

## Securing the World Economy. The Reinvention of the League of Nations, 1920-1946

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In September 2012, United Nations Secretary-General Ban Ki Moon officially opened a new reading room for the League of Nations archives in Geneva. After four decades in a room with barely enough space for more than a handful of scholars, the League's archives are now accessible in the refurbished 'Rockefeller room', with seating for 24 researchers. To many, this signaled that the once marginal interest in the League had become mainstream. No longer simply dismissed as an expression of unrealistic idealism and an organization that 'failed' in its foremost objective – the promotion of peace – the League has now come to occupy a central space in histories of 20th-century international relations and diplomacy.

Patricia Clavin is amongst a generation of scholars who – through their travails in the League of Nations’ former reading room – have established the importance of the League. Her work sits within a growing number of accounts of the League’s role in shaping international politics which have been characterised by a change of approach: where previously realist interpretations of international relations saw international institutions as little more than arenas in which national agendas competed, practitioners of the ‘new diplomatic history’ have increased their sensitivity to the multiplicity of actors, and forms of power, operating above, beyond and across nation states. Far from being studied as a mere ‘stage’ upon which national agendas were enacted, the League, and the diverse array of diplomats, bureaucrats, experts and humanitarians associated with it, are now more often approached as a ‘company of actors’ who played an influential role in shaping the international order between the two world wars (p. 4).<sup>(1)</sup>

Despite this recent upsurge of scholarly interest, we still know relatively little about the practices of the multiple individuals and organisations that constituted the League of Nations. Clavin’s work addresses this important lacuna through a focus on the League’s Economic and Financial Organisation (EFO), the world’s first intergovernmental organisation devoted to the promotion of economic and monetary co-operation. The EFO’s archives have been previously mined by historians of inter-war economics, many of whom have come to rely upon its vast and meticulously compiled catalogue of reports to chart the course of the interwar economic roller coaster. Yet the EFO itself has been dismissed as the ‘greatest failed organisation of the League’, and its own role as an actor in its own right in the inter-war international economy has tended to be overlooked by economic and diplomatic historians alike.<sup>(2)</sup> Clavin posits that the reason for this lies not with the EFO’s supposed impotence, but instead its innovation. The EFO, she argues, ‘sought to connect economics and finance to politics and society’, but historians, she contends, have ‘lost interest in studying these connections’ (p. 3). Her book, *The Reinvention of the League of Nations*, situates the EFO within Geneva’s cultural and intellectual community, whilst simultaneously charting its vision of international society and its influence upon diplomacy. An economic history which will appeal to non-economists, the book provides long overdue insights into a number of key subjects including the impact of the EFO, and the League more broadly, on the lives of the European public, the role of the EFO in mediating Euro-American relations and the quotidian cultures of the international civil service between the two world wars.

In focusing on the lifecycle of one of the League’s many subsidiary bodies, Clavin makes a broader argument about how we might view the League of Nations. There was, Clavin claims, no ‘single League of Nations at Geneva’. Rather, with multiple actors, agendas and an ever-changing line up of individuals, committees and subsidiary organisations, the League was a ‘multiverse’; a body that constantly spawned ‘new universes’ and which was therefore subject to constant ‘reinvention’ (p. 7). In line with other scholars in the field, Clavin shows that the League was far from being a ‘finished’ product in 1919, but would continue to change and evolve throughout the inter-war period, reacting to both internal and external pressures.<sup>(3)</sup> The EFO, Clavin shows, sought to remake the League from the inside out and then, as the League fell apart, became a key architect of the post-1945 international order.

Before the EFO could set about reinventing the League of Nations, it first had to invent itself. In 1919, there had been little to indicate that the League would play a role in international finance. Instead, animated by a 19th-century liberal internationalist vision, the League’s architects privileged free trade as an organising principle, and longed wistfully for the economic order and prosperity of the pre-war years. Initially, the EFO existed only in a ‘provisional’ capacity as an advisory body for the League’s member states, and – fearing that their national sovereignty might be impinged upon – even this limited role was regarded with suspicion by the British. Yet, as the ‘economic consequences of the peace’ took the form of hyperinflation in the successor states of the Austro-Hungarian Empire, the League’s Assembly began to consider intervention. A ‘proprietary’ attitude towards Europe’s new nations and fledgling democracies, coupled with anxiety about the appeal of communism to impoverished masses, provided it with an increasingly compelling rationale for action. In 1920, reservations about economic intervention were cast aside when British academic and civil servant Arthur Slater negotiated a multilateral programme of both private and intergovernmental financial support for Austria, acting under the auspices of the EFO. The EFO went on to co-ordinate similar support for Hungary in 1923. Success in these endeavours served to confirm the legitimacy of the EFO and, in 1924,

the 'provisional' was quietly dropped from the EFO's title. From this point forward, Clavin notes, international economic oversight was to be a permanent feature of the global order.

With the European economy seemingly stabilised by the mid-1920s, the EFO returned to a classically liberal internationalist approach to global economics. Throughout the later 1920s, and via a series of conferences, negotiations and reports, the EFO pursued its prime objective of a 'tariff truce' between European states, a mechanism it considered vital for the reintroduction and reinvigoration of free trade. But the EFO's limited success in this sphere was to be almost immediately undermined by the advent of the global depression in 1929. In her account of the depression, Clavin's study breaks little new analytical ground. As in her previous works, she is concerned with the political decision-making processes that perpetuated gold standard orthodoxy, and echoes many of the observations made in Eichengreen's classic *Golden Fetters*.<sup>(4)</sup> However, by successfully integrating the EFO into the story of inter-war economic policy, Clavin presents an alternative vantage point from which historians might view the crisis: that of the EFO as a self-confessed scholarly 'expert' which, ostensibly, had neither national nor financial agendas to pursue. Imbued with self-confidence as to its own academic, and indeed moral, authority, the EFO had formed a Gold Delegation immediately prior to the Crash, which promoted international currency stabilisation as the best hope for the international economy. The Gold Delegation, which – despite internal conflicts – ultimately upheld gold standard orthodoxy, has been thus far dismissed in the historiography of the Great Depression as a 'failure'. Yet, for Clavin, the significance of the Gold Delegation lies less in its conclusion than its very formation, which in her view illustrates the novel ways in which the EFO was 'pushing at the boundaries of what states would accept in terms of international scrutiny' (p. 51).

This did not mean, however, that nation states, their leaders, or indeed their bankers, paid any heed to scholarly suggestions for monetary policy. The paradox for the EFO in these years was that, even as its legitimacy was enhanced, its argument for international co-ordination was falling ever more out of vogue, as Western European states and the United States embarked on protectionist programmes and sought shelter from the financial storm under nationalist umbrellas. In 1932, the second of two World Economic Conferences convened by the EFO rapidly descended into squabbles over war debts between the three major powers, Britain, the United States and France, and the EFO's 'tariff truce' agenda foundered as bankers resorted to backroom dealings to secure currency stabilisation. This episode was particularly painful for the EFO, not only undermining its authority but also serving to further distance the United States from an active role in international financial co-ordination. Throughout its lifespan, the EFO would continue to seek the cooperation of the United States, and to laud American innovation, with, for example EFO delegate Alexander Loveday traveling to the country in 1934 to gather information on the 'social and economic revolution' represented by the New Deal (p. 133). In this regard, Clavin shows how the United States, the 'League's most famous non-member', remained central to the international economic vision of the EFO throughout the era.

Clavin's work invites us to reconsider the traditional chronologies of the inter-war era. It is in the 'diplomatically dull years' of the early 1930s that she locates a further reinvention of the League, spearheaded by the EFO. Sidestepping – at least for the time being – the diplomatic and economic wrangling of the major powers, the EFO set about promoting 'bread and butter internationalism' in these years (p. 165). This approach re-articulated the principles expressed in the EFO's earlier economic intervention in Austria and Hungary: the belief that international stability and security could not be achieved whilst vast swathes of the European population remained impoverished. Now, the EFO's attention shifted eastwards, to a focus upon the 'quality of life' of eastern European agricultural communities, the end result of which was a series of pioneering studies into malnutrition. Estimating that 60 million eastern European peasants each year were unable to produce enough to eat, the EFO looked beyond the shorter-term context of the Depression to identify a persistent, long-term regional cycle of undercapitalisation, under productivity and underemployment. As Clavin rightly identifies, this diagnosis drew upon, and further entrenched, tropes of hunger and helplessness forged in the colonial imagination. EFO intervention in the region thus extended the 19th-century tradition of humanitarian imperialism, whilst at the same time laying much of the groundwork for post-1945 'development' projects.

The EFO was also active in social welfare in these years and its interests in this area mirrored broader shifts in the activities and character of the League. From the mid-1920s a host of subsidiary bodies, dealing with topics ranging from child welfare to the rehabilitation of prostitutes, focused on social and humanitarian projects. In the 1930s their scope and support increased whilst the diplomatic sections of the League appeared ever more powerless in the face of European fascism. In 1936, with the League's impotent response to the Italian invasion of Ethiopia fresh in the public consciousness, internationalist academic William Rappard suggested that the 'main purpose for the League, the prevention of war, might more readily and effectively be served by the consolidation of peace than the suppression of violence' (p. 162). This form of 'positive security' had been promoted by, amongst others, Jan Smuts in 1919, but Clavin argues that it came to occupy a central space in the identity of the League and the EFO only as other diplomatic channels began to dry up.

The EFO's increasing interest in social questions and positive security provided an answer to a practical and philosophical question: what should an organisation devoted to international peace do in a time of war? When the Second World War began in 1939, the EFO was in the midst of its greatest undertaking to date, a study of the origins of the Depression in the aftermath of war. For EFO officials, understanding the causes of the last post-war collapse took on renewed importance now it seemed that history might repeat itself. Despite the perception from many quarters that the EFO was still engaged in 'fighting the last war' in the midst of a new one, the EFO had secured a close enough relationship with the US State Department to warrant an invitation to take up a new home at Princeton. Clavin's depiction of the social history of the League of Nations' diplomatic community is nowhere more compelling than the vivid account of the EFO's 'escape' from Switzerland, its arduous journey to the United States, and the subsequent 'academic rescue missions' that were launched in aid of officials who found themselves inside the Third Reich's ever shifting frontiers.

It was during the war that the EFO reached the height of its influence and innovation. Where previously its dense reports had been undermined by their own meticulous and thus voluminous research and technical explanations, EFO staff now recognised the need to produce concise volumes to be 'read on the run' by allied leaders. Foremost among these was *The Transition From a War to a Peace Economy*. Published in 1943 this set out a comprehensive plan for reconstruction which drew on the wealth of statistical information gathered by the EFO during its time in Geneva. It was unique in promoting international co-ordination at a time when national plans were dominating and also in its 'determination not to divide the world into winners and losers' (p. 290). Instead, the report highlighted the commonality of post-war economic experience throughout the world following Versailles, and warned of a similar future.

The final section of Clavin's monograph provides what is, to date, the most detailed account of the League's relationship with the emerging United Nations, both during and in the immediate aftermath of the war. Here,

Clavin addresses the question which has preoccupied generations of scholars: the extent to which the League of Nations should be judged a success or a failure. Interestingly, Clavin shows that EFO officials were themselves complicit in the creation of a 'failure' narrative, a painful task but one regarded as necessary if a new international organisation was to draw the support of the American public, something that was considered vital to both a future United Nations and to American intervention in post-war reconstruction. Yet this concern for American public opinion stood in direct opposition to what Clavin identifies as a key shift taking place during the war years. During the inter-war period – in line with a wider veneration of the role of public opinion in international diplomacy – the EFO had undoubtedly sought to educate and mobilise the European public in support of its policies, particularly with regards to social policy and agriculture. Yet, at the same time EFO officials had also held to the classically liberal view that the public would need to be educated before they could be mobilised, and they saw themselves as unbiased experts and appropriate leaders in this process of education. The EFO's move to Princeton marked, however, a decisive shift away from this approach to 'politics' and 'public'. In Clavin's view, whilst the 'the pre-eminent link between the worlds of international organisations before and after 1945 was the continuing emphasis on the balance of technocracy', a new 'lack of transparency' came to characterise the IMF, World Bank and the EEC after the war. Assured of their own expertise, post-1945 financial organisations failed to communicate either with the public or with democratically elected leaders as the EFO had. The seeming secrecy of post-1945 institutions would increasingly undermine their legitimacy.

The war-time United Nations alliance enters Clavin's story in the penultimate chapter, where she seeks to explain why the EFO was excluded from the 1943 United Nations' world food conference, an event that she argues the EFO had in fact initiated. This exclusion, Clavin claims, spoke of the need to keep daylight between the League and potential post-war organisations in the eyes of the American public. She explains the EFO's subsequent exclusion from the key conferences at Bretton Woods and Dumbarton Oaks in 1944, in similar terms. Clavin is, however, able to argue for the influence of the EFO on the emerging post-war order, whilst ensuring she does not overstate the continuities between pre- and post-1945 economic organisations. Unlike League organisations such as the Health Organisation or Child Welfare Council (which would become the UN Health Organisation and UNICEF), the EFO was not 'transferred wholesale' to continue its work with a new title under the auspices of the UN. Instead, Clavin identifies a more subtle and multi-layered process of ideological transference in the sphere of international economics. The EFO, she argues, had 'bequeathed a shared understanding of the recent history of the world economy ... [and had] provided an historical narrative of an interconnected world economy', thereby preparing the ground for new organs of economic oversight (p. 307).

Where a number of histories of interwar international organisations rely upon their afterlife in order to confirm their historical significance, Clavin seeks to measure the EFO's power and influence within its own lifespan. Her account treats the EFO as an 'actor, rather than a stage', weighing in on economic debates rather than simply playing host to traditional economic agents: states, banks and businesses. Yet, her account also reveals the impotence of the EFO, which often appeared to have observed rather than influenced international economic policy, unable to intervene in spats between the allied nations around war reparations, tariffs and currency stabilisation. Indeed, barely able to impact upon inter-allied economic policy, the EFO was entirely powerless to prevent the more widespread economic nationalism and protectionism of the 1930s. Clavin shows how, through its inaction, the EFO became complicit in the economic appeasement of Nazi Germany in latter part of the 1930s. Thus, whilst Clavin successfully argues that the EFO brought into being the contemporary norm of international oversight of economic policy, as a reader I was left wondering at times if the economic story of the inter-war period would really have looked all that different had the EFO not existed. Perhaps more detail about the EFO's 'social work' in Eastern Europe, for example, would have enabled readers to gauge the extent of the impact of the EFO on the communities it claimed to serve. Thus, whilst *The Reinvention of the League of Nations* is a vibrant intellectual and cultural history of economic policy and its makers, it falls short at points in exploring the impact of the EFO beyond Geneva within its short lifespan.

Clavin's book is the product of over ten years of research in archives on three continents. It is vast in scope

and it makes a rich and important series of contributions to the field. It is multi-layered and meticulously detailed, but – given the scale of the topic – it inevitably leaves questions for future researchers to pursue. For example, Clavin states early on that Africa existed for the EFO only as an object not a subject, and that the imperial realities of inter-war geopolitics were accepted without question. Nonetheless, I was left curious about how the work of the EFO intersected with the colonial development schemes of the 1930s, particularly as EFO leaders employed similar development discourses in their work in Europe. Clavin's work is also significant for the space it affords to the 'League of Nations most famous non-member of all: the United States' (p. 10). It illustrates the ways in which the United States nonetheless exerted influence, and the tactics that the League, EFO and various European powers employed as they attempted to draw it into the new international diplomatic community. Less discussion is devoted to the world's other emerging great power, the USSR, either before or after 1926, when it became a League member. Although Clavin notes that socialism played an important role in defining the 'other' in inter-war economic thought, she acknowledges that the 'relationship between liberal internationalism and international communism remains unclear' throughout the period (p. 9). Here too lies an important avenue for future researchers.

To conclude, this is an impressive and meticulously researched monograph that has much to offer scholars working on all aspects of modern international history. For economic historians, it presents less a new interpretation of the era than a fresh perspective, reinvigorating longstanding debates by reintegrating a frequently overlooked actor, the EFO, into the era's economic landscape. For scholars interested in the roots of modern global governance, Clavin's work explores the changes and continuities between pre- and post-1945 institutions and it firmly locates the genesis of the contemporary plethora of financial organisations within the inter-war era. For an emerging generation of historians interested in the League of Nations, it is an essential read. Clavin paints a vibrant portrait of an international diplomatic and bureaucratic community of circulating individuals and ideas, setting the bar high for forthcoming studies of other League of Nations bodies. Finally, Clavin's work deserves an audience beyond the academy at a time when the challenges of a worldwide economic downturn have, once again, called into question the activities of international economic organisations.

## Notes

1. For example, Zara Steiner, *The Lights that Failed: European International History 1919–33* (Oxford 2005); Zara Steiner, *The Triumph of the Dark: European International History 1933–1939* (Oxford, 2012); M. Mazower, *Governing the World: The History of an Idea* (London, 2012); S. Pedersen, 'Back to the League of Nations: review essay', *American Historical Review*, 112, 4 (October 2007), 1091–117; a database of historians working on the League can be accessed online at <http://leagueofnationshistory.org/database.shtml> [2]. [Back to \(1\)](#)
2. D. Armstrong, *The Rise of the International Organization: A Short History* (Basingstoke, 1982), p. 27. [Back to \(2\)](#)
3. Patrick O. Cohrs, *The Unfinished Peace after World War I: America, Britain and the Stabilisation of Europe, 1919–1932* (Cambridge, 2006). [Back to \(3\)](#)
4. P. Clavin, *The Great Depression in Europe, 1929–1939* (London, 2000); P. Clavin, *The Failure of Economic Diplomacy: Britain, Germany, France and the US, 1931–36* (London, 1996); B. Eichengreen, *Golden Fetters: The Gold Standard and the Great Depression, 1919–1939* (Oxford, 1992). [Back to \(4\)](#)

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