mosul’s oil fields. It had no desire to abandon this source of wealth to the British Turkish Petroleum Company.<sup>28</sup>

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21. Edward Mead Earl, “The Turkish Petroleum Company,” p.273.

22. Herbert Feis, *The Diplomacy of the Dollar*, p.51.

23. Edward Mead Earl, “The Turkish Petroleum Company,” p.274.

24. Mr. Colby to Lord Curzon, November 20, 1920: “Correspondence between His Majesty’s Government and the United States Ambassador respecting Economic Rights in Mandated Territories,” *Parliamentary Papers*. Command, 675, 1921, cited by Herbert Feis, *The Diplomacy of the Dollar*, p.52.

25. Benjamin Gerig, *The Open Door and The Mandates System: A Study of Economic Equality Before and Since the Establishment of the Mandate System* (London: George Allen & Unwin Ltd., 1930), p.141.

26. Dr. Caleb F. Gates, President of Robert College, Constantinople, “The Departure of Admiral Bristol,” *The Levant Trade Review*, 15/5 (May 1927), p.183, found at Box 91, Album-News Clippings, Bristol Papers.

27. Mark L. Bristol to Secretary of State, September 7, 1921, Box 72 File: Ottoman Empire - Commercial January-December 1921.

28. Miller Joblin, General Manager of Standard Oil Company of New York to Mark L. Bristol, November 29, 1922, Box 38 File: Correspondence Nov. 1-30 1922, Bristol Papers.

Bristol was a quintessential Open Door diplomat of his time. He believed that current foreign policy should be governed by financial and commercial considerations, and the future reconstruction of the world should be based upon advice from financial and commercial circles. Bristol believed that the United States could assist underdeveloped countries by helping them to create strong economies. He was convinced that political problems would be resolved if people rallied around quality of life issues as opposed to ideological or nationalist ones.<sup>29</sup> He was convinced that it was the U.S.'s obligation to help the Turks establish their new government and new laws based on his Open Door ideas.<sup>30</sup>

Bristol believed that during the war and its aftermath, the religious and sentimental conduct of foreign affairs masked the real issues. According to Bristol, idealistic and moralistic goals were accomplished most effectively by practical means, such as fixing the economic problems of nations.<sup>31</sup> He was convinced that Dollar Diplomacy would result in peace among nations and would help the United States to find markets for its surplus products. The Admiral thought that the United States should take part in the solution of the economic problems of the world and it should start in the Near East by providing "assistance, advice and sympathy."<sup>32</sup> Bristol believed just as strongly that the United States needed to have foreign markets to absorb its surplus production of all kinds. It was commonly believed that U.S. production capacity would exceed demand. Therefore, the United States should begin to look for new markets because "in a very few years the old European countries that were knocked out by the Great War would be back on their feet" and demand their share.<sup>33</sup> Britain was already demanding the resources of the Near East for itself.

In 1919 when Bristol arrived in Constantinople, the capital of the Ottoman Empire, it had been under Allied occupation for almost a year. It took the Allied governments another year to make a peace treaty with the Ottoman Empire because their first priority was to deal with Germany. The Allied governments and the Ottoman Empire finally signed the Treaty of Sèvres in the summer of 1920, which certified the British mandate over Iraq and Palestine, French dominance in Syria and Lebanon, and Greek control of western Asia Minor and Thrace. Several islands including Rhodes on the Aegean Sea

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29. Mark L. Bristol to Allen W. Dulles, Department of State, July 28, 1923, Box 39, File: Correspondence June, 1-31 1923, p. 9.

30. Mark L. Bristol to Basil Miles at Rome, International Chamber of Commerce, March 12, 1923, p.4.

31. Mark L. Bristol to Allen W. Dulles, Department of State, January 19, 1923, Box 38, File: Correspondence December 1-29 1922, p.6.

32. Mark L. Bristol to T. C. Perkins, Perkins and Company, January 25, 1924, Box 41 File: Correspondence December 15-31, 1923.

33. Mark L. Bristol to Julius H. Barnes, President of the Chamber of Commerce, October 30, 1923, Box 40, File: Correspondence July 1-31 1923, p.3.

were given to Italy; Armenians and Kurds were slated to have a national land in Eastern Anatolia; and Turks would have a small national land in central Anatolia. Although the Ottoman government signed the Treaty, a Turkish nationalist movement was growing rapidly against the occupation of Asia Minor by Greece.

In May 1919, Greek forces crossed the Aegean Sea and occupied Smyrna. This occupation and their movement towards central Anatolia caused an uproar among many Turks. During the next two years, under the leadership of Mustafa Kemal [Atatürk] Pasha, the Turks rejected the terms of the Sèvres Treaty and fought a successful war against Greek occupation. Thus, in early 1921, there were two governments, the Ottoman government in Constantinople and the Turkish nationalist government in Angora. Sensing the strength and possible success of the Angora government, the American High Commission decided to open negotiations with them. In fact, the Russian, French and Italian governments already had diplomatic relations with the nationalists. The French and Italians were trading with the nationalists through the cities of Samsun and Trabzon on the Black Sea region.<sup>34</sup> In need of money and legitimacy, the nationalists welcomed relations with the United States and wanted American companies to invest in the region.

The U.S. High Commission and the Angora government began to communicate in early 1921. Julian Gillespie, the U.S. Commercial Attaché, helped Bristol to identify investment opportunities and revitalize the Chester Concession. Late in March, Clarence K. Streit, journalist from the *Philadelphia Public Ledger*, returned from a visit to the Angora government and informed Gillespie that Mustapha Kemal Pasha and other high officials of the nationalist government wanted a commercial representative of the American government to come to Angora. The nationalists needed agricultural machinery, automobiles, trucks and railroad equipment in Anatolia. They preferred U.S. investment because they believed that unlike Britain, the United States had no political ambitions for the region. In another instance, Robert McDowell, an American relief worker at Samsun, informed Admiral Bristol that officials of the Angora government repeatedly requested that a U.S. commercial delegate be sent to Angora to talk over possible business relations.<sup>35</sup>

Gillespie suggested to the Department of Commerce that an official trip to Anatolia would be beneficial to U.S. interests. He proposed to secure information concerning construction of railway lines—the Chester Concession—that would connect major Anatolian

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34. Julian Gillespie to the Director of the Department of Commerce, Roy S. MacElwee, March 31, 1921, Constantinople. RG 151 Records of the Bureau of Foreign and Domestic Commerce, General Records, 1914-1958. Trade Promotion Europe, Near East, Canada, & Alaska 448, Russia (Trade w/U.S, 1939-Vanderlip)-449, Near East (Arabia) (Hereafter referred to as RG 151) Box No. 1990. Entry 1. (RG 151, Stack Area 570, Row 52, Compartment 23, Shelf 07, United States National Archives, College Park). Folder: Turkey – Discrimination Against American Interests.

35. Julian Gillespie to the Director of the Department of Commerce, Roy S. MacElwee, March 31, 1921, Constantinople.

cities. Gillespie was also interested in finding out the extent of agricultural machinery needs in Anatolia, as well as discovering other materials for import such as tobacco, opium, wool and mohair.<sup>36</sup> From late December 1921 to early January 1922, Gillespie spent time in and around Angora making inquiries concerning the economic situation, transportation facilities, mines and ports of Anatolia with a view to interesting American capital investment.<sup>37</sup> At the end, he was convinced that there were many opportunities for American investment. The Angora government officials welcomed Gillespie's assessment and promised to assist American capitalists.<sup>38</sup> Mustafa Kemal Pasha told Gillespie that he would be pleased to see American capital participate in the task of recreating Anatolia.<sup>39</sup>

Gillespie informed Bristol that the Turks were going to fight till the end to regain the national pact territories.<sup>40</sup> He reported that the Turks seemed to be tolerant towards Christians but there was an antagonism to the interference of religion in politics, whether Christian or Muslim. They did not have Bolshevik inclinations and fully realized that both their religious and economic organization precluded Bolshevism. They were eager to give the U.S. options on certain construction work and natural resources in order to prevent monopolization of the European Powers through the peace treaty. There was a disposition to revive the Chester Concession and a willingness to discuss American participation in the exploitation of Kurdistan's oil.<sup>41</sup>

Admiral Bristol played a major role in obtaining the concession.<sup>42</sup> He believed that such a business venture would permit the United States to legitimately influence European political affairs without the U.S. government's entering into any entangling alliances.<sup>43</sup> The State Department gave a green light to Bristol to support the Chester Concession. In a telegram dated November 29, 1922, Secretary of State Charles Evans Hughes asked Bristol to keep the State Department informed about the status of the Chester negotiations with the Angora government, with a special reference to territory covered and modifications of any original projects.<sup>44</sup> Around the same time, Admiral Bristol provided Arthur Chester, the son of the man who obtained the origi-

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36. Julian Gillespie to the Director of the Department of Commerce, Roy S. MacElwee, March 31, 1921, Constantinople.

37. *Bosphore*, December 29, 1921, RG 151.

38. *Akşam*, January 4, 1922, RG 151.

39. *Le Reveils* January 2, 1922, RG 151.

40. Mark L. Bristol to Secretary of State, February 21, 1922, Box 77 File: Turkey-Commercial 1922, Bristol Papers.

41. Mark L. Bristol to Secretary of State, February 21, 1922, p.2.

42. Mark L. Bristol to Allen W. Dulles, Department of State, July 28, 1923, Box 39, File: Correspondence June, 1-31 1923), p.5.

43. Mark L. Bristol to Allen W. Dulles, Department of State, July 28, 1923, p.8.

44. Charles Evans Hughes to Mark L. Bristol, November 29, 1922, Box 77 File: Turkey-Commercial 1922.

nal concession in 1909, with an official letter so that he could travel around Anatolia freely and sign a concession deal with the Angora government.<sup>45</sup> Turkish officials promised that they would seek to pass the concession in the Parliament.

While Bristol was attending the first Lausanne Conference in 1922, Arthur Chester sent him a letter and requested that the U.S. support the Chesters' claims in Mosul. Chester explained that the Turks hoped to harm the British claims in the region by encouraging American investment in Mosul. Chester further explained that according to his father, Mosul was not a part of Mesopotamia. Since it was east of the Tigris river, it was not included in the English mandate, and therefore it was legally an integral part of Turkey. Chester concluded that U.S. government support would have great bearing on the value of the concession.<sup>46</sup> Bristol and the State Department heard this request and crafted their Lausanne strategy around supporting the Chester Concession.

#### FIRST CONFERENCE

At the end of 1922 the Greek army in Asia Minor was crushed by the Turkish nationalists. The Allied powers accepted the fact that they could not impose the Sèvres Treaty upon the Turks anymore. In order to resolve the Eastern Question once and for all, the Allied governments and the countries around Turkey sent their finest diplomats to the Alpine city of Lausanne in Switzerland in November 1922. They wanted to pressure the Turks into signing a treaty that would allow them to establish their own semi-autonomous country. The Allied powers wanted Turkey to pay for war reparations as well as to maintain the capitulations. They hoped that the new Turkish nationalist government would sign a watered down version of the Sèvres Treaty. Having just beaten the Greeks on the battlefield and consolidated their power in Anatolia, however, the Turks came to Lausanne self-confident and with a desire to have complete independence. The Turks believed that they held enough cards to abolish the capitulations and gain as much territory as possible.

The U.S. government decided to attend the Lausanne Conference just as an observer. Although they joined the Great War on different sides, the Ottoman Empire and the United States never officially declared war on each other. Therefore, the U.S. policy makers did not think it was necessary for the United States to officially make peace with

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45. U.S. High Commission Office at Constantinople to Mark L. Bristol at Lausanne, November 29, 1922, Box 69 File: Lausanne Conference 1922. On this document, Chester requested another support letter similar to one he received from Bristol in August 1921.

46. Arthur Chester to Mark L. Bristol, October 22, 1922, Box 41 File: Correspondence Oct. 13-31 1923, p.2.

the Turks. When the United States entered the Great War on the side of the Allied powers in 1917, the Ottoman Empire severed its relations with the United States and denounced the capitulations as the basis of their relations.<sup>47</sup> The U.S.'s objective at Lausanne was to reestablish pre-war relations with the Turkish government—*i.e.*, maintain the capitulations, prevent the Allies from establishing spheres of influence in the Near East, and protect the newly emerging Chester Concession.

It was additionally important to the Department of Commerce that the United States should be represented at Lausanne because the present occupation regime excluded the Americans and prevented them from investing freely in the region. The entire U.S. standing in this part of the world, the commercial attaché Paul Edwards maintained, could be injured. According to Edwards, Turkey was a gateway to the Danube countries, Southern Russia, Transcaucasia, Turkistan, Persia and Anatolia, and “any discussion of a revision of the Sèvres Treaty also raised the question of the status of territorial disposition of Syria, Palestine and Mesopotamia.”<sup>48</sup>

The United States was represented by three diplomats: Mark L. Bristol, Richard Washburn Child, Ambassador to Italy, and Joseph C. Grew, Ambassador to Switzerland. In his diary, Grew confided that the chief obstacles were going to be capitulations, financial clauses, and Mosul.<sup>49</sup> Child, head of the U.S. delegation, talked to the Turkish delegate to discover the Turkish strategy. The Turks indicated that they did not want mandates, zones of influence, secret clauses, or a territorial home for Armenians or other minorities. The Turks wanted American development equal to or exceeding participation of any other nation in the Mosul oilfields. They expressed full willingness to protect American philanthropic, educational and religious organizations.<sup>50</sup> Throughout the first and second conferences, the Turks tried to conclude a separate treaty with the United States in order to have bargaining chips against Britain and France.<sup>51</sup>

One of the attendees of the opening ceremony was Benito Mussolini, the newly elected Prime Minister of Italy. In his meeting with Child and Grew, he opined that the French and British had different agendas. He thought that the Turks were absolutely stubborn and predicted an early breakdown of the Conference.<sup>52</sup> Mussolini's forecast turned out to be true.

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47. Edward W. Turlington, “The American Treaty of Lausanne,” in *World Peace Foundation Pamphlets* (Boston: World Peace Foundation, 1934), p.565.

48. U.S. High Commission at Constantinople to Director of the Bureau of Foreign and Domestic Commerce, Department of Commerce, February 11, 1922, RG 151, p.7.

49. Joseph C. Grew Diary, January 3, 1923, an unpublished diary, No.22, Joseph Grew Papers (Houghton Library, Harvard College Library), p.3.

50. Joseph C. Grew Diary, November 22, 1922 (unpublished diary), p.161.

51. Joseph C. Grew Diary, November 29, 1922 (unpublished diary), p.175.

52. Joseph C. Grew Diary, November 20, 1922 (unpublished diary), p.154.

The Conference began with a welcome speech from Robert Haab, the President of the Swiss Confederation. Then Lord Curzon, the Chairman of the Conference from Britain, made a speech and explained the structure of the meeting. No other speeches were planned in the opening session, but İsmet Pasha [İnönü], the head of the Turkish delegation, arose and made a speech, “controversial and threatening in tone.”<sup>53</sup> In the speech, İsmet Pasha blamed the Western powers for all the misery that Near Eastern peoples had to endure.<sup>54</sup> Grew looked at Mussolini’s face at that moment and Mussolini appeared as if he was about to lunge at İsmet Pasha’s throat.<sup>55</sup>

İsmet Pasha was a soldier, not a diplomat. He came to Lausanne because Mustafa Kemal trusted him most. Although İsmet Pasha was not the ablest negotiator, Mustafa Kemal knew him to be neither a Bolshevik nor an Anglophile. In addition to his lack of diplomatic skills, İsmet Pasha was almost completely deaf. His secretary sat beside him and took notes so that he could read them as they were written. That was why there was always a delay in the Turkish delegate’s response to the discussed issues. The other delegates found this delay nothing but irritating.<sup>56</sup> Grew did not have a high opinion of İsmet Pasha’s intelligence.<sup>57</sup> İsmet Pasha, however, would play a crucial role in the creation of an independent Turkey by sometimes playing the role of a clueless deaf man, sometimes a victorious general, and sometimes a drinking buddy of Grew and Child.

Early in the Conference, Child declared to the Allied diplomats that the United States was against any type of special privileges in the Near East. This statement, Grew described, had “a bombshell effect.” The Allied representatives realized that the United States was going to press for open access in the region. It was clear to them, especially Britain, that the rationale behind this statement was oil. Later, journalists asked Grew if Child’s speech would be interpreted as the U.S. interfering in European affairs, but Grew rejected this idea.<sup>58</sup> Child later made a speech to the delegates and said that the United States was here to protect U.S. interests: commercial, humane and financial. In that speech, Child indicated that the United States did not seek “special privilege or favor”—just an “open door” for all powers in the Near East, freedom of the Straits and the Black Sea, and the safety of the minority populations.<sup>59</sup>

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53. Joseph C. Grew Diary, November 20, 1922 (unpublished diary), p.154.

54. *Lausanne Conference on Near Eastern Affairs, 1922-1923. Records of Proceedings and Draft Terms of Peace*, Presented to Parliament by Command of His Majesty (London: Majesty’s Stationary Office, 1923).

55. Joseph C. Grew Diary, November 20, 1922 (unpublished diary), p.154.

56. Joseph C. Grew Diary, November 24, 1922 (unpublished diary), p.170.

57. Joseph C. Grew Diary, February 4, 1923 (unpublished diary), p.60.

58. Joseph C. Grew Diary, November 25, 1922 (unpublished diary), p.171.

59. Joseph C. Grew Diary, January 31, 1923 (unpublished diary), p.43.

At a sub-committee meeting, Italian and British delegates spoke in favor of an Armenian state in eastern Anatolia on January 6.<sup>60</sup> Dr. Rıza Nur, the second man in the Turkish delegation, interrupted the speech and left the committee room. The Allied representatives protested against this action of the Turks.<sup>61</sup> This was an early indication that it was not going to be easy or even possible to formulate any concrete plan for minority independence peacefully.<sup>62</sup> The Armenian homeland issue was not raised again seriously after this stand off. At the other sub-committee meetings, Turks rejected every Allied attempt to limit the new republic's sovereignty. It was obvious that the Allied diplomats could not make a satisfactory agreement with the Turks regarding capitulations, debt control, and the status of minorities.<sup>63</sup>

During the Conference, the Turkish and the American delegates were friendly towards each other. For instance, the Turks gave a dinner party at the hotel in which they were staying. Afterwards, İsmet Pasha refused to let Grew and Child depart. All three of them instead went to a private room and İsmet Pasha drank so fast that Grew was stunned. Grew and Child promised that they would take İsmet Pasha to the United States and show him Niagara Falls, the Grand Canyon and the White House if he signed two treaties—one with the Allies and one with the United States.<sup>64</sup> The U.S. delegates reciprocated by arranging an official dinner for the Turks. The Turks said they were happy with the U.S. attitude in general, although they were disappointed by the U.S. support for an Armenian national home. They appreciated, however, that the United States had to take this stand because of the American public's support for the Christian minorities in Turkey.<sup>65</sup> It was, after all, the Turks' struggle with Britain for Mosul during the Conference that brought the countries together.

At the Conference, İsmet Pasha claimed Mosul for the Turks because it belonged to the Ottoman Empire before the Great War and the population of the region consisted of Turks and Kurds.<sup>66</sup> Lord Curzon countered by pointing out that the Turks were now only 12 percent of the population. Curzon further explained that Britain gave a promise to the Arab nations to protect their independence; that Kurds were not Turks; and they did not want to live under Turkish rule. Mosul traded with

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60. In his telegram to the Turkish Prime Minister three weeks earlier, İsmet Pasha indicated that Britain and France planned to advocate for an Armenian homeland. Thus, he believed, they wanted to use the Armenian state issue as a bargaining chip to keep the Turks in check in their quest for Mosul (Bilal N. Şimşir, *Lozan Telgrafları: Türk Diplomatik Belgelerinde Lozan Barış Konferansı* (Ankara: Türk Tarih Kurumu Yayınları, 1990), 1, p.167.

61. Joseph C. Grew Diary, January 6, 1923 (unpublished diary), p.5.

62. Joseph C. Grew Diary, January 6, 1923 (unpublished diary), p.7.

63. Joseph C. Grew Diary, January 8, 1923 (unpublished diary), pp.7-8.

64. Joseph C. Grew Diary, January 18, 1923 (unpublished diary), p.22.

65. Joseph C. Grew Diary, January 29, 1923 (unpublished diary), p.39.

66. Joseph C. Grew Diary, January 23, 1923 (unpublished diary), p.28.

Aleppo, Syria and Baghdad, not Anatolia. Turkish control of Mosul was bad for the security of Iraq. Curzon denied the Turkish allegations that Britain was in the region to exploit the oil reserves.<sup>67</sup> Curzon said that they recognized the right of the Turkish Petroleum Company, but that the oil should be open to all nations, and Britain was prepared to send the Mosul case for arbitration to the League of Nations. İsmet Pasha rejected arbitration and offered a plebiscite instead. Curzon countered by saying that a plebiscite was not reliable because the population was illiterate. At the same meeting, Child commented that the United States appreciated Britain's efforts to keep Mesopotamia open for other nations. He, however, felt it necessary to refer to Curzon's specific mention of the validity of the claims of the Turkish Petroleum Company.

Having observed the negotiations between Turkey and Britain over Mosul, the U.S. delegate decided to support Turkey's claim in early January. While the Conference was taking place, a group of Americans were in negotiations with Turkish officials in Angora in order to revitalize the Chester Concessions. When obtaining this concession became a strong possibility in early January, the U.S. delegate informed İsmet Pasha that if his government granted the concession, the United States would support Turkish claims in Mosul.<sup>68</sup> Although the documents under study are silent on the Turkish response, the following events indicate that the Turks must have accepted this offer. That was why, perhaps, Child indicated in late January that Britain did not have the right to claim the Mosul region.<sup>69</sup>

Almost two months after the Conference started, there was no sign of a consensus at the sub-committee meetings. Finally, France and Britain agreed to give an ultimatum to the Turks. If the Turks did not sign the treaty, the Allied diplomats threatened to leave Lausanne.<sup>70</sup> The Turks were in a state of "dazed and childish stupidity," Grew confided in his diary, without the ability to yield or to make any constructive suggestions.<sup>71</sup> The final day of the Conference came on February 4, 1923. Bristol, Child and Grew went to the hall that led to Curzon's room where the Allied powers met with İsmet Pasha. The hall was packed with diplomats and journalists. İsmet Pasha appeared at the door, "descending the stairs followed by his delegation; he took off his bowler hat, and bowed right and left to the crowd in the hall, smiling broadly and left the hotel."<sup>72</sup> The Conference was broken without any prospect for peace.

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67. Joseph C. Grew Diary, January 23, 1923 (unpublished diary), p.29.

68. Bilal N. Şimşir, *Lozan Telgrafları*, 1, p.340.

69. Joseph C. Grew Diary, January 23, 1923 (unpublished diary), p.31.

70. Joseph C. Grew Diary, February 3, 1923 (unpublished diary), p.53.

71. Joseph C. Grew Diary, February 2, 1923 (unpublished diary), p.48.

72. Joseph C. Grew Diary, February 4, 1923 (unpublished diary), p.56.

## CHESTER CONCESSION REVITALIZED: AN OPEN DOOR DIPLOMAT IN CONSTANTINOPLE

On April 9, 1923, in between the two meetings of the Lausanne Conference, the Chester Group received a concession from the Turks in the name of the Ottoman-American Development Company (OADC).<sup>73</sup> The concession included road and railway buildings, construction of public utilities, creation of a new capital in Ankara, new harbors in the Mediterranean and the Black Sea, and development of oil and mineral resources along the lines of the railroad for 99 years. The concession included the oil reserves in Mosul as well.<sup>74</sup> According to the concession, the exclusive railway, mineral and oil concessions covered twenty kilometers on either side of a 2,400-mile right-of-way, beginning in Angora and covering today's eastern Anatolia and northern Iraq. OADC estimated it would spend one billion five hundred million dollars for the entire construction project.<sup>75</sup>

By granting the Chester Concession, the Turks made progress towards their short and long term objectives. In the short term, the Turkish government wanted to divide the Allied front by bringing the United States to its side. The Turks understood that the United States would not allow Britain to have exclusive rights in Mosul. The Turks decided that they would rather have political authority over Mosul and let the United States exploit its underground resources than surrender the region entirely to Britain. In the long run, Turkey needed money and technical assistance to rebuild its destroyed and bankrupt country. In their dealing with Admiral Bristol, the Turks showed that they preferred U.S. development and assistance, which would help the Turks rid themselves of the European imperialism under which they suffered for centuries.<sup>76</sup> The Chester Concession railway system was considered vital by the Turks for the future defense of the country. In a newspaper interview, Ahmed Muhtar [Mollaoğlu] Bey, chief engineer of the Eastern Railways, who was also the first Turkish Ambassador to the United States in 1927, indicated that the railways were essential to his country's future.<sup>77</sup>

The timing of the concession's ratification was not a coincidence. Preparing for the second meeting at Lausanne, the Turkish government planned to make a final push for its Mosul claim. By granting the Chester Concession to the Americans, the Turks gambled that this would influence the United States to back Turkey in their struggle to include Mosul in the new republic. Furthermore, the Turks calculated that even if they

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73. Herbert Feis, *The Diplomacy of the Dollar*, p.55.

74. Herbert Feis, *The Diplomacy of the Dollar*, p.56.

75. Benjamin Gerig, *The Open Door and The Mandates System*, p.146.

76. Mark L. Bristol to Allen W. Dulles, Department of State, July 28, 1923, Box 39, File: Correspondence June, 1-31 1923, Bristol Papers, p.6.

77. RG 43, Records of International Conferences, Commissions, and Expositions. Folders 26-75 Box 4, Entry 121, Folder: Press, *Aksham*, April 17, 1923.

could not obtain Mosul, they would use the case to score in other fields such as getting rid of financial and judicial capitulations. That was why the Turkish government compelled the members of the National Assembly to attend a Sunday meeting. In this Grand Assembly session, Rauf [Orbay] Bey, the Prime Minister, claimed that the Chester Concession would help Turkey militarily and economically.<sup>78</sup> The Assembly easily secured the ratification of the concession by a large majority.

France immediately protested the Chester Concession.<sup>79</sup> On April 16, the French Ambassador informed the U.S. Department of State that the right to build certain railroads in Anatolia before the war had been granted to the French in consideration of a loan to the Turks of a billion francs. France had already loaned about half the money and had started construction before the war broke out. While the French supported the Open Door policy, they considered it inconsistent with that principle for one concession to be annulled and another to be granted in its place. The Ambassador further explained that the Department had incomplete information regarding the Chester Concession.<sup>80</sup> Britain also protested the concession on the ground that Mesopotamia was not under Turkish jurisdiction.<sup>81</sup>

Now that the French and British were hostile to Chester, Bristol believed that American prestige required that Chester be given effective support. The Department of State recognized the ratification of the Chester Concession as a triumph of Open Door policy that would prevent the British from claiming the region for themselves. The Department instructed Joseph Grew, on the day he was to depart for Lausanne for the second conference, that the United States should aggressively support the Chester Concession at the Conference.<sup>82</sup>

## THE SECOND LAUSSANNE CONFERENCE

On April 21, 1923, Joseph Grew boarded a train in Bern to return to Lausanne.<sup>83</sup> This time he was hopeful that there would be an end to the Eastern Question. His optimism came from the fact that the Allied nations had come to realize that they must rec-

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78. RG 43, Records of International Conferences, Commissions, and Expositions. Folders 26-75 Box 4, Entry 121, Folder: Press, *İkdam*, April 14, 1923.

79. April 21, from the U.S. Embassy at Paris to the American Mission at Lausanne, File: 24 Concession 1 of 2, Box 3. RG 43 Records of International Conferences, Commissions, and Expositions. International Conference Records U.S. Mission Lausanne Conference Second Phase Records. General Records, April-August 1923, Folders 17-24 Second Committee. Entry 121 (Hereafter referred to as RG 43).

80. Department of State to the Lausanne Mission, April 27, 1923, RG 43.

81. U.S. Embassy at London to the Mission, May 4, 1923, RG 43.

82. U.S. Embassy at London to the Mission, May 4, 1923, RG 43.

83. Joseph C. Grew Diary, April 21, 1923 (unpublished diary), p.73.

ognize the complete sovereignty of the new Turkish Republic. That was why there was a consensus among them that they were not going to seek economic and judicial interference in the new republic's affairs. Grew predicted that the main focus of the second meeting at Lausanne was going to be pre-war concessions.<sup>84</sup> Before the conference, the British delegate warned that the Turks would try to play one party against the other.<sup>85</sup> It was too late, however, as the Turkish National Assembly ratified the Chester Concession two weeks earlier, thereby making the United States an interested party for the Near Eastern oil reserves.

Joseph Grew headed the U.S. mission to the Conference; both France and Britain were represented by their respective commissioners in Constantinople, General Maurice César Joseph Pellé and Sir Horace Rumbold; the Italian delegation was headed by Giulio Montagna, Minister to Athens; and once again the chief Turkish negotiator was İsmet Pasha. The U.S. delegate repeated its strategy from the first conference and joined the second meeting as observer.<sup>86</sup> Grew informed the Allied representatives that they were ready to cooperate, but did not intend to involve themselves in the negotiations.<sup>87</sup> Because the U.S. objective was to have a fair share of the Near Eastern oil reserves through the Chester Concessions, the U.S. Secretary of State Hughes asked Grew to eliminate any obstacles at the Conference that would endanger the Concessions.<sup>88</sup> During the negotiations, the United States remained the only power that rejected the Allied concession requests.<sup>89</sup>

Turkey's goal was to terminate the capitulations, remove the Ottoman debts, and take back Mosul. The Turks broke the negotiations once before and they would not have hesitated to break it again even if it resulted in war. İsmet Pasha was adamant that capitulations had been abolished after September 1914 when the Ottoman Empire had entered the Great War and sent a note to all capitulatory powers that capitulations were no longer tolerated by the Ottoman Empire.<sup>90</sup> İsmet Pasha established that foreigners in the country could continue to live and do business, but they were bound to the new Turkish laws.<sup>91</sup>

On April 22, İsmet Pasha proposed to Grew that the two countries strengthen their economic relations, not only by concluding a treaty but also with economic concessions. After all, the Turks showed their good faith by granting the Chester Concession. He stat-

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84. American Mission at Lausanne to the U.S. Embassy in London, June 6, 1923, File: London Embassy, Box 1, RG 43.

85. Joseph C. Grew Diary, May 1, 1923 (unpublished diary).

86. The Department of State to the U.S. Embassy at Bern, April 19, 1923, File: 20 American Delegation, Box 3, RG 43, p.2.

87. Joseph C. Grew to the Department of State, April 27, 1923, Lausanne, Folders 26-75 Box 4, RG 43.

88. The Department of State to the U.S. Embassy at Bern, April 19, Box 3, File: 20 American Delegation, RG 43, p.6.

89. The American Mission at Lausanne to the Department of State, July 7, Box 3, File: 24 Concession 2 of 2, RG 43.

90. Joseph C. Grew to the Department of State, April 27, 1923, Box 1, File: 9A, 1 of 5, RG 43.

91. Joseph C. Grew to the Department of State, May 1, 1923, Box 1, File: 9A, 1 of 5, RG 43.

ed categorically to Grew that no step that he might take at Lausanne would in any manner prejudice valid U.S. rights.<sup>92</sup> İsmet Pasha mentioned that General Pellé planned to bring up the Chester Concession at the Conference, and he asked what the U.S. response would be. Grew simply indicated that the United States always protected its legitimate rights.<sup>93</sup> Grew understood that the Turks would not accept the most-favored nation clause, and would demand reciprocity from the United States.<sup>94</sup> The Turks pointed out that they considered the Treaty of 1830 with the United States to be abrogated and that there were no consular conventions drawn up since the abolition of the capitulations. Therefore, they wanted to negotiate a separate convention. According to the Turks, all pre-war treaties were capitulatory. The capitulations were abolished; therefore, the pre-war treaties were abolished.<sup>95</sup>

After the conclusion of the first Lausanne Conference, France no longer had any territorial ambitions in the Near East. The primary French goal was to recover some of the pre-war investments in the Near East. In that regard, General Pellé informed Grew that the Chester Concession touched French interests in the Samsun-Sivas railway on the Black Sea region and the development of the port of Samsun. Pelle further explained that France had negotiated for the Samsun-Sivas railway with the Ottoman officials in Paris and Constantinople in 1914 and provided for a French loan of eight hundred million francs for the Ottoman government. These agreements were confirmed by an Imperial law on April 8, 1914. The Ottoman parliament approved it in June and the Parliament passed a law confirming the loan on July 14, 1914.<sup>96</sup> France paid an advance of five hundred million francs and started building the railway. Three weeks later work stopped due to the outbreak of war between France and Germany.<sup>97</sup> In February 1922 Hamid Bey, the representative in Constantinople of the Grand National Assembly, gave General Pellé assurances that the French pre-war concessions would be respected. General Pellé informed Grew that the French government did not wish to interfere with the Chester Concession but that it would demand compensation in some other form.<sup>98</sup> Later in the Conference, Grew urged İsmet Pasha to compensate the French company; because Grew was involved, İsmet Pasha guaranteed compensation to France.<sup>99</sup>

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92. Joseph C. Grew to the Department of State, July 8, 1923, RG 43, Box 4.

93. Joseph C. Grew Diary, April 22, 1923 (unpublished diary), p.77.

94. Joseph C. Grew to Mark L. Bristol, May 17, 1923, RG 43, Box 4, Folder 31, p.2.

95. Joseph C. Grew to Mark L. Bristol, May 17, 1923, p. 1 (Separate letter from RG 43, Box 4, Folder 31).

96. The American Mission at Lausanne to the Department of State, May 29, 1923, File: 24 Concession 1 of 2, Box 3, RG 43, p.1.

97. The American Mission at Lausanne to the Department of State, May 29, 1923, File: 24 Concession 1 of 2, Box 3, RG 43, p.2.

98. The American Mission at Lausanne to the Department of State, May 29, 1923, File: 24 Concession 1 of 2, Box 3, RG 43, p.2.

99. The American Mission at Lausanne to the Department of State, June 6, 1923, File: 24, Concession 1 of 2, Box 3, RG 43, p.5.

The head Italian delegate, Montagna, expressed hope that Italy and the United States might work together in the Near East. He believed that in contrast to France, Italy, with an increasing birth-rate and vigorous laboring population, must have room for expansion. That Italy looked toward infiltration of Asia Minor was no secret. Grew told him that beyond equal economic opportunity the United States had no political interest in Turkey. Montagna answered that political influence naturally followed economic influence and that in about twenty-five years when the new Turkish republic finally crumbled, both the United States and Italy shall be among those present. He said Italy was politically weak but it was militarily, sociologically and philosophically strong.

Britain wanted mandates over Mosul and Palestine, as well as a safe evacuation of Constantinople.<sup>100</sup> During the negotiations, the British delegate used other matters—judicial and economic concessions and war reparations—as bargaining chips in order to control the oilfields. Early in the Conference, the matter of concessions was taken up in informal conversation between İsmet Pasha and the European Allies. These delegates requested that concessions signed before August 1, 1914 be confirmed as well as concessions for which the regularization had begun but not been completed before August 1, 1914.<sup>101</sup> This would be a blow for the Chester Concession as the request would validate the Turkish Petroleum Company's claims in the region. Feeling the pressure, İsmet Pasha asked Grew to make presentations on this subject to the Allied delegates.<sup>102</sup>

İsmet Pasha visited Grew on June 6. He complained that the other Allied delegates were forcing him to sign a treaty confirming pre-war concessions that were not legally valid. He warned Grew that this move was specifically directed against the Chester Concession and that he might be forced to yield in the interest of peace. When İsmet Pasha asked for Grew's opinion, Grew said that Turkey had fought for its sovereignty and should not yield on such an important question. When İsmet Pasha asked about the U.S. response if the Turks should yield, Grew declared that the United States would not accept the principle of legalization of pre-war concessions. In other words, the United States was not going to leave Mosul to the British. Receiving the exact response he sought, İsmet Pasha kissed Grew on both cheeks. The Turks now had the Americans behind them, which would make it more difficult for the British and French to push the Turks around at the Conference.<sup>103</sup>

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100. The American Mission at Lausanne to the Department of State, June 5, 1923, File: 24 Concession 1 of 2, Box 3, RG 43.

101. Joseph C. Grew to Mark L. Bristol, June 5, 1923, RG 43, p.1.

102. Joseph C. Grew to Mark L. Bristol, May 17, 1923, Box 4, Folder 31 RG 43, p.1.

103. American Mission at Lausanne to the Department of State, June 6, 1923, File: 24, Concession (1 of 2), p. 1. Box 3. RG 43.

104. Joseph C. Grew to the Department of State, June 26, 1923, File: 9A (1 of 5), Box 1, RG 43.

After long negotiations, the Turks and the British agreed to settle the Mosul boundary issue within nine months after the signing of the Lausanne Treaty. If it was not settled by then, it would be referred to the League of Nations.<sup>104</sup> Grew proudly informed the State Department that there was not going to be any mention of the Turkish Petroleum Company nor any prior or future concessions in the treaty. The U.S. mission successfully eliminated from the treaty all of the objectionable provisions relating to concessions.<sup>105</sup>

After Turkey signed the Lausanne Treaty with the European Allies, the United States signed a separate treaty with Turkey, which established equal relations between the two countries. The United States achieved its two primary goals at the Conference: preventing Britain from extending its sphere of influence in the Near East and continuing the Chester Concession. While the U.S.'s 1920's foreign policy mentality dictated an aggressive Open Door policy, the Turkish receptiveness towards American capital in the region was instrumental to accomplishing this mission. By granting the Chester Concession at just the right time, the Turks caused tension between the Allies and the United States. In the end, Britain recognized in principle American interests in the region. Although the Turks ultimately failed to assert their control over Mosul, the issue helped them to end the Allied occupation of Asia Minor and create a fully independent state.

The U.S. policy makers' main objective during the Lausanne Conference was to protect the recent privately-received Chester Concessions. The Chester Concessions exemplified the increasing significance of Near Eastern underground resources to big businesses and policy makers in industrialized countries. The Turkish National Assembly confirmed the Chester Concessions shortly before the assembly of the second Lausanne Conference in April 1923 in order to pave the way for U.S. support of Turkish claims against Britain and France during the conference. It can be postulated that the Turks successfully manipulated the United States, using Open Door policy, to prevent Britain and France from imposing what would have been a disadvantageous treaty from the Turkish perspective.

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105. Joseph C. Grew to the U.S. Embassy in Paris, July 18, 1923, File: Paris Embassy, Box 1, RG 43.

