# The Open Door Policy: Doing Business in China

China was in political and economic disarray as the end of the 19th century approached. The giant was not recognized as a sovereign nation by the major powers, who were busy elbowing one another for trading privileges and plotting how the country could be partitioned. The imperial nations sought [spheres of influence](http://www.u-s-history.com/pages/h901.html)and claimed [extraterritorial rights](http://www.u-s-history.com/pages/h358.html) in China.

The United States took Far Eastern matters more seriously after the [Spanish-American War](http://www.u-s-history.com/pages/h820.html), when they came into possession of the Philippines. In the fall of 1898,[President McKinley](http://www.u-s-history.com/pages/h809.html) stated his desire for the creation of an "open door" that would allow all trading nations access to the Chinese market. The following year, Secretary of State [John Hay](http://www.u-s-history.com/pages/h853.html) sought a formal endorsement of the concept by circulating diplomatic notes among the major powers, enabling the secretary to be credited with authoring the Open Door policy.

Hay’s proposal for an Open Door Policy called for the establishment of equal trading rights to all nations in all parts of China and for recognition of Chinese territorial integrity (meaning that the country should not be carved up). The impact of such an Open Door Policy would be to put all of the imperial nations on an equal footing and minimize the power of those nations with existing spheres of influence.

No nation formally agreed to Hay’s policy; each used the other nations' reluctance to endorse the Open Door as an excuse for their own inaction. An undeterred Hay simply announced that agreement had been reached. Only Russia and Japan voiced displeasure.

On the surface, it appeared that the United States had advanced a reform viewpoint, but the truth was otherwise. The U.S. had no [sphere of influence](http://www.u-s-history.com/pages/h901.html) in China, but had long maintained an active trade there. If other nations were to partition China, the United States would likely be excluded from future commercial activities. In short, Hay was simply trying to protect the prospects of American businessmen and investors.

Challenges to the Open Door policy would be mounted frequently in the ensuing years, including the [Boxer Rebellion](http://www.u-s-history.com/pages/h902.html) of 1900 in which Chinese nationalists resorted to armed opposition in an attempt to end foreign occupation of their country; Japanese incursions into Manchuria following the [Russo-Japanese War](http://www.u-s-history.com/pages/h923.html); and the "21 Demands" levied by Japan on China in 1915.

An effort was made to shore up the Open Door in 1921-22 at the [Washington Naval Conference](http://www.u-s-history.com/pages/h1354.html), but a challenge was again mounted by the Japanese in the [1930s](http://www.u-s-history.com/pages/h1569.html) as they expanded their control in Manchuria.

China would not be recognized as a sovereign state until after [World War II](http://www.u-s-history.com/pages/h1661.html).

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