The League of Nations

10.01.1920 – 18.04.1946
Ideological roots: The Peace Society

- Founded in London on June 14 1816,
- Among the founding member:
  - William Allen (Quaker or Religious Society of Friends)
  - Rev. Thomas Harper
- They followed the principles of:
  - peace
  - disarmament
  - arbitration
Bureau International pour la Paix
Bureau International pour la Paix

- It was founded in Rome in 1891 during the Third Universal Peace Congress
- The Bureaux was expected to coordinate the activities of the different Peace Societies
- In 1910 the Bureau was awarded a Nobel Peace Prize
- The Bureau focused on themes such as:
  - Arbitration
  - Bilateral peace agreements
  - Establishment of an International Court of Justice
Ernesto Teodoro Moneta
1833-1918
Ernesto Moneta

- He is the first and only Italian Peace Nobel Prize (1907)
- Between 1903 and 1910 published a seminal work: 
  *Le guerre, le insurrezioni e la pace nel secolo XIX* (4 voll)
  - Reconstructs the history of pacifist thought
  - Arguments that it is impossible to have military solutions to international crisis
  - Anticipates the establishment of an international body similar to the League of Nations
The League of Nations: composition

- Founding members in 1920 were 42
- only 23 of them maintained their membership until 1946
- Between 1920 and 1937 there were 21 new state members
- In spite of their promoting role the USA did not become member
Warren G. Harding (1921-1923)

Before his nomination, Warren G. Harding declared, "America's present need is not heroics, but healing; not nostrums, but normalcy; not revolution, but restoration; not agitation, but adjustment; not surgery, but serenity; not the dramatic, but the dispassionate; not experiment, but equipoise; not submergence in internationality, but sustainment in triumphant nationality...."
Original members on January 10, 1920

- Argentina, Australia, Belgium, Bolivia, Brazil, Canada, Chile, China, Colombia, Cuba, Czechoslovakia, Denmark, El Salvador, France, Greece, Guatemala, Haiti, Honduras, India, Italy, Japan, Liberia, Netherlands, New Zealand, Nicaragua, Norway, Panama, Paraguay, Persia, Peru, Poland, Portugal, Romania, Siam, Spain, Sweden, Switzerland, South Africa, United Kingdom, Uruguay, Venezuela, Yugoslavia
League of Nations: Membership

- 1920  ALBANIA, AUSTRIA, BULGARIA, COSTA RICA, FINLAND, LUXEMBOURG are admitted to the League
- 1921  ESTONIA, LATVIA, LITHUANIA are admitted to the League
- 1922  HUNGARY is admitted to the League
- 1923  ETHIOPIA, IRELAND are admitted to the League
- 1924  DOMINICAN REPUBLIC is admitted to the League
- 1925  COSTA RICA withdraws from the League
- 1926  GERMANY is admitted to the League
- 1926  BRAZIL withdraws from the League
- 1931  MEXICO is admitted to the League
- 1932  IRAQ, TURKEY are admitted to the League
- 1933  GERMANY, JAPAN withdraw from the League
League of Nations: Membership

- 1934  AFGHANISTAN, ECUADOR, UNION OF SOVIET SOCIALIST REPUBLICS are admitted to the League
- 1935  PARAGUAY withdraws from the League
- 1936  GUATEMALA, HONDURAS, NICARAGUA withdraw from the League
- 1937  EGYPT is admitted to the League
- 1938  EL SALVADOR, ITALY withdraw from the League
- 1938  CHILE, VENEZUELA withdraw from the League; AUSTRIA is annexed by GERMANY (Anschluss)
- 1939  HUNGARY, PERU, SPAIN withdraw from the League
- 1939  ALBANIA is annexed by ITALY
- 1939  UNION OF SOVIET SOCIALIST REPUBLICS is expelled
- 1940  ROMANIA withdraws from the League
- 1942  HAITI withdraws from the League
League of Nations Covenant: 26 Articles

Art. 1 membership, admission withdrawal
Art. 2 - 5 Nature and power of the Assembly and the Council
Art. 6 - 7 appointment of the General Secretariat in Geneva and budgetary issues
Art. 8 – 9: disarmament reduction to the minimum possible of armaments through a discussion among member states
Art. 10 - 21 clarify the political and social mandate of the organisation, specifying right and duties of member states to the end of promoting international cooperation and achieve peace and stability
ARTICLE 8. The Members of the League recognise that the maintenance of peace requires the reduction of national armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations.

The Council, taking account of the geographical situation and circumstances of each State, shall formulate plans for such reduction for the consideration and action of the several Governments. Such plans shall be subject to reconsideration and revision at least every ten years.

After these plans shall have been adopted by the several Governments, the limits of armaments therein fixed shall not be exceeded without the concurrence of the Council.
The Members of the League agree that the manufacture by private enterprise of munitions and implements of war is open to grave objections. The Council shall advise how the evil effects attendant upon such manufacture can be prevented, due regard being had to the necessities of those Members of the League which are not able to manufacture the munitions and implements of war necessary for their safety. The Members of the League undertake to interchange full and frank information as to the scale of their armaments, their military, naval and air programmes and the condition of such of their industries as are adaptable to war-like purposes.
Art. 11. Any war or threat of war, whether immediately affecting any of the Members of the League or not, is hereby declared a matter of concern to the whole League, and the League shall take any action that may be deemed wise and effectual to safeguard the peace of nations. In case any such emergency should arise the Secretary General shall on the request of any Member of the League forthwith summon a meeting of the Council.

It is also declared to be the friendly right of each Member of the League to bring to the attention of the Assembly or of the Council any circumstance whatever affecting international relations which threatens to disturb international peace or the good understanding between nations upon which peace depends.
ARTICLE 12. The Members of the League agree that, if there should arise between them any dispute likely to lead to a rupture they will submit the matter either to arbitration or judicial settlement or to enquiry by the Council, and they agree in no case to resort to war until three months after the award by the arbitrators or the judicial decision, or the report by the Council. In any case under this Article the award of the arbitrators or the judicial decision shall be made within a reasonable time, and the report of the Council shall be made within six months after the submission of the dispute.
ARTICLE 13. The Members of the League agree that whenever any dispute shall arise between them which they recognise to be suitable for submission to arbitration or judicial settlement and which cannot be satisfactorily settled by diplomacy, they will submit the whole subject-matter to arbitration or judicial settlement.

Disputes as to the interpretation of a treaty, as to any question of international law, as to the existence of any fact which if established would constitute a breach of any international obligation, or as to the extent and nature of the reparation to be made for any such breach, are declared to be among those which are generally suitable for submission to arbitration or judicial settlement.
League of Nations Covenant

- For the consideration of any such dispute, the court to which the case is referred shall be the Permanent Court of International Justice, established in accordance with Article 14, or any tribunal agreed on by the parties to the dispute or stipulated in any convention existing between them.

- The Members of the League agree that they will carry out in full good faith any award or decision that may be rendered, and that they will not resort to war against a Member of the League which complies therewith. In the event of any failure to carry out such an award or decision, the Council shall propose what steps should be taken to give effect thereto.
League of Nations Covenant

Art. 22 - 23 focus on the intention of the League to extend its competences to finance, trade, transports and also the promotion of the health and the struggle against drugs, prostitution and slavery

Art. 24 - 25: deal with the transfer to the Leagues of existing agencies and the call for an active support to the ideals of the International Red Cross
League of Nations Covenant

- **Art. 23**: Subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon, the Members of the League:
  - (a) will endeavour to secure and maintain fair and humane conditions of labour for men, women, and children, both in their own countries and in all countries to which their commercial and industrial relations extend, and for that purpose will establish and maintain the necessary international organisations;
  - (b) undertake to secure just treatment of the native inhabitants of territories under their control;
Art. 23:

(c) will entrust the League with the general supervision over the execution of agreements with regard to the traffic in women and children, and the traffic in opium and other dangerous drugs;

(d) will entrust the League with the general supervision of the trade in arms and ammunition with the countries in which the control of this traffic is necessary in the common interest;

(e) will make provision to secure and maintain freedom of communications and of transit and equitable treatment for the commerce of all Members of the League. In this connection, the special necessities of the regions devastated during the war of 1914-1918 shall be borne in mind;
Bodies of the League of Nations

- **Assembly** (composed of all member states)
- **Council** (France, Italy, Japan, UK; Germany joined in 1926 but left in 1935)
- Permanent secretariat
- International Permanent Court of Justice
The issue of War Reparations

- Was strictly related to the issue of the inter-allied debt (debt of the allied forces with the USA)
- Keynes in 1919 estimated this debt in 4,000 millions of pounds (at those years value)
- Europe had a cumulative debt with the USA of more than 10 billion of US $
- GB, France and Italy were the most exposed countries
The human cost of the war

- Close to 3 million Russians died, and more perished in the civil war,
- 2 million Germans,
- over 1.5 million French,
- close to a million English,
- A half-million Italians,
- 1.2 million from Austria-Hungary,
- 325,000 from Turkey died in battle
- the youth paid the highest price; it is estimated that Germany and France each lost over 15 percent of their young men
War reparations

- Keynes suggested to erase the debt assuming that also other creditors would have done the same
- The USA took a very intransigent standing
- The Allied forces (especially France) were planning to set their debt through Germany’s war reparations
War reparations

- Germany acknowledged its responsibility in the outbreak of the war and engaged in the payment of the debt.
- In 1920 a summit decided the percentage of the payment among the Allied:
  - 52% France
  - 22% Great Britain
  - 10% Italy
  - 8% Belgium
German war reparation

- The global amount was defined only in 1921
- 132 billions of gold Marks (equivalent to 31,35 billions of US Gold dollars)
- It was calculated in money and goods
- War reparations were distributed through time
German war reparation

- Initially the agreement was assuming strict deadlines for the first two payments (40 billions)
- However, starting from January 1922 there were endless discussions on the payment
- Germans asked for a postponement
- On February 1922 the USA rejected the Allies’ request of a reduction of their debts
German war reparation

- The Genoa's International Economic Conference of 1922 tried to solve the problem
- It was suggested that central banks should have made a partial return to the Golden Standard (Inter-war Gold Standard)
  - Central banks authorised to keep part of their reserves in currencies that were themselves exchangeable for gold coins
  - Individual citizens would not receive gold coins in exchange for their notes
- There was the attempt to involve the USSR
  - This was an acknowledgement of its economic and political role
  - The USSR was seen as a potential factor for the new take off of world economy
German war reparation

- On April 16 Germany and USSR signed the Treaty of Rapallo
  - It was prompted by the fact that Germany and USSR were left vulnerable in the period following the end of WWI
  - Each country renounced all territorial and financial claims against the other
  - It was a follow up of the Treaty of Brest-Litovsk (1918)
  - It reflected also both countries’ interest on Polish territories
German war reparations

- 1923 French and Belgian troupes occupied the Ruhr region and started exploiting its resources
- Passive resistance of the German miners prevented the fulfilment of this plot
German war reparations

- This confused situation led to the collapse of the German monetary system
- The exchange rate was
  - In 1922 the US $ was exchanged at 400 German Marks
  - On July 1923 the US $ was exchanged at 4000 German Marks
  - On November 1923 the US $ was exchanged at 4200 billions of German Marks
German war reparations: Dawes Plan

- On April 1924 was launched the Dawes Plan
- It was a USA five year plan with whom the American intervened heavily on European economy
- The plan aimed at:
  - I. restarting German debt payment with increasingly bigger rates but without a fixed global amount; reorganisation of the German Central Bank; change of the German currency
  - II. Creation of resources to enable the Germans to pay their debt
German war reparations: Dawes Plan

To achieve those results the plan assumed the following:
- The Ruhr area was to be evacuated by Allied occupation troops.
- Reparation payments would begin at one billion marks the first year, increasing annually to two and a half billion marks after five years.
- The Reichsbank would be reorganized under Allied supervision.
- The sources for the reparation money would include transportation, excise and custom taxes.
- A loan that amounted to 800 million of US Dollars.
- It was provided by American investment banks, led by the Morgan Guaranty Trust Company.