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THE INTERNATIONAL CONTEXT OF THE CONVENTIONAL TARIFF NETWORK,
CA. 1892-1914

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A European Political-Economic Space that Embraced Japan: The International Context of the Conventional Tariff Network, ca. 1892–1914

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Abstract:

This article sheds new light on the economic globalization in Europe and Asia from the late nineteenth to the early twentieth centuries, with a special focus on the role of bilateral commercial treaties and import tariffs. Countries concluded a number of treaties in those days, and they came to form an extensive ‘conventional tariff network’. This mechanism contributed to the stabilization of international economic-political space by facilitating reciprocal tariff concessions. The extent of this conventional tariff network was both temporally and geographically larger than has been assumed. First, as the recent scholarship has shown, the network, which emerged in the 1860s, survived the political turbulence of the 1890s and spanned Central European countries such as Germany and Italy by the early 1910s. Second, the network spread outside Europe and reached East Asia by the 1910s, when Japan renegotiated its commercial treaties and became a new member of the network. The network embodied so strong a mechanism of self-maintenance based on the coordination of economic interests that it was resilient to a major political shock such as the First World War. While the tariff systems in Europe and in East Asia around 1900 have been separately discussed in the literature, this paper focuses on the treaty partnership between these two areas to show how the mechanism of the conventional tariff network enabled the countries to cooperate for mutual concessions on international trade.

Keywords: Commercial treaty; network; international space; conventional tariff; global economic history; Central Europe and East Asia.

Introduction

The period from the late nineteenth century to the eve of World War I saw the rapid increase of world trade. Some historical economists have even called it the ‘first wave of globalization’.¹ Trade between Europe and Asia, for example, increased more than five times from 1840 to 1910.² It was not only growth in the total trade value; it was also accompanied by crucial transformations in diverse aspects of the economy, society, culture, and politics in those days. Distant areas such as Europe and Asia became closely connected through commercial, financial, and migrational ties. Trade facilitated international specialization of production, diffusion of technology, and diversification of consumption; it also necessitated the transition towards a variety of new political, colonial, and diplomatic systems.

Although there are various explanations for the international economic integration in the nineteenth century, researchers have recently tried to attribute it to the economic-diplomatic institutional mechanism that lay behind the conclusion of *bilateral commercial treaties* among different countries in Europe since the early 1860s. Among the different clauses of commercial treaties, the most important are those related to the level of *conventional tariffs* – which are imposed on goods coming from foreign countries. The level of tariffs was a result of diplomatic negotiations between the governments (and of debates between the liberals and the protectionists in the two countries). It has been revealed that the number of commercial treaties in the world showed a steady increase for the thirty years before the World War I.³ As a result, those countries ‘connected’ through treaties came to form an international network of treaty

¹ Collier and Dollar emphasize the growth of the share of merchandise exports in the world GDP before 1914. See Collier and Dollar, *Globalization, Growth and Poverty*, 23–26. A new estimate by Klasing and Milionis supports the idea of expansion of international trade in the late nineteenth century towards the era of the First World War, and reports that the ‘world’s level of trade openness in 1913 was comparable to that in 1974’. See Klasing and Milionis, ‘Quantifying Evolution of World Trade’.

² Sugihara, ‘Global Industrialization’, 126–27.

³ Pahre, *Politics and Trade Cooperation*, 306. Note that Pahre excludes from his database unequal treaties that European countries concluded with those in Africa and Asia (but he took Japan into consideration).

partners, in what is called a *conventional tariff network*. Social scientists have tried to explain political-economic mechanisms behind the maintenance and diffusion of such networks in Europe. By facilitating bilateral concessions and mutual cooperation, the tariff network contributed to the stabilization of the international trade policy regime in the period.⁴ As will be shown later, complexity of the treaty relationships increased the resilience of the entire international trade policy regime.

This paper demonstrates that the extent of the conventional tariff network is temporally and geographically much larger than has been assumed in the literature. First, while the previous literature has assumed that the conventional tariff network that supported Europe since the 1860s disappeared in the early 1890s, I argue that, in line with the recent scholarship, the conventional tariff network survived even after the 1890s, with its centre in Central Europe. Second, I will further show that the network expanded to East Asia by the 1910s and contributed to the robustness of the regime of world trade. Because the mechanism of the conventional tariff network was based more on negotiable economic interests than on political ties, it not only resisted the change in the international political landscape in the early 1890s, but also extended itself outside Europe. Indeed, the emergence and flourish of the conventional tariff network in Europe was in parallel to the drastic transformation of the international trade regime in East Asia. After the prohibitive trade policy of the Qing dynasty and the Tokugawa shogunate (*sakoku*) both ended due to the political-territorial pressure from the West in the mid-nineteenth century, hitherto isolated areas in East Asia were integrated into global economy and international diplomacy through the second half of the century and had to move to a new trade policy framework.⁵

⁴ Irwin, 'Multilateral and Bilateral Trade Policies'; Coutain, 'Multilateral and Bilateral Provision'; Coutain, 'Unconditional Most-Favored-Nation Clause'; Lampe, 'Effects of Bilateralism and MFN Clause'; Pahre, *Politics and Trade Cooperation*.

⁵ For the long-term analysis of transformation of East Asian international trade order, see Hamashita, 'Tribute and Treaties'.

To show how the European conventional tariff network extended to Asia, I will examine the neglected cases of commercial treaties concluded between countries in Central Europe and Japan between 1891 and 1916. First, after pointing out the problems of the previous literature, I will analyse how a conventional tariff network was formed and worked among the countries. The recent findings by historians and social scientists have shown that countries in Europe including Germany, Austria-Hungary, and Italy maintained the conventional tariff network even after 1892, when France abandoned the role as a hub of the network that it had maintained for more than thirty years. As I will emphasize, what contemporaries called the *Mitteuropäisches Handelsvertragssystem* (Central European commercial treaty system) played a key role in the conventional tariff network during the period. This role was to form an international space in which different nation-states concluded customs agreements to cooperate with each other. Second, I will demonstrate that the network or *Handelsvertragssystem* later reached Meiji Japan, which became one of its ‘members’ by the early 1910s. I will explain that the relation between Japan and the conventional tariff network was crucial in all aspects of Japanese commercial policy from the negotiation with Europe and treaty conclusion to the maintenance of this international regime. Japanese political economic scholars and policy-makers well understood the mechanism of *Handelsvertragssystem*; and their knowledge was the basis of the decision to adopt the same system as the *Vertragssystem* and it helped the renegotiation process (*jōyaku kaisei*) of unequal treaties (*fubyōdō jōyaku*). The reciprocal nature of the tariff system facilitated the agreement on and conclusion of new treaties with the *Handelsvertragssystem* members. The complex structure of the network helped member countries maintain the network and keep economic collaborative relationships even after a major political-diplomatic shock such as the First World War. While the tariff systems in Europe and East Asia between 1890 and 1914 have been separately discussed in the literature, this paper highlights the treaty partnership between these two areas, showing how the

mechanism of the conventional tariff network enabled the countries to cooperate for mutual concessions on the international trade.

The emergence of the conventional treaty network as an economic-diplomatic space in Europe in the mid-nineteenth century, as well as its expansion towards other areas of the world including East Asia before the First World War, was in parallel with major historical changes in the *spatial* configuration of three kinds of international systems: economic, political, and informational spaces.⁶ The conventional tariff network, too, was an international political-economic space spanned by commercial treaties and located at the intersection of the three spaces. At the same time, change in the configuration of this web, or ‘spaghetti bowl’,⁷ of commercial treaties affected and was affected by transformations in each of the three international spaces. First, change in the spatial conditions of the *international economy* included the rapid growth of international trade between Europe and Asia (notably after the end of economic autarchy in Japan) as well as the global financial market integration.⁸ Second, rearrangement in the *international political space* included the emergence of the ‘universal’ international legal-diplomatic framework (*bankoku kōhō*) and its expansion towards Asia in the 1850s.⁹ Third, the birth of the *international informational and intellectual space* included the spread of academic knowledge such as economics or jurisprudence from Europe to other parts of the world. For instance, while scholarly works on tariff policy theory by German economists were widely read in Japan, the news of Japan’s entry to the conventional tariff network was immediately reported in Europe. To put it differently, the idea of conventional

⁶ For the importance of the plurality of spaces in history, see Wenzlhuemer, ‘Globalization, Communication and Concept of Space’, 25–29. For the relations between the ‘spatial turn’ and economic history, see Middell and Naumann, ‘Global History and the Spatial Turn’; Müller and Torp, ‘Conceptualising Transnational Spaces’.

⁷ Lampe, ‘Explaining Nineteenth-Century Bilateralism’, 645.

⁸ Sugihara, ‘Global Industrialization’; Flandreau and Jobst, ‘Ties That Divide’; Nakabayashi, ‘Imposed Efficiency’.

⁹ Akashi, ‘Japan–Europe’; Hamashita, ‘Tribute and Treaties’.

tariff network was known both in the West and the East in the 1890s, long before social scientists rediscovered it at the end of the twentieth century. The new informational space enabled the emergence of a flexible, active correspondence network between consuls and governments.¹⁰ Furthermore, transnational communication of knowledge and information thus made it possible for both Japan and European countries to prepare for the emergence of this new system of tariff treaties. The complex, transnational nature of the conventional tariff network was therefore two-tiered: not only was the network itself transnational because it involved multilateral diplomatic relationships, but the way the knowledge about it circulated was also transnational.¹¹

Mitteeuropäisches Handelsvertragssystem as a conventional tariff network

In this section, I redefine the European tariff system between the 1890s and the mid-1910s by introducing the notion of the conventional tariff network based on recent studies by historians and economic scientists. Previous literature has assumed that such a network – a dense set of economic-diplomatic relationships among European countries that was crucial for the liberal trade regime – disappeared in the beginning of the 1890s as a result of the adoption of protectionist policies by many governments. On the contrary, the new scholarship has shown that even after the 1890s the conventional tariff network survived and helped increase international economic relationships.¹²

Previous scholarship has usually contrasted the liberal trade policy system between the 1860s and the 1880s with the imposition of protectionist policy in Europe between 1891 and

¹⁰ D. C. M. Platt's classical analysis on the birth of modern diplomatic system of consuls in Britain is still useful (Platt, *Cinderella Service*), whereas a new generation of historians are shedding light on the distinct 'universe' of diplomats (for example see Badel, 'Conflicting Identities').

¹¹ For the networks found in various contexts of the nineteenth-century world, see Osterhammel, *Transformation of the World*, ch. 14.

¹² For international historical analysis, see Torp, *Challenges of Globalization*; for political scientists' perspective, see Coutain, 'Unconditional Most-Favored-Nation Clause'; Pahre, *Politics and Trade Cooperation*; for economic perspective, see Irwin, 'Multilateral and Bilateral Trade Policies'.

1914. According to the conventional narrative, a dense network of commercial treaties was created during the 1860s, allowing for the spread of liberal-trade economic cooperation across Europe for more than a decade. This liberal trend began as Britain and France concluded the Cobden–Chevalier bilateral commercial treaty in 1860, in which both countries reciprocally reduced tariff rates on imported goods. This treaty was followed by a number of free-trade treaties concluded among European countries by the end of the 1870s. Thus a network that spanned the entire area was formed.¹³ However, this liberal international regime in Europe was allegedly lost after the adoption of protectionism in Continental countries in the beginning of the 1890s. In the conventional narrative, the economic depression in Europe in the late nineteenth century led to a wave of protectionism, represented by tariffs such as the one introduced by Jules Méline in France in 1892, which meant the end of the treaty network and therefore the liberal system for them.¹⁴

The notion of the *conventional tariff network* allows us to find a more complex picture; the landscape of European tariff policy from 1891 to 1914 looks different from the traditional description of the period as a protectionism-dominated one. In recent studies, political scientists such as Bryan Coutain have introduced this concept to revise the conventional narrative. They have shown that the conventional tariff network became the standard framework for trade and industrial policy in the late nineteenth century. By focusing on the interactive effect of

¹³ For the traditional view on the Cobden–Chevalier Treaty as well as the liberalist regime since the 1860s, see Dunham, *Anglo-French Treaty of Commerce*; Iliasu, ‘Cobden–Chevalier Treaty’; Bairoch, ‘European Trade Policy’. The importance of the system in this period was already known among 1890s Central European economists, who I will discuss later: The ‘system of the Western European commercial treaties’ formed a ‘treaty network [*Vertragsnetz*]’, because the ‘England–France commercial treaty of 23 January 1860’ was followed by other countries such as Germany and Italy ‘in a short period ... [Various Western European countries] in turn concluded new treaties, with which more and more European countries reduced the level of tariff rates through further tariff reductions as well as MFN clauses that were granted at the same time’ (Grunzel, *System der Handelspolitik*, 438; translation from German by the author). ‘If not the free-trade policy, that was how a politics of tariff reduction and restriction of protectionist tariffs began [in France]’ (Bajkić, *Französische Handelspolitik*, VII).

¹⁴ Bairoch, ‘European Trade Policy’.

commercial treaties and conventional tariffs, these scholars have demonstrated that the conventional tariff network system, born in 1860, survived the move to protectionism by some countries in 1891 and helped maintain international economic-political cooperation before the First World War. In other words, the institutional continuity of the mechanism of the international tariff system before and after the beginning of the 1890s has been emphasized. Their focus was on how the mutual tariff cooperation system in Central Europe from 1891 to 1914 worked as the second conventional tariff network that emerged after the Cobden–Chevalier period.¹⁵ Historians including Cornelius Torp also analyse the way countries such as Germany after 1891 made the international tariff system more resilient, showing that the conventional tariff system survived the change in the diplomatic environment in the 1890s.¹⁶

[INSERT FIGURE 1 HERE]

Before discussing the details of 1890s Central Europe, I will briefly describe the mechanisms of the conventional tariff network (which held for both the periods of 1860–1891 and 1892–1914). This conventional tariff network was a device of trade and industrial policy that made the reciprocal tariff reduction inevitable.¹⁷ The mechanism of this network was based

¹⁵ Economists have analysed the tariff levels in this period in relation to economic development. Contrary to the classical Ricardian argument, they have found that the tariff increase did not in fact result in worse economic performance between the 1890s and the 1910s (the result was dubbed ‘Bairoch’s paradox’). See Bairoch, ‘European Trade Policy’; Tena-Jugueto, ‘Bairoch Revisited’; Irwin, ‘Interpreting the Tariff–Growth Correlation’; Blattman et al., ‘Who Protected and Why?’; O’Rourke, ‘Tariffs and Growth’; Lampe and Sharp, ‘Tariffs and Income’; Schularick and Solomou, ‘Tariffs and Economic Growth’. Newly constructed datasets suggest that the previous literature tend to exaggerate the level of protectionism in Continental Europe, especially that in Germany and Italy in those days. See Clemens and Williamson, ‘Why So Much Higher?’; Federico and Tena, ‘Was Italy a protectionist country?’ As shown in Figure 1, the levels in these countries were much lower than the prohibitive duties in the United States and Latin America but higher than colonial tariffs in Asia and Africa.

¹⁶ Torp, *Challenges of Globalization*.

¹⁷ For political scientific interpretation, see Coutain, ‘Multilateral and Bilateral Provision’; Coutain, ‘Unconditional Most-Favored-Nation Clause’. The initial motivation for the political-economic scientists including Coutain was to propose an alternative view may have been in the rapid change in world trade systems since the 1990s, such as the creation of the EU, WTO, and various free trade agreements. Other researchers, using econometric methodology, also focused on the role of the ‘Cobden–Chevalier network’. See Lampe, ‘Effects of Bilateralism and MFN Clause’. As a sceptical view to the effect of the network, see Accominotti and Flandreau, ‘Bilateral Treaties and the Most-Favored-Nation Clause’.

on (i) the dual tariff system (general–conventional tariff system) and the (ii) most-favoured-nation (MFN) clause. Under the dual tariff system, countries levied two different levels of customs duties on the same imported commodity. *Conventional tariff* was levied if the exporting country had concluded a commercial treaty with the importing country, and the *general tariff* was imposed otherwise. The general tariffs were called autonomous tariffs because, different from the conventional duties set under diplomatic negotiation, autonomous tariffs can be set in the domestic legislature. The rate of the conventional tariff was preferential and thus lower than the general tariff. Countries concluded conventional tariffs for mutual benefits. In other words, they reciprocally reduced tariffs levied on goods that were important for the export trade of their partnering countries. The reciprocal tariff reduction – called *concession* and *counter-concession* in those days – thus helped them trade more with each other. By using both conventional tariffs and general tariffs, members of the treaty network could implement flexible tariff policies with which to strategically impose diverse rates of duties on goods coming from different countries. This mixed strategy was crucial for the maintenance of the network. In addition, the combination of general and conventional tariffs means that more and more countries tried to join the network in order to gain the benefit of conventional tariffs.¹⁸ On the other hand, under the *MFN clauses*, some of the conditions agreed upon between two countries in a bilateral treaty may be applied to a third party. In the context of commercial treaties, this meant that the favourable concession granted to a treaty partner was given to other countries that had MFN treaties with that country. It not only enabled more countries to enjoy the benefits of reduced conventional tariffs, but it also helped make the entire structure of the conventional tariff network more resilient. This is because, under the

¹⁸ The argument here is related to the game theoretic explanation of the strategic trade policy. They conceptualized the negotiable tariff mechanism as a commitment device that binds the players into their current situation – a system which a tariff historian introduced as the notion of ‘partner tariffs’. For a seminal work in this field, see Dixit, ‘Strategic Aspects of Trade Policy’. For its application for the pre-WWII tariff history, see Clemens and Williamson, ‘Why So Much Higher?’

MFN conditions, even abandoning the concession granted to one country is difficult since it requires multilateral negotiations. Therefore, the more countries that participate in the conventional tariff network, the more complex the network is, and the more difficult it is for the network to break down. In conclusion, these two principles, the *dual tariff system* and *MFN clauses*, resulted in the strengthening of the international free-trade regime because, while the first principle prevented countries from abandoning conventional tariff rates, the second principle made it more difficult for countries to change previous agreements.¹⁹

Several contemporaries mentioned that a new tariff network – that satisfied the above definitions of conventional tariff network – emerged in Central Europe in 1892. It was the year when Germany concluded new liberal tariff treaties with Eastern and Southern European countries such as Italy and Austria-Hungary under the direction of Chancellor Leo von Caprivi, which led to the emergence of another round of the conventional tariff network that fostered bilateral treaty negotiation and sustained relatively low level of tariffs.²⁰ In fact, this network between 1892 and 1914 was called the *Mitteuropäisches Handelsvertragssystem* (Central European commercial treaty system) in those days.²¹ The year 1892 was a ‘comet year in

¹⁹ The theory of conventional tariff network stresses the importance of the reciprocal cooperation among many different participants; it is in contrast to the strand of literature from Gallagher’s and Robinson’s ‘imperialism of free trade’ to the concept of ‘hegemonic stability’, another well-debated hypothesis which emphasizes the significant role of a hegemonic country’s (Britain in this case) unilateral effort in maintaining the stability of international trade regime. See Gallagher and Robinson, ‘Imperialism of Free Trade’; Kindleberger, ‘Rise of Free Trade’; O’Brien and Pigman, ‘Free Trade, British Hegemony and International Economic Order’; Pigman, ‘Hegemony and Trade Liberalization Policy’. As Arthur Stein points out, however, the explanation used in this influential article by Kindleberger is not consistent to the theory of hegemony that he proposes elsewhere (Stein, ‘Hegemon’s Dilemma’). While these authors successfully explain the relationship between hegemonic global metropolises and non-hegemonic players, their explanations do not necessarily apply to the countries that do not fall in the two categories, such as Japan and Germany. Their theory thus tends to underestimate the role of mutual cooperation among countries on the Continent.

²⁰ Torp, *Challenges of Globalization*, 114–38. For political scientists’ and economists’ view, see Coutain, ‘Multilateral and Bilateral Provision of Trade’; Stein, ‘Hegemon’s Dilemma’, 370–73; Pollard, *Peaceful Conquest*, 103; Irwin, ‘Multilateral and Bilateral Trade Policies’, 102. These works by political scientists and economists, however, have largely drawn on the sources in English.

²¹ On the geopolitical and spatial connotation of the term *Mitteuropa*, see Maier, *Once Within Borders*, 230–31. But his description elsewhere of European tariff policy in those days does not reflect the recent discussion about the conventional tariff network. See Maier, *Leviathan 2.0*, 182–83.

commercial policy [*das handelspolitische Kometenjahr*]’ because ‘under the dependence to the political Triple Alliance, Germany, Austria-Hungary, Italy, Switzerland, and Belgium concluded a treaty complex (*Vertragskomplex*) [the Central European commercial treaty system] through the December treaties of year 1891’.²² Others called it a treaty system that covered Central Europe [*ein Mitteleuropa umspannendes Vertragssystem*].²³ By ‘accept[ing] the position of leader of commercial treaty instead of France’, Germany became a ‘central point’ (*Mittelpunkt*) of the European tariff policy and a “predominant” power of exporting. Another German-speaking economist characterized the treaty system as what I call a conventional tariff network: an ‘attempt at a treaty policy that had been to be sincere and based on reciprocal concessions.’²⁴ As its economic role, the network was expected to foster international trade among member countries.²⁵ In other words, *Mitteleuropäisches Handelsvertragssystem* was to offer an international space wherein different governments concluded customs agreements to commercially cooperate with each other. The second stage of the ‘Central European commercial treaty system’ started in 1906 with von Bülow’s upward revision of customs duties – which was followed by the same strategies in other countries – and would end in 1917 (due to the expiration of treaties with twelve-year validity). Indeed, as will be shown in the next section, the mechanism did work in the early 1910s when it reached

²² Grunzel, *System der Handelspolitik*, 438–39 (translation from German by the author). The treaties became valid in 1892. The year also saw the end of the ‘System of the Western European commercial treaties [*System der westeuropäischen Handelsverträge*]’, or a conventional tariff network [*Vertragsnetz*] in the Cobden–Chevalier era, due to France’s exit. Ibid., 438 (translation from German by the author). Words such as *Vertragskomplex* and *Vertragsnetz* also appear in Grunzel’s other books (for example, Grunzel, *Handbuch*, 106).

²³ Bajkić, *Französische Handelspolitik*, VII.

²⁴ Müller, ‘Zur Statistik des mitteleuropäischen Handelsvertragssystems’, 490. Here Müller quoted Schmidt, *Die Schweiz und die europäische Handelspolitik*, 154 (translation from German by the author).

²⁵ Grunzel, *System der Handelspolitik*, 439.

East Asia. It did exist until 1914 because the principles of the conventional tariff network had remained and there was only a slight change in tariffs on industrial goods.²⁶

The concept of *Mitteleuropäisches Handelsvertragssystem* was not just a result of the political dream of the expansionists of the German-speaking world; in fact, the news of the spread of a reciprocal conventional tariff network which resembles the Cobden–Chevalier treaty network was known outside Germany as well.²⁷ There is an illustrative example from a consular report written by Charles Oppenheimer, a British consul-general in Frankfurt.²⁸ He wrote reports annually from 1890 to 1900, until his death. In all his reports he mentioned the problem of German commercial policy. This was in contrast to the reports received from other consuls in Germany, who more or less simply listed the economic statistics and legislative decisions in the regions where they were based. The 1892 report by Oppenheimer especially focused on the newly established *Handelsvertragssystem*. According to it, a new series of Caprivi’s treaties ‘mark[ed] the turning point of Germany’s commercial policy’; and this new German tariff system was interpreted through the lens of the old Cobden–Chevalier treaty system, which was based on the reciprocal principle of the conventional tariff network.²⁹ This change in German commercial policy had ‘for the entire European continent ... the utmost

²⁶ Müller, ‘Zur Statistik des mitteleuropäischen Handelsvertragssystems’, 490 (translation from German by the author). See Coutain, ‘Multilateral and Bilateral Provision of Trade’, 510–24; Torp, *Challenges of Globalization*, 261ff.

²⁷ For the contemporary report in Britain, see Marsh, *Bargaining on Europe*, 181–95.

²⁸ United Kingdom, Foreign Office, ‘Report for the Year 1891 on the Trade &c. of the District of the Consulate-General of Frankfurt, and Review of German Commercial Policy’, Report by Charles Oppenheimer. *Diplomatic and Consular Reports on Trade and Finance*, Annual Series, no. 1082 (London: HMSO, May 1892). ‘The McKinley tariff of the United States ... financial calamity in 1890 in some of the South American States [and] universal protection [on the European continent led to the] general cry for a commercial-political change’ (Ibid., 4).

²⁹ Ibid., 2. ‘To-day the German Government announces that it will not grant the duty reductions as stipulated in the new treaties in general, but that it will only apply them to the contracting countries, viz., those countries protected by the most-favoured-nation clause. The other countries, e.g., Russia, Roumania, Spain, and Portugal, ought first to grant concessions to Germany in their own tariffs if they wish to participate in the advantages of the treaties. This was the system pursued by France in the sixties. Not only for the commercial policy of Germany, but also for the entire European continent (excepting Russia), this action of the German commercial treaties is of the utmost importance’ (Ibid., 5).

importance' which marked the shift of leadership of European trade policy from France; 'Germany, on her part ... assumed the leadership on the continent as far as her commercial policy is concerned, becoming at the same time the central point, where all the ties of the old continental commercial policy unite[d]'.³⁰ In France, too, economist August Arnauné mentioned the importance of Caprivi's policy.³¹ The resemblance of the German-dominated network to the network of the Cobden–Chevalier period and its principle of reciprocity made observers believe that the *Mitteuropäisches Handelsvertragssystem* was a conventional tariff network that took up the role of the former Cobden–Chevalier network. Its mechanism opened an international economic space in which various countries collaborated and negotiated to achieve economic expansion.³²

Expansion of the Conventional Tariff Network to East Asia: A Case Study of the Treaty Renegotiation of Meiji Japan

In this section I will show that the conventional tariff network described in the previous section in fact expanded to East Asia in the 1910s, with Japan becoming a member in 1911. Since the mechanism of the conventional tariff network was based more on the coordination of international economic interests of the contracting countries than on conflicting political powers, its effect was not limited to the European political sphere and reached an Asian member that traded with Europe. While the dual tariff system enabled members in both Europe and Asia

³⁰ Ibid., 5–7. Until then, France had been a leader of European commercial policy 'and the centre of commercial international union, which united the different continental States with each other and with foreign countries [However, now] the leadership in the continental commercial policy has passed from France to Germany', said Oppenheimer, referring to comments in the *Frankfurter Zeitung* and *Revue des Deux Mondes* (Ibid., 6–7).

³¹ After Bismarck's protectionist attempt in the 1880s provoked similar policies in other countries, 'commercial treaties for tariffs seemed indispensable' in order for German industry to maintain their external debouchments and their enlargement. 'Their negotiation, due to the new chancellor of the Empire, M. von Caprivi, was qualified by William II as the saviour's act [*acte sauveur* (*Rettende Tat*)]' (Arnauné, *Le commerce extérieur*, 353–54; translation from French by the author. French and German in square brackets are the same as appeared in the original text, including the italics).

³² As I noted earlier, the number of treaties concluded in each year around the world increased around 1900, and it was attributed to the German effort. Pahre, *Politics and Trade Cooperation*, 306.

to give reciprocal concessions, the treaty network made the collaborative relationships more resilient to political shocks. Since some members of the *Mitteleuropäisches Handelsvertragssystem* concluded treaties not only with European countries but also with countries in other areas of the world, non-European treaty partners also gained access to the network. Collaborative effects of the dual tariff system and reciprocal clauses did work beyond the boundary of Europe.

Drawing on examples from the conclusion of commercial treaties between Central Europe and Japan, I will briefly describe the international situation surrounding Japan since the 1850s. I will first explain how the first round of Japan's treaty renegotiation in the 1890s under the direction of Mutsu and Ōkuma aimed at the principle of the conventional tariff network, which spanned Central Europe in those days. Here the case of Austria-Hungary will be examined as the first example of reciprocal tariff relationship between Europe and Japan. Then I will focus on the second round of the treaty renegotiation process between the 1900s and the 1910s, which resulted in the Komura's new treaty between Japan and Germany (concluded in 1911) and the one between Japan and Italy (1912). Throughout the first and second rounds of renegotiation, Japanese decision-makers knew how the mechanism of the conventional tariff network contributed to the maintenance of the stability of the international trade regime, and how to use it as a device of industrial trade policy. Furthermore, the system of the network enabled the network members to maintain economic-political relationships between Japan and Central Europe even after a major political shock such as the First World War. In sum, this section describes how, under the mechanism of the conventional tariff network, Meiji Japan's trade policy meant *access* to the conventional tariff system that originated in Europe – which was parallel to the concept of 'entering Europe, exiting Asia' (*datsua nyūō*), a slogan of the

Meiji government – and does not emphasize Japan’s gaining of tariff autonomy, as the previous literature did.³³

Before describing the process of the treaty renegotiation in the Meiji period, I will briefly discuss how the international situation in East Asia led Tokugawa Japan to conclude the unequal, discriminatory treaties with the West from the 1850s to the 1860s. The arrival of the expansionist Western powers to East Asia by the 1850s led to the end of Japan’s *sakoku* isolationist policy, under which the Tokugawa shogunate had heavily restricted international trade and migration, maintaining its autarchic economy for more than two hundred years. This resulted in the conclusion of the Kanagawa Treaty with the United States in 1854, which was the first treaty Japan concluded with a Western country. Based on this treaty, Japan opened two treaty ports for US vessels. This agreement was then followed by the Ansei commercial treaties concluded with the United States, the Netherlands, Russia, Britain, and France in 1858, as well as the tariff amendment of the Edo Convention in 1866 (*kaizei yakusho*). These treaties not only permitted trade between Japan and these countries but also included customs duties agreements. From the viewpoint of the conventional tariff system that I discussed above, these unequal treaties were clearly unfavourable for Japan in two respects. First, Japan could not employ the dual tariff system: the treaties included conventional tariff rates but not autonomous, general tariffs. Second, the treaty lacked reciprocity. This meant that, while Japan set only low tariffs to the goods from the West, the treaty partners gave no conventional

³³ For an important remark on the relation between Continental Europe-based conventional tariff network and Japanese tariff policy, see Sugihara, ‘Asia in the Growth of World Trade’, 35–37. The literature on Meiji tariff renegotiation is very limited, but most of the works regard the renegotiation as economically unimportant or politically unfruitful. For an updated or detailed analysis, see Motomiya, ‘1911 nen kanzei kaisei no igi’; Asonuma, ‘Nihon no kanzei jishuken mondai’; Auslin, *Negotiating with Imperialism*. As a statistical review of the Meiji tariffs, see Maeda and Yukizawa, *Nihon bōeki no chōki tōkei*; Yamazawa and Yamamoto, *Bōeki to kokusai shūshi*; Yamazawa, ‘Industrial Growth and Trade Policy’. These scholars, however, focus only on the level of tariff autonomy (general tariffs) and neglect the importance of the dual tariff system – the combination of conventional and general tariffs – which was crucial for the conventional tariff network in those days.

concessions and imposed high general tariffs to Japanese goods.³⁴ In addition, the MFN clauses were non-reciprocal since they did not allow Japan to enjoy the benefit of concessions that a European country gave to another.³⁵ In sum, the unequal conditions implied that Japan could neither use the strategy of dual tariffs nor enjoy the benefit of the reciprocal MFN clause. In other words, it could not penetrate the conventional tariff network – an institutional space based on intra-European treaties. At the same time, the end of the trade control system and the decline of tributary commercial order in China meant that a new system for international commerce and trade negotiations was required in East Asia.

Under this context of inequality between Europe and Japan, the effort of the Japanese government to renegotiate the unequal treaties since the 1870s can be interpreted as Japanese struggle to become a member of the conventional tariff network. Japan negotiated to revise the unequal clauses in the commercial treaties in order to use tariff policy strategically. After the overthrow of the Tokugawa shogunate and the establishment of the Meiji government in 1868, the new government aimed at implementing numerous policies for domestic political integration and economic industrialization. The government started to negotiate with the Western countries in order to revise the unequal treaties in the 1870s.³⁶

It was between the 1890s and the 1910s that the treaty negotiation gave its fruits to Japan. The renegotiation process in this period to the eve of the World War I can be divided into two rounds. The first round was the period until the late 1890s, when the renegotiation under the direction of Foreign Ministers Mutsu Munemitsu and Ōkuma Shigenobu led to the partial revision of the conventional tariffs. The second round corresponded to the period between the

³⁴ According to the Edo Convention, Japan imposed five-percent ad valorem tariffs, which in fact were collected on the specific basis.

³⁵ Murase, 'The Most-Favored-Nation Treatment'.

³⁶ Auslin, *Negotiating with Imperialism*; Yamazawa, 'Industrial Growth and Trade Policy'. For the details of the Anglo-Japanese negotiation, see Pigman, *Trade Diplomacy Transformed*, 81–92. For the domestic disputes and other diplomatic concerns related to the consular jurisdiction problem, see Iokibe, *Jōyaku kaiseishi*.

early 1900s and the early 1910s, when the negotiation under Foreign Minister Komura Jutarō provided Japan with the access to the conventional tariff network, namely the *Handelsvertragssystem*.

In the first round, the negotiation under the direction of Mutsu and Ōkuma provided Japan with part of the conditions required to enter the conventional tariff network. Their attempt to the treaty renegotiation with the European powers was facilitated by the international political context: for instance, Britain considered that Japan's penetration into the Korean peninsula after the First Sino-Japanese War would prevent Russia's territorial expansion, and it became more eager to conclude a new treaty with Japan.³⁷ New commercial treaty agreements were thus concluded with Britain, Germany, France, and Austria-Hungary in the late 1890s. The renegotiation of conventional tariffs was accompanied by the enactment of the Customs Tariff Law (*kanzei teiritsu hō*), which set the rates of general tariffs.³⁸ The renegotiated treaties allowed Japan to increase the rates of conventional tariffs. This change implied that Japan started to adopt the dual tariff system. There still remained, however, various restrictions on the use of tariff strategy, because the treaties did not include reciprocal clauses. For instance, Britain, France, and Germany did not allow concessions for Japanese goods; only Austria-Hungary conceded tariff reduction for raw silk, copper, and other commodities imported from Japan, as will be seen later. In addition, the MFN clauses were also still not reciprocal. The Mutsu-Ōkuma renegotiation in the 1890s nevertheless paved the way for Japan's access to the European treaty network.

The transnational circulation of economic knowledge also played an important role in the renegotiation in this period. Even before the renegotiation started, Japanese policymakers were already familiar with the political-economic benefit of the conventional tariff system in

³⁷ For the recent and standard understanding about the effects of the First Sino-Japanese War, see Paine, *Japanese Empire*, 45–46.

³⁸ Act No. 30 of 1897.

Europe and its importance in the stabilization of international tariff regime which Japan was going to enter. For instance, since the early 1890s, Japanese consuls with knowledge of Western-style economics reported up-to-date news about tariff legislation from all over the world to Tokyo. Indeed, right before the Mutsu renegotiation, the Ministry of Foreign Affairs (*Gaimushō*) added political economy as one of the mandatory subjects in the examination for the candidates of ambassadors and consuls. In addition, they assigned general consuls the role of economic analysis of any change in local legislature that might affect international trade.³⁹ For example, a report from the Japanese ambassador in Vienna to the Japanese Foreign Minister reported in detail the conclusion of commercial treaties among Central European countries in December 1891. It described the characteristics of these treaties as follows: ‘on the one hand, countries [could] share the benefit of the most favoured nation as the third country [*kinten no rieki*, meaning ‘the equal benefit’], on the other they maintain[ed] the principle of reciprocity’.⁴⁰ To take another example from domestic politics, insisting on a new treaty based on mutual equality, in 1894 a member of the Liberal Party (*Jiyūtō*) referred to how Germany and Italy reciprocally reduced tariff rates.⁴¹ These activities of national representatives were based on the transnational circulation of knowledge, news, and publications between Europe and East Asia, which was developed since the mid-nineteenth century. They collected detailed information about tariff policy in various countries and news on how their policy was

³⁹ See Article 8 of ‘Gaikōkan oyobi ryōjikan shiken kisoku’ [Ordinance for the examinations of the ambassadors and consuls] (Imperial Ordinance No. 213 of 1893), quoted in Tsunoyama, *Nihon ryōji hōkoku*, 454. In addition, consuls general ‘must report the legislation related to international trade in his district ... and he must inquire the benefits and disadvantages that the legislation will bring to the bilateral trade between the country and us’ (Notification of the Ministry of Foreign Affairs issued on 30 June 1884, quoted in *Ibid.*, 464–65).

⁴⁰ Watanabe Kōki to Enomoto Takeaki, ‘Ōsutoria-Hangarī, Doitsu, Itarī, Suisu, Berugī jōyaku hōkoku’ [Report on the treaties between Austria-Hungary, Germany, Italy, Switzerland, and Belgium], 10 February 1891, *Gaimushō kiroku*, 2-5-2-0-1/2/001, Diplomatic Archives, Gaimushō, Tokyo, Japan (retrieved online from the Japan Center for Asian Historical Records, Ref. B07080011500).

⁴¹ Suzuki Mitsuyoshi, ‘Jōyaku no reikō ni tsuite’ [On treaty enforcement]. *Jiyūtō tōhō* [Liberal Party’s bulletin] 60 (11 May 1894): 5–10.

commented on foreign newspapers. They also had knowledge of economic theory – mainly influenced by German and English discourse – and even analysed the cases where Japan was not involved. When non-governmental agencies had difficulties in obtaining international information, ministries such as the Ministry of Finance (*Ōkurashō*), the Ministry of Foreign Affairs, and the Ministry of Agriculture and Commerce (*Nōshōmushō*) collected newspaper articles and data and published them in Japan.⁴² They include, for instance, the translation of German articles stating how the new German-Japanese treaty would be beneficial for the German economy.⁴³ The transnational circulation of political economic knowledge thus helped the Japanese understand the mechanism of the conventional tariff network and apply it to their commercial policy.

As mentioned above, the first treaty relationship based on the two principles of the conventional tariff network was brought between Austria-Hungary and Japan.⁴⁴ Takahira Kogorō was assigned the role of envoy in January 1896 to negotiate with Vienna, who had successfully negotiated with Italy to conclude a revised treaty before. After the negotiation stalled for almost a year, in early 1897 Austria-Hungary made concession and proposed that Japan should have conventional tariffs: ‘The new treaty may promise that Japanese products on the entrance of Austro-Hungarian tariff territory would be applied conventional laws, whereas up to today their provenances [= Japan] have been subject to the general tariff. The importance of this concession will be surely understood by the Japanese government.’⁴⁵ This change of

⁴² These include *Zaisei jikō isan* [Fiscal policy information series] of Ōkurashō, *Chūshō isan* [Commercial series] of Gaimushō, and *Shōkō isan* [Commerce and industry series] of Nōshōmushō.

⁴³ Japan, Ōkurashō, ‘Doitsu oyobi nihon tsūshō jōyaku’ [German-Japanese commercial treaty], 29 June 1896, *Zaisei jikō isan* 6 (1900): 1–4. It is an abridged translation of an 8 April 1896 article of the *Vossische Zeitung* [‘Fosshisshe’ Shimbun].

⁴⁴ For the Austrian-Hungarian treaty, see Panzer, *Nihon-Ōsutoria Kankeishi*, 63–75.

⁴⁵ Foreign Ministry of Austria-Hungary [Agenor Gołuchowski] to Takahira Kogorō, 31 January 1897, Japan, *Nihon gaikō monjo* (hereafter *NGM*), Meiji 30:13–14. Original in French; translation by the author. For the records by Austria-Hungary, see records at Austrian *Haus-, Hof- und Staatsarchiv*, especially AT-HHStA MdA AR, F34-SR, K. 863, fol. 4-15/1.

Austro-Hungarian policy was provoked by Takahira's success in 'persuading them of the importance of bilateral reciprocal form for such agreement' and by Austria-Hungary's fear aroused by the news of the dispute on luxurious watch tariffs between Japan and Switzerland, which was also a *Vertragssystem* member.⁴⁶ Based on the principle of reciprocity in conventional tariffs, he concluded that it was better to accept their request because Japan would gain much.⁴⁷ He was reassured when 'the Austro-Hungarian government stopped sticking to the non-reciprocal condition of tariff convention and agreed on the reciprocal condition'.⁴⁸ While Foreign Minister Ōkuma Shigenobu was against the idea of mutual concession exchange,⁴⁹ Takahira again suggested accepting the offer due to the favourable conditions of Japanese specialities such as rice, porcelain, and silk.⁵⁰ Ōkuma finally agreed on this; after another round of negotiation, although some of the intention of Japan was not satisfied,⁵¹ the new treaty was concluded in December 1897. It was the first time Japan explicitly obtained the reciprocal tariff convention in which the two parties gave each other the equal benefit of customs duties concession.⁵²

While the renegotiation by Mutsu and Ōkuma in the first round led to the partial modification of the treaties, Japan gained full access to the conventional tariff network at the

⁴⁶ Takahira to Japanese Foreign Minister Ōkuma Shigenobu, telegram, 18 May 1897, *NGM*, Meiji 30:29–30. Original in English.

⁴⁷ While Japanese products would enjoy as much as 250 florins per annum in Austria-Hungary, the latter would enjoy little benefit in Japan because of the lack of third-country MFN clauses. Takahira to Ōkuma, 5 February 1897, *NGM*, Jōyaku kaisei kankei, Bessatsu keika gaiyō, 479. Original in Japanese; translation by the author.

⁴⁸ Takahira to Ōkuma, 23 May 1897, *NGM*, Meiji 30:30–32. Original in Japanese; translation by the author.

⁴⁹ Ōkuma to Takahira, 27 May 1897, *NGM*, Meiji 30:33. Original in English.

⁵⁰ Takahira stated that Japan should be satisfied if Austria-Hungary granted the same conventional tariff rates as those they had given to other countries as to rice, silk, porcelain, and other products in which Japan specialized in those days. *NGM*, Jōyaku kaisei kankei, Bessatsu keika gaiyō, 482. Original in Japanese; translation by the author.

⁵¹ For example, rice could not enjoy the most-favoured-nation clause because while Italy exported white rice to Austria-Hungary and enjoyed concession for that product, Japan exported brown rice.

⁵² In another case between Central Europe and Japan, however, the negotiation for reciprocal concession ended up with failure: Switzerland and Japan (represented by Takahira) could not agree on the level of tariffs on Swiss watches exported to Japan. See *NGM*, Jōyaku kaisei kankei, Bessatsu keika gaiyō, 417–19, 495–503.

second stage of treaty renegotiations. In this period, the network reached East Asia after Foreign Minister Komura Jutarō renewed the 1890s treaties with improved conditions in the early 1910s. The following four points will be made regarding the relationship between the conventional tariff network and the treaty renegotiation in this period. Firstly, thanks to the transnational circulation of economic knowledge, Japanese policy-makers had already known how the conventional tariff system is important in cooperative economic relationships before this second-round renegotiation started. Secondly, in the similar vein to the first point, scholars in the contemporary Western countries, too, gained the knowledge that Japan was adopting the conventional tariff system. Thirdly, the adoption of the same system as the countries in Central Europe facilitated the conclusion of the new treaties between Japan and these countries. Lastly, the complex network of the tariff system helped the maintenance of its whole structure even after a major political shock such as the First World War.

The first point is that the transnational communication of news and knowledge between Europe and Asia made it easy for Japanese decision-makers and political economists to understand the mechanism and benefit of the conventional tariff network system evolving in Central Europe in those days; it helped Japan's adoption of the system and facilitated the preparations for treaty negotiation. They already knew that the conventional tariff system used by Central European countries was suitable for their objectives. The revision of the Customs Tariff Law in 1910, preparations for the negotiation with other countries, was based on the 'strategy of German policy in 1902' and the 'Central [European] Conventional System'. The Japanese observers understood that the German strategy had resulted in the 'long-term stability in tariff relationship among countries in Europe'.⁵³ To take another example, a report submitted to the Tariff Research Committee under the Japanese Ministry of Finance in 1905 claimed that

⁵³ *NGM*, Jōyaku kaisei kankei, Bessatsu, Tsūshō jōyaku to tsūshō seisaku no hensen, 82–83; Asonuma, 'Nihon no kanzei jishuken mondai', 1:81n42.

Japan should adopt ‘the general and conventional tariff system’ and ‘even if [Japan could not] monopolize the benefit of conventional tariffs [due to MFN treatments], the adoption of low rates should result in the increase of demand for [Japan’s] product in the treaty partners, and not only the third country but also Japan should gain the benefit.’⁵⁴ In addition, the economic growth of Central European countries such as Italy was attributed to their membership to the conventional tariff network, according to a report from the Ministry of Agriculture and Commerce.⁵⁵

As already seen, knowledge about the mechanism of the conventional tariff network, especially about how the complex, dense network contributed to the resilience of the international trade regime, already circulated among Japanese experts before Komura’s renegotiation started.⁵⁶ For example, one of the reports published by the Ministry of Agriculture and Commerce included meticulous diagrams which depicted the network structure of commercial-treaty relationship between Japan and other countries (Figure 2).⁵⁷ The author of this report was Yamaguchi Orinoshin, who temporarily worked as an economic-diplomatic analyst for the ministry. The interaction between non-state actors and ministerial actors played an important role in this period.

[INSERT FIGURE 2 HERE]

⁵⁴ Japan, Ōkurashō, *Meiji taishō zaiseishi*, 8:288–91.

⁵⁵ After the harsh tariff war between France, Italy ‘recognized that they should not support the protectionist policy at all, and it concluded commercial treaties with Germany, Austria-Hungary, Switzerland, and France in 1892. Since then, its foreign trade condition has gradually improved Indeed we can attribute the recent economic development of Italy to the improvement of her tariff policy....’ Japan, Nōshōmushō, *1911 nen ni okeru nichii bōeki no gaikyō* [Summary of Italy–Japan trade in 1911], Shōkō isan [Commerce and Industry Series] 25 (Tokyo: Nōshōmushō, 1914), 5 (translation from Japanese by the author).

⁵⁶ On the mechanism of the conventional tariff network, especially the MFN clauses, see the second section of this paper.

⁵⁷ Japan, Nōshōmushō, *Kanzei seisaku to saikeikoku jōkan* [The tariff policy and the MFN clause] (Tokyo: Nōshōmushō, 1909), the Tsuchiya Takao Collection, Hitotsubashi University Library.

This diagram gives us an illustrious example of how the Japanese understood the networking effect of commercial treaties at that time. According to the report, the figure represented an ‘economic phenomenon of cooperation [*danketsu seru keizai teki genshō*], in which countries that concluded both tariff conventions and MFN clauses with Japan, concluded also with other countries either agreements with both tariff conventions and MFN clauses, or agreements including only MFN clauses.’⁵⁸ Small circles represented countries in this diagram. The circle of Japan, placed at the centre, was connected with other countries through either tariff-cum-MFN treaties (black lines) or MFN treaties (red lines). Countries were classified into three groups that were depicted as three concentric circles. First, six countries directly surrounding Japan (日) were, clockwise from the top, Germany (獨), France (佛), Austria-Hungary (奧), Korea (韓), Britain (英), and Qing China (清). According to the legend of the diagram, these countries were situated in ‘Zone A, and they concluded tariff conventions with us’. Countries in Zone A, in turn, were surrounded by countries in Zone B that concluded tariff conventions with countries in Zone A. Countries on the outermost circle were in ‘Zone C, and they concluded only MFN clauses [but not tariff conventions] with countries in Zone A.’⁵⁹ The proximity of each concentric circle to Japan indicated importance of its economic-political relationship.

Importantly, members of the *Handelsvertragssystem* received special attention on the diagram because complexity of the treaty network was associated with commercial development. Countries such as Germany, Switzerland (瑞), Italy (伊), and Austria-Hungary were represented using double circles (nodes in Zone B). This represented that ‘in Central Europe, under the leadership of Germany, countries such as Austria-Hungary, Italy, and

⁵⁸ Ibid., 22 (translation from Japanese by the author).

⁵⁹ Ibid., 24 (translation from Japanese by the author). The fact that the treaty with Austria-Hungary had already expired in 1903 is also written in the diagram. It is possible to substitute the node of Austria-Hungary with that of Italy when considering the situation of 1912.

Switzerland, four in total, collaborated with each other to conclude reciprocal tariff agreements and thus formed a kind of customs union'.⁶⁰ In addition, the names of the *Handelsvertragssystem* countries appeared more than once in the diagram, which meant that these countries had multilateral, complex treaty partnerships with many different countries. This complexity was understood to represent the economic power of the countries: 'Whether a country is connected by complexly intertwined lines [*senmyaku*, representing the treaties] or not must reflect the degree of the development of commerce, navigation, and business in the country. It also indicates how much power the country has.'⁶¹ In sum, this 'economic phenomenon of cooperation' was expected to provide Japan with the way towards economic development through international trade. Furthermore, in addition to economic experts including Yamaguchi, other non-state actors including industrial interest groups analysed the economic situations and tariff problems, and their pressure had a strong influence on the government's decision-making such as Komura's 1911 steel tariffs.⁶²

The second point is in a similar vein to the first: contemporary Europeans and Americans in the early 1900s learnt that Japan was adopting the same system as the one widely used among the *Handelsvertragssystem* members in Continental Europe. One economist mentioned: 'Of the two types of dual tariffs worked out by Europe, the conventional count[ed] among its adherents Germany, Austria-Hungary, Russia, Italy, ..., and last but not least Japan'.⁶³ Another wrote: 'the example [the tariff system] thus set by Germany has been followed by the following countries: Austria, Bulgaria, Greece, Italy, Japan The 'general and conventional' principle [in those days might] be said to dominate the tariff policy of continental Europe'.⁶⁴ Still others pointed out that Japan was the only country in Asia that

⁶⁰ Ibid., 25 (translation from Japanese by the author).

⁶¹ Ibid., 26 (translation from Japanese by the author).

⁶² Motomiya, '1911 nen kanzei kaisei no igi'.

⁶³ Stone, 'Dual Tariff Systems', 302.

⁶⁴ Higginson, *Tariffs at Work*, 10.

adopted such system. ‘The tariff systems in force in European countries on February 27, 1909, were as follows: The General and Conventional in Germany, Austria-Hungary, Russia, Italy, Switzerland, Belgium, Serbia, Bulgaria, and in Asia, Japan’.⁶⁵ In addition, economists in the *Handelsvertragssystem* countries such as Germany also knew that Japan was obtaining access to the treaty network.⁶⁶ Another scholar in Germany reported about the mutual nature of the conventional tariff system used in Japan by presenting a detailed classification of the treaties that Germany concluded with foreign countries according to the conditions of clauses (Table 1).⁶⁷ He divided them into two groups: commercial treaties (*Handelsverträge*) and MFN treaties (*Meistbegünstigungsverträge*). The former corresponds to the black lines in Figure 2, while the latter corresponds to the red lines. Under the former, both of the treaty parties promised reciprocal tariff reduction and MFN treatment; on the other hand, the latter included MFN clauses but not tariff schedules. According to Horstmann, apart from the treaties with European countries such as Italy and Austria-Hungary, the Germany–Japan treaty was the only one that fell into the *Handelsverträge*; those with other Asian and non-European countries were the *Meistbegünstigungsverträge*.

[INSERT TABLE 1 HERE]

The third point is that the conventional tariff network had important consequences when the Japanese government concluded treaties: The principles of the conventional tariff network – duality and reciprocity – made a conclusion of renegotiated treaties with Europe, especially

⁶⁵ Curtis, *European Countries*, 638.

⁶⁶ ‘Caprivan commercial treaties, or the so-called *Mitteleuropäisches Handelsvertragssystem* ... allowed a wide range of tariff binding coupled with rate reduction and, at the same time, granted the unconditional and wide-range most-favoured-nation clause. Germany concluded such treaties with Belgium, Italy, Austria-Hungary, and Switzerland in 1891 ... and with Japan in 1896. ... On the basis of the new tariffs [of 1902], Bülowian most-favoured-nation and tariff treaties were concluded between Belgium, Bulgaria (1905), Greece, Japan, Romania, Russia ... and Portugal.’ Offermann, ‘Die Meistbegünstigung’, 27–28 (translation from German by the author).

⁶⁷ Based on Horstmann, *Handelsverträge und Meistbegünstigung*, 7–22 (translation from German by the author).

with Central European *Vertragssystem* countries, much easier and economically more beneficial. As Kawashima Nobutarō, an official under Foreign Minister Komura Jutarō, described, the results of the renegotiated Germany–Japan and Italy–Japan treaty were on a reciprocal basis of the conventional tariff network system.⁶⁸ The adoption of the same tariff system as these countries of *Vertragssystem* was greatly beneficial: ‘It was rather easy to conclude new treaties with Germany and Italy because both countries adopted the general-conventional tariff system.’⁶⁹ While Japan’s military development in this period such as the Russo-Japanese War worked also favourably for the treaty negotiation, it was this mechanism of network that facilitated Japan’s access to international trade policy regime. This was in striking contrast to the anti-German diplomatic policy, to which Japan had to shift at the time: the third Anglo-Japanese alliance, agreed on a month after the German commercial treaty, included the condition that, if Britain were in war against Germany, Japan would fight against the latter too.⁷⁰ Thanks to the mechanism of reciprocal cooperation in the conventional tariff network, even a diplomatically difficult context like this could not hinder Japan from entering the *Vertragssystem*.

New commercial treaties concluded with these countries as well as Britain and France (all became valid in 1911–12) were combined with revised general tariffs⁷¹ and made Japan possible to become a *full* member of the network – because not only Japan could use dual tariff system but the treaties now included mutual MFN clauses, which were absent in the Mutsu

⁶⁸ ‘Japan bound or reduced, to some extent, the general tariffs imposed on leather goods, medicine, artificial indigo ... and electric motors imported from Germany; as compensation, Germany bound or reduced the general tariffs imposed on Japan wax, agar, habutai ... imported from Japan’ (Kawashima, *Hompō tsūshō seisaku jōyakushi gairon*, 336; translation from Japanese by the author). ‘Japan conventionalized tariff rates of canned vegetables and macaroni ... imported from Italy, and had Italy promise the reduction and binding of tariffs on straw for hatmaking, habutai ... imported from Japan’ (Ibid., 337; translation from Japanese by the author).

⁶⁹ Ibid., 234 (translation from Japanese by the author).

⁷⁰ On the third Anglo-Japanese Alliance, see Dickinson, ‘Japan Debates Anglo-Japanese Alliance’ (especially 120n82 on the German-Japanese relationship).

⁷¹ Customs Tariff Law, Act No. 54 of 1910.

treaties. Duality of tariffs, reciprocity of concessions, and the MFN clauses meant that Japan now gained full access to become a member of a theoretically European conventional tariff network that ‘connected’ many countries through complex ties of commercial treaties.

The last point is that the complexity of the conventional tariff network helped the maintenance of its whole structure. It made it possible for Central European countries and Japan to maintain the economic relationship of cooperation even after a major political shock such as the outbreak of the First World War. Thanks to the conventional tariffs and the MFN clauses, even after Germany – a central player in the *Handelsvertragssystem* – exited the system, Japan could still enjoy the benefits in other countries in the network. As mentioned above, in 1912 Japan concluded commercial treaties with Germany and Italy, both of which were in the *Handelsvertragssystem* network. It also had MFN agreements with Russia, which was also a member of the network.⁷² Since the Central European countries such as Germany and Italy had conventional tariff treaties with Russia in those days, specialty Japanese exports to Russia such as raw silk were under the same conventional, reduced tariff rates as goods from Central Europe for a few years before the First World War. In other words, the MFN clauses enabled Japanese manufacturers to enjoy favourable conditions in the Russian export market. As World War I began in 1914, however, Germany abandoned its conventional tariff treaties with Russia and Japan.⁷³ Since many of the goods Japan exported to Russia were similar to German products,

⁷² The Russo-Japanese treaty became invalid after the Russo-Japanese War, but it was concluded again in 1907.

⁷³ Japan, Gaimushō, ‘Rokoku yunyū kanzei no kaitei’ [Revision of Russian import tariffs], *Tsūshō kōhō* [Official commercial gazette] 214 (13 May 1915): 625–31. See also ‘Rokoku kanzei kaisei’ [Russian tariff revision], *Yokohama bōeki shimpō*, 19 March 1915; ‘Rokoku shin kanzei shōhō’ [Details of the new Russian tariffs], *Jiji shimpō*, 3 April 1915; ‘Rokoku kanzei zōritsu eikyō’ [Effects of the increased Russian tariffs], *Chūgai shōgyō shimpō*, 7 April 1915; ‘Rokoku kanzei hikiage to sono eikyō’ [Russian tariff upward revision and its effect], *Tōyō keizai shimpō*, 15 April 1915; ‘Shasetsu: Nichiro kanzei kyōtei, gen naikaku no kō mondai’ [Editorial: Russo-Japanese tariff agreement as an important task for the present cabinet], *Chūgai shōgyō shimpō*, 18 October 1916; ‘Nichiro bōeki hattensaku’ [Strategy for increasing the Russia–Japan trade], *Chūgai shōgyō shimpō*, 24 October 1916.

contemporary Japanese feared that this might cause the loss of economic benefits they had enjoyed in Russia. Fortunately, however, Italy still maintain a conventional tariff treaty with Russia during the war, and Japan could continue enjoying the concession for raw silk that Russia gave to Italy, thanks to the Japanese-Russian MFN clause. Indeed, the Japanese ‘have exported raw silk as an important product to Russia. Since Russia has a conventional tariff agreement on this product with Italy, we will still enjoy the concession in Russia without any change’.⁷⁴ ‘The tariff that Russia impose[d] on raw silk, one of the important exports of Japan, [was] eight roubles per pood, because Japan enjoy[ed] the conventional rate agreed upon between Russia and Italy’.⁷⁵ The mechanism of the *Handelsvertragssystem* made it possible for Japan to maintain its economic relationship with other member countries, even after a political shock that disrupted the political, economic, and informational spatial configurations in the European continent.

Final Remarks

This article has presented new evidence on the history of tariff policy in Continental Europe and East Asia in the period of the so-called ‘first globalization’. Introducing the notion of conventional tariff network, an idea first proposed by scholars in adjacent fields, I discussed the hitherto separately studied cases of tariff policies in Central Europe and those in Japan. I

⁷⁴ ‘Rokoku kanzei hikiage to sono eikyō’, *Tōyō keizai shimpō*, 15 April 1915 (translation from Japanese by the author).

⁷⁵ ‘Shasetsu: Nichiro kanzei kyōtei, gen naikaku no kō mondai’, *Chūgai shōgyō shimpō*, 18 October 1916 (translation from Japanese by the author). Unfortunately, the Russia–Italy treaty would expire in the next year (1917), in which case the tariff on Japanese raw silk would rise to 20 roubles per pood. This article insists that close economic relation between Russia and Japan would make it more probable for the two to conclude a tariff convention as soon as possible (which the Russian Civil War made impossible). The article also states that the tariff concession for Japanese exports could be obtained as a quid pro quo, because Russia relied on Japan for arms and sugar. Interestingly, the situation was seen as analogous to that of the conclusion of Germany–Russia tariff convention, which was also based on a political trade-off: Russia granted favourable tariff conditions to Germany, because the latter allowed the former to raise war bonds on the German market during the Russo-Japanese War.

first briefly described the basic mechanism of conventional tariff networks. Duality of tariffs and reciprocity of concessions were the key principles that organized numerous treaties into a network, inducing member countries to negotiate favourable conditions with each other. This system encouraged the entry of new countries to the newly established political-economic space. Collaboration among the different partners was also encouraged. In line with the recent scholarship, I reassessed the history of tariff policy in Germany and other Central European countries from the 1890s to the 1910s and emphasized that Germany displaced France at the central position in European commercial policy. What was called the *Mitteleuropäisches Handelsvertragssystem* in those days worked as a conventional tariff network that connected different countries in the region. The *Handelsvertragssystem*, however, did spread beyond Europe and reached East Asia. Contrary to the literature that emphasized the limitedness of the impact of the network, and challenging the traditional view that has depicted Japan's treaty renegotiation only as a negative response against the Western pressure, my analysis of the hitherto neglected Germany–Japan and Italy–Japan treaties demonstrated that treaty renegotiations allowed for Japan's entry to the *Handelsvertragssystem*. The complex structure in the network made it possible for its members to cooperate with each other even when a major member left it. The conventional tariff network was an international economic-political space that was based more on the coordination of economic interests than on political conflicting relationships. Its mechanism did not hinder but rather fostered the spread of the network itself outside Europe towards other areas of the world such as East Asia. This paper showed how focusing on the spatial configuration that the conventional tariff network changed was crucial for understanding the global economic history in those days. At the same time, it also shed light on how a multi-layered, complex transnational network of policy, economy, and knowledge is found in the field of economic history or diplomatic history, where country-level analysis has been taken for granted for years – showing that how transnational approach enriches the

narrative of economic history, and the latter can diversify the approach of the former.

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Table 1. Treaties that Germany concluded with different countries before the First World War.

Source: Horstmann, *Handelsverträge und Meistbegünstigung*, 7–22.

System	Countries
1. <i>Handelsverträge</i>	<i>Clauses: Both tariff reduction and MFN</i> Austria-Hungary, Italy, Russia, Japan, Sweden, Belgium, Switzerland, Portugal, Greece
2. <i>Meistbegünstigungsverträge</i>	<i>Clauses: MFN only</i>
a) non-reciprocal MFN	China, Siam
b) unconditional reciprocal MFN	Denmark, Norway, Netherlands, Turkey, Latin American countries, Britain
c) MFN to limited countries	Spain, France
d) conditional MFN	United States, Chile

Figure 1. Average tariff rates of the Western countries and Japan, 1890–1919. Source: Yamazawa and Yamamoto, *Bōeki to kokusai shūshi*; Mitchell, *International Historical Statistics*; United States, Bureau of the Census, *Historical Statistics*.



