

# The rise of the dual culture of world development and world government in *International Affairs*, 1930–1950

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‘What you hear is the rushing of a torrent’.

‘A torrent?’, I exclaimed.

‘There can be no doubt; a subterranean river is flowing around us’.

Jules Verne, *A journey to the centre of the earth*, 1864

## The challenge of world order, today and then

The idea of ‘world order’ is back in the public discourse.<sup>1</sup> The publications cited in the footnotes of this introductory article provide a small but significant fragment of evidence from scholarly works.<sup>2</sup> This renewed interest is due, to some extent, to the anniversaries of historical events: the outbreak of the First World War (1914) and the Bretton Woods Conference (1944) last year; the end of the Second World War, the death of Franklin D. Roosevelt, and the birth of the United Nations (1945) this year. In particular, the post-Second World War grand design of an international collaborative framework for action continues to draw attention.<sup>3</sup> Yet, this is not a subject purely of historical interest, or scholarly debate.

The consequences of the 2008 financial crisis, regional conflicts from Eastern Europe to the Mediterranean and the Middle East, the rise of the Islamic State and large-scale migrations to Europe are posing unprecedented challenges. These challenges, in turn, are kindling the debate on *how* to ‘govern the world’. Both

<sup>1</sup> In his address to the UN General Assembly, Pope Francis mentioned not ‘order’, but rather ‘disorder’: ‘the darkness of the disorder caused by unrestrained ambitions and collective forms of selfishness’. Pope Francis, *Address to the General Assembly of the United Nations*, United Nations Headquarters, New York, 25 September 2015, [https://w2.vatican.va/content/francesco/en/speeches/2015/september/documents/papa-francesco\\_20150925\\_onu-visita.html](https://w2.vatican.va/content/francesco/en/speeches/2015/september/documents/papa-francesco_20150925_onu-visita.html), accessed 6 Oct. 2015.

<sup>2</sup> See e.g. Henry Kissinger, *World order* (New York: Penguin Press, 2014); see also Mark Mazower, *Governing the world: the history of an idea* (New York: Penguin Press, 2013). From the economist point of view, see e.g. Joseph Stiglitz, *Freefall: America, free-markets and the sinking of the world economy* (New York: W. W. Norton & Company, 2010); see also D. Rodrik, *The globalization paradox: democracy and the future of the world economy* (New York: W. W. Norton & Company, 2011). For a jurist’s point of view, see e.g. S. Cassese, *The global polity: global dimensions of democracy and the rule of law* (Seville: Global Law Press, 2012); see also E. Benvenisti, *The law of global governance* (The Hague: Hague Academy of International Law, 2014).

<sup>3</sup> See Eric Helleiner, *The forgotten foundations of Bretton Woods: international development and the making of the postwar order* (Ithaca and London: Cornell University Press, 2014); B. Steil, *The battle of Bretton Woods: John Maynard Keynes, Harry Dexter White and the making of a new order* (Princeton: Princeton University Press, 2013); Eric Helleiner, ‘A Bretton Woods moment? The 2007–2008 crisis and the future of global finance’, *International Affairs* 86: 3, 2010, pp. 619–638.

the past and the present, therefore, invite us to provide answers. Issues concerning prosperity and security are inseparable.

To be clear, entirely new developments are taking place, ushering in a new era whose contours are still barely visible in the mist. An example is the birth of the BRICS<sup>4</sup> New Development Bank (NDB), including an emergency fund for stabilization (the Contingent Reserve Arrangement, or CRA), and that of the new Asian Infrastructure Investment Bank (AIIB) both led by China, by far their largest shareholder. It is a breach into the Bretton Woods System based on the International Monetary Fund (IMF) and the World Bank. The Transatlantic Trade and Investment Partnership (TTIP) and the Trans-Pacific Partnership (TTP) also signal global shifts. Moreover, the re-establishment of the United States–Cuba relationship opens a new chapter of engagement between former Cold War foes.<sup>5</sup> Finally, the world will continue to get more connected as shown, for instance, by the MIR initiative for the development of transport and communication in the METR region (Middle East, Europe, Turkey and Russia) to boost social mobility and social welfare in the area, aiming at lowering extremism and proneness to conflicts.

As the big picture gets more chaotic, one feels the urgency to look to the past, to learn from it. In one of the articles in this virtual issue—i.e. a selection of articles that still hold relevance today, drawn from the *International Affairs* archive—Paul Rosenstein-Rodan writes that just as it was customary in the nineteenth century to think that all economic problems would be solved *if* political problems could be solved first, it was customary in his own times—that is, in the mid-twentieth century—to believe that all political problems could be solved *if* economic problems could be solved first.<sup>6</sup> Today, in the age of globalization, only joint solutions will work. We need multiple lenses: the historian's, the economist's, the jurist's, the political scientist's and the practitioner's. This is why this virtual issue draws on different disciplines. Therefore, while some of the articles will be familiar to many readers, only a few are likely to be familiar to all. Rosenstein-Rodan's article on international development will be known to economists, but most of them will be unfamiliar with David Mitrany's article on functionalism, well known among political scientists, and so on. The attempt here is to draw also on the practical culture of 'men of deeds', those who did not write scholarly papers, but who—in their capacities as bankers, diplomats, policy-makers—were at some point invited to present a paper at Chatham House (the London-based Royal Institute of International Affairs [RIIA], established in 1920).<sup>7</sup>

By doing so, this virtual issue introductory article serves two purposes. On the one hand, by presenting a fragment of the rise of the dual culture of world development and world government, it aims to show how past ideas can support

<sup>4</sup> Brazil, Russia, India, China and South Africa.

<sup>5</sup> See e.g. William M. LeoGrande, 'Normalizing US–Cuba relations: escaping the shackles of the past', *International Affairs* 91: 3, May 2015, pp. 473–88.

<sup>6</sup> Paul Narcyz Rosenstein-Rodan, 'The international development of economically backward areas', *International Affairs* 20: 2, pp. 157–165.

<sup>7</sup> On the RIIA, see Charles Edward Carrington, Mary Bone, *Chatham House: its history and inhabitants* (London: The Royal Institute of International Affairs, 2004).

our imaginative efforts today. Ideas did not originate from a void then, nor can today. On the other hand, by presenting the authors and their ties with *International Affairs*, it also aims at showing the relevance of the journal, and of Chatham House, as a hub for the dissemination of this culture. It is, therefore, also a contribution to the history of Chatham House.

### **Articles, authors, affiliations: a generational and epistemic community**

This virtual issue comprises 20 articles, written by 18 authors and published in *International Affairs (IA)* between 1931 and 1949. Eight were written before the Second World War, twelve after the war. Most of the articles stem directly from seminars held at Chatham House; the reader might find, at the end of some of them, the original transcript of the discussion following the speech (see the ‘summary of discussion’). Though Canada, the UK and the US take the lion’s share, authors are from nine different countries (Austria, Lithuania, the Netherlands, New Zealand, Poland and Romania, in addition the three mentioned), reflecting the transnational ethos of Chatham House. Authors represent a wide range of scholars, including economists (Brown), educators (Clark), historians (Carr), jurists (Corbett), political scientists (Mitran), sociologists (Ginsberg), scientists (Alsberg). Though there are ‘men of books’, most of them are ‘men of deeds’ like bankers, civil servants, diplomats, politicians and lawyers. Some of them are men of books *and* deeds (Fisher, Rosenstein-Rodan).

With the exception of two, authors were all born between 1872 and 1900, so they all experienced the tragedy of two world wars. Some of them even fought in Europe during the First World War. All died, except two, between 1945 and 1985. A generational community thus emerges. The two world wars and the great depression of 1929–33 were major events that shaped their conscience—and lives, of course. Some were present at the Paris Conference in 1919 (Carr and Curtis), other sat at the Bretton Woods Conference in 1944 (Beyen and Fisher). Some joined international institutions in the interwar years (Loveday, the League of Nations; Beyen, the Bank for International Settlements), while some others did so in the post-Second World War era (Fisher, the IMF; Rosenstein-Rodan, the World Bank). Most of them had various links with their own national governments (typically the Foreign Office, while Beyen became Dutch Minister of Foreign Affairs) or with international organizations (FAO, ILO, UNESCO<sup>8</sup> or other UN organizations). Some were rebuilders of western Europe, engaged in the implementation of the Marshall Plan (Finletter), or of the Common Market (Beyen). Despite their differing views, they agreed that supranational orders could foster prosperity and security.

Interestingly, these men had ties not only with Chatham House but with a web of sister institutions, including the New York-based Council on Foreign Relations (CFR, established in 1921), the Honolulu-based Institute of Pacific Relations

<sup>8</sup> The Food and Agriculture Organization, the International Labour Organization and the United Nations Educational, Scientific and Cultural Organization, respectively.

(IPR, established in 1925), the Toronto-based Canadian Institute of International Relations (CIIR, established in 1928; today, Canadian International Council), and their journals *Foreign Affairs*, *Pacific Affairs* and *International Journal*. A network of universities of global reach also emerges from the authors' multiple ties (including Cambridge, Harvard, London School of Economics, Oxford, New York University, Princeton, Stanford, University College London, Yale). Notably, some of the authors joined larger intellectual circles as part of the global elite of past recipients of prestigious fellowships (Rhodes scholars, Rockefeller fellows).

Finally, though all authors here are men, links with prominent women—such as Marjory Allen and Eleanor Roosevelt—emerge. And though it goes beyond the scope of this virtual issue, it should be remembered that women played an important role in world federalist movements since the First World War, prominent examples being Rosika Schwimmer (1877–1948) and Lola Maverick Lloyd (1875–1944).<sup>9</sup> Obviously, many personalities contributed to the rise of the dual culture of world development and world government. Some of them will be found in the 'summary of discussion' (Bevin; Toynbee), while others are just mentioned in the papers (Keynes; Roosevelt).

Below is a short introduction to each article, and to this web of authors, institutions and journals, along with general remarks on the historical context. A conclusion follows.

1. *An economic approach to peace* (1931). 'Many of the most urgent problems calling for action are not domestic. They are world-wide.' This quote is from a paper presented by American economist Ernest Minor Patterson (1879–1969) at Chatham House on 9 July 1931.<sup>10</sup> Professor at the Wharton School at the University of Pennsylvania and President of the American Academy of Political Sciences (in office 1930–53), Patterson wrote for the *Annals* of the Academy, whose contributors also included Adolf Berle (1895–1971), David E. Lilienthal (1899–1981), Eleanor Roosevelt (1884–1962) and Harry D. White (1892–1948)—to name a few. For Patterson, the novelty was interdependence. Not only did increased interdependence cause a higher degree of instability, but 'stability secured through nationalism', i.e. through domestic solutions alone, was dangerous. The economy had three layers (the national, the international, the world-wide), each one affecting the others. Institutions and statesmanship should adapt to this three layered-world economy. By looking at the Bank for International Settlements (BIS) established one year earlier (1930), for instance, he sees 'signs that there is developing not an international bank, but a *world bank*'. What is more: 'As drafts on this Bank are more used in the adjustment of obligations between the great central banks ... there emerges a *world currency*'. Patterson sees the promises of world institutions:

<sup>9</sup> Lola Maverick Lloyd was an American pacifist, suffragist and feminist. She worked to establish the Women's International League for Peace and Freedom in 1915. In 1937, she co-founded the Campaign for World Government, with her friend Rosika Schwimmer, the Hungarian-born pacifist who later led the campaign and coalition for creating an International Criminal Court. See Laura Ruttum, *Lola Maverick Lloyd Papers* (New York: New York Public Library, 2005).

<sup>10</sup> Published as Ernest Minor Patterson, 'An economic approach to peace', *International Affairs* 10: 6, 1931, pp. 760–77.

‘There has been a shift from a national not to an international, but to a world basis’. Therefore, for him, ‘the development of a world rather than an international organization offers more prospect of success’.

2. *Public opinion and the idea of international government* (1934). Reginald Clifford Allen (1889–1939), first Baron of Hurtwood, also stressed the role of economics and of institutions. A strenuous pacifist who had been imprisoned three times as a conscientious objector in 1916–17 (resulting in permanent damage to his health), Allen had been a member of the Independent Labour Party. Not only did he think that ‘the whole problem of production and distribution of goods [was] no longer complicated at all’, but he insisted that ‘the way in which the habit of peace [was] going to be cultivated [was] ... by the workings of institutions’. In his own words, international government is ‘steadily becoming continuous and must be more so’. Yet, there remained the most difficult and inescapable task, to which Allen devoted this paper, presented at Chatham House on 16 November 1933: that of enlightening the public opinion.<sup>11</sup> While he staunchly opposed the idea that problems might be too complicated for the public to understand, he assigned to statesmen a leading role in society: ‘if your government must lead, your government must educate’. He appreciated Roosevelt’s ‘politics of conscience and opinion’. For Allen, ‘the contact between the public and world organization’ was crucial. Notably, his wife Marjory Allen (1897–1978), née Gill, was the second Chairman of the United Nations Children Fund, UNICEF, after Polish physician and international civil servant Ludwik Rajchman (1881–1965).<sup>12</sup>

3. *The league of peace and freedom: an episode in the quest for collective security* (1935). An overtly critical approach towards attempts at establishing international government on weak foundations pervades the works of Edward Hallett ‘Ted’ Carr (1892–1982). This paper written in 1935 makes no exception.<sup>13</sup> Historian, diplomat, journalist and international relations theorist, Carr had participated at the Paris Peace Conference in 1919, where talks to establish the British, later Royal, Institute of International Affairs (for which he later took the chairmanship of a study group on Anglo-Soviet relations, 1942–45) had started. The ‘League’ to which Carr refers here is not the League of Nations, but the International League established at the Congress of Peace in Geneva in 1867. Needless to say, the ‘ignominious ending of the first notable attempt to organise international cooperation on a democratic basis for the preservation of peace’ was not just of historical interest to Carr. He was a critic of the Versailles (dis)order, and of those who believed that a better international order could be built around the League of Nations only. Notably, the ‘Palais Electoral’ in Geneva where the 1867 Conference was held would later

<sup>11</sup> Published as Lord Allen of Hurtwood, ‘Public opinion and the idea of international government’, *International Affairs* 13: 2, 1934, pp. 186–207.

<sup>12</sup> From 1931 to 1939, Rajchman was an expert of China’s National Economic Council, set up by the League of Nations to promote development. In 1940–43 he was special representative of China to the US. On Rajchman, see Marta A. Balinska, *For the good of humanity: Ludwik Rajchman, medical statesman* (Budapest: Central European University Press, 1998).

<sup>13</sup> E. H. Carr, ‘The league of peace and freedom: an episode in the quest for collective security’, *International Affairs* 14: 6, 1935, pp. 837–44.

serve as the headquarters of the League of Nations until the 'Palais des Nations' was completed in 1938. Carr resigned from the Foreign Office in 1936, pursuing his academic career. He would come to write classics such as *The twenty years' crisis* (1941) and, many years later, *What is history?* (1962).<sup>14</sup>

4. *Standards of living as a factor in international relations* (1937). Notwithstanding its many critics, the work done by the League of Nations and the ILO was a landmark.<sup>15</sup> One example is their statistical studies aiming at measuring and comparing the standards of living of different countries. As the world got smaller, standards of living became a factor in world politics. For instance, 'when the Japanese convinced themselves that their standard of living was lower than that of the rest of the world'. This broad issue is addressed by Carl Lucas Alsberg (1877–1940) in this paper presented at Chatham House on 24 June 1937.<sup>16</sup> A 'good scientist, turned into a poor economist', as he described himself, Alsberg had been Chief of the Bureau of Chemistry (1919–21), which later evolved into the US Food and Drug Administration. Notably, he was one of the three directors of the Food Research Institute (funded by Carnegie) at Stanford University, and Professor of Agricultural Economics (1921–37). It was a crucial field both for Herbert Hoover, who had chaired the US Food Administration during the First World War, and for Franklin D. Roosevelt, whose New Deal largely concerned agricultural policy.<sup>17</sup> After retiring from University in 1937, Alsberg was appointed director of the 'Giannini Foundation of Agriculture Economics' at the University of California, Berkeley. In this capacity, and as member of a sister institution (the Institute of Pacific Relations), he was invited to speak at Chatham House. A hope reverberates through the 'discussion': when *facts* will be brought to light by scientific research, there will be a chance of evolving a rational economic and social policy.

5. *International problems of economic change* (1938). That economists 'should cease to speculate without facts' is a quote from William Beveridge (1879–1964) that the reader will find in this article by Allan George Barnard Fisher (1895–1976).<sup>18</sup> The article focuses on facts like 'economic change' and 're-adjustment', and on adjustment-seeking policies at the national level 'which are often contradictory and mutually destructive'. Fisher's is a plea for international coordination against the power of vested interests. Born in New Zealand, Fisher had served in the Australian army in Cairo and in the Middle East during the First World War, before obtaining his PhD at the LSE. He taught at the University of Western Australia

<sup>14</sup> *The twenty years' crisis 1919–1939: an introduction to the study of international relations* (London: Macmillan, 1941); *What is history?*, The George Macaulay Trevelyan lectures delivered in the University of Cambridge, January–March 1961 (London: Macmillan, 1962).

<sup>15</sup> See Patricia Clavin, *Securing the world economy: the re-invention of the League of Nations, 1920–1946* (Cambridge: Cambridge University Press, 2013).

<sup>16</sup> Published as Carl Alsberg, 'Standards of living as a factor in international relations', *International Affairs* 16: 6, 1937, pp. 920–37.

<sup>17</sup> On the New Deal, see Eric Rauchway, *The Great Depression and the New Deal* (Oxford: Oxford University Press, 2008); see also Barry Eichengreen, *Hall of mirrors: the great depression, the great recession and the uses—and misuses—of history* (Oxford: Oxford University Press, 2015).

<sup>18</sup> Allan George Barnard Fisher, 'International problems of economic change', *International Affairs* 17: 2, 1938, pp. 147–67.

and contributed several times to *International Affairs*.<sup>19</sup> The paper of interest here was read on 28 January 1939, when he took up the 'Price Research Professorship in International Economics' at Chatham House. Founding fathers of the Institute were present, including Lord Robert Cecil (1864–1958), Lionel Curtis (1872–1955), and Arnold Toynbee (1889–1975), Director of Studies from 1929 to 1956. In the discussion, Toynbee said that 'the function, and the strength, of Chatham House [lay] in providing facilities for cooperation, in disinterested study, between men of action and scholars'. Fisher was to be both: he would be counsellor to New Zealand's delegation to Washington during the war, attend the Bretton Woods Conference in 1944 and the Paris Conference in 1946, before joining the IMF.

6. *The economic and financial activities of the League of Nations* (1938). A 'man of deeds' *par excellence* was British economist Alexander Loveday (1888–1962). He had entered the War Office in 1915, and joined the League of Nations Secretariat in 1919, before being appointed Director of the Financial Section and Economic Intelligence Service in 1931. In this capacity, he read this paper on 16 June 1938.<sup>20</sup> A year later, he was appointed Director of the Economic, Financial and Transit Department of the League. After the dissolution of the League, he was Fellow and then Warden at Nuffield College. The 'summary of discussion' here shows how lively debates could be. For Loveday, though 'the Covenant [of the League] was silent about economy', an attempt at international legislation on economic subjects had been made; not in the sense of uniformity, but of integration. Economics was obviously crucial, but he deemed wrong the idea that 'if you solve economic problems, the political ones are solved, too'. He stressed the role of the League in building a framework for collective action and described it as a 'clearing-house of information and ideas'. Its special value lay in collecting evidence from all over the world, and in engaging governments in advisory, reporting and discussion. He also defined economic depressions and population pressure as 'two of the great dangers' of the day, entailing not just personal risks, but collective ones. Therefore, since 'the world continue[d] to run into depressions blindly and bold-headed', some sort of coordination of national policy, he argued, was essential.

7. *World order* (1939). The nature and the extent of this 'coordination' was, no doubt, open to discussion. The author of the following paper, the aforementioned Lionel Curtis (1872–1955), was a British official and visionary advocate of 'World Government' as well as one of the founding fathers of the RIIA. His ideas on diarchy were important not only in the development of the Government of India Act in 1919, but also in the future evolution of the Commonwealth of Nations. In 1938 Curtis published *Civitas Dei*, a book in which he deemed the integration of the British Commonwealth and the United States the basis for world federalism.<sup>21</sup> Notably, a new body of literature on world federalism would

<sup>19</sup> See footnotes 30 and 38 below.

<sup>20</sup> Published as Alexander Loveday, 'The economic and financial activities of the League', *International Affairs* 17: 4, 1938, pp. 788–808.

<sup>21</sup> Published by Macmillan, London, 1934.

bloom in the postwar years through the 1950s, with works like Robert Maynard Hutchins's *The constitutional foundations for world order*,<sup>22</sup> or Giuseppe Antonio Borgese's *Foundations of the world republic*.<sup>23</sup> In this paper, read on 21 February 1939, Curtis recounts how colonialism led him to the study of supra-national problems, and also the vast influence exerted on him by *The federalist papers* by Alexander Hamilton (1757–1804), John Jay (1745–1829) and James Madison (1751–1836).<sup>24</sup> For Curtis, 'human society [was] now a closely integrated unit', both economically and socially, while still divided politically (a point later stressed by Toynbee in the discussion). The present stage of civilization was doomed, so World Government remained 'the goal, however remote, to which we must aim'.<sup>25</sup> In fact, 'structures erected to do the work of a state, while not a State, not only failed to do the work, but were in themselves dangers'. The reference was, again, to the League of Nations.

8. *Europe to-morrow* (1939). Future foreign secretary Ernest Bevin (1881–1951), who chaired the discussion of Curtis' paper, stressed then the need of building up a system which would, at least, 'allow Europe to Unite'. Pan-Europe was the life-long project of the author of this article, the Austrian-born Richard Nikolaus Eijiro Coudenhove-Kalergi (1894–1972). As early as 1922, he had founded the Pan-European Movement under whose blue flag gathered the likes of Benedetto Croce (1866–1952), Albert Einstein (1879–1955), Fridtjof Nansen (1861–1930), Sigmund Freud (1856–1939), Thomas Mann (1875–1955, the father of Elizabeth Mann Borgese, 1918–2002, the wife of Giuseppe).<sup>26</sup> Coudenhove-Kalergi imagines five super-states: Pan-America, Pan-Asia, the Union of Soviet Socialist Republics, the British Commonwealth and Pan-Europe. Pan-Europe should be built on a sound economic basis: 'the programme of reconstruction must provide clear answers to certain questions', including unemployment. A 'great programme of public works', of 'European public works', should be envisaged for the postwar order in order to be effective. Lasting peace, and prosperity, in Europe would also support the 'effort to establish a world-wide peace organization'. Notably, this paper was read at Chatham House on 15 June 1939 and is the last one in this virtual issue to have been published before the outbreak of the war.<sup>27</sup> The author saw it coming: 'we are in the Second World War. It began the day that the German troops crossed the Austrian frontier', in 1938. *International Affairs* would nearly

<sup>22</sup> Published by Social Science Foundation, University of Denver, 1948.

<sup>23</sup> Published by The University of Chicago Press and Cambridge University Press, 1953. Both Hutchins (1899–1977) and Borgese (1882–1952) had contributed to the *Preliminary draft of a world constitution* (The University of Chicago Press: Chicago, 1947), along with Mortimer Adler (1902–2001), Stringfellow Barr (1897–1982), Harold A. Innis (1894–1952), Elizabeth Mann Borgese (1918–2002), Rexford Tugwell (1891–1979). The 'draft' of the Chicago group was deemed important by French philosopher Jacques Maritain (1882–1973), also at the University of Chicago, in his *Man and the state* (Chicago: The University of Chicago Press, 1951).

<sup>24</sup> Lionel Curtis, 'World order', *International Affairs* 18: 3, 1939, pp. 301–20. *The federalist papers* appeared in three New York newspapers, *The Independent Journal*, the *New-York Packet* and the *Daily Advertiser*, between October 1787 and August 1788.

<sup>25</sup> This was a recurring formula: see Joseph Preston Baratta, *The politics of world federation: from world federalism to global governance* (Portsmouth: Greenwood, 2004).

<sup>26</sup> See Mark Hewitson, Matthew D'Auria, *Europe in crisis: intellectuals and the European idea, 1917–1957* (New York and Oxford: Berghahn Books, 2012).

<sup>27</sup> Richard Nikolaus Coudenhove-Kalergi, 'Europe to-morrow', *International Affairs* 18: 5, 1939, pp. 623–40.

interrupt its publishing activity during the war, publishing only a 'Review supplement' three times a year between 1940 and 1943.

9. *The international development of backward areas* (1944). Though no regular *International Affairs* articles were published during the war, research studies at Chatham House intensified. In 1941 the author of this article, the Polish-born economist Paul Narcyz Rosenstein-Rodan (1902–85), had been appointed secretary of the Economic Group of the 'Committee on Post-War Reconstruction', a study group established at Chatham House in 1939. A transnational community of scholars gathered at 10 St. James's Square to discuss postwar issues.<sup>28</sup> Rosenstein-Rodan's paper, read on 4 January 1944, originated in this context.<sup>29</sup> It offered a new point of view: 'the world point of view'. A world in which 'more than two-thirds of the world's income are reserved for less than one-third of the world's population'. It was not just a moral, but a political and economic problem: 'we can assume that people will always prefer to die fighting rather than to see no prospects of a better life'. The problems of five vast economically depressed regions (Africa; the Caribbean; eastern and south-eastern Europe; the Far East, China and India; the Middle East) were the *world's problem*. The market mechanism had failed to produce prosperity for all, so deliberate action was of the essence. Rosenstein-Rodan suggests an institutional implementation of an international investment action for development. In his words, 'if we want a stable and prosperous world, we have to provide some international action'. After the end of the war, he would serve as deputy director of the Economics Department at the World Bank (1947–51), the 'bank' he had invoked since 1942.

10. *The constitution and the work of UNRRA* (1944). While Rosenstein-Rodan and his group were talking and thinking about international development, some form of international action was already being put into place. On 9 November 1943, the Conference of Atlantic City had laid the foundations of the United Nations Relief and Rehabilitation Administration (UNRRA), an international relief agency headed first by Herbert Lehman (1878–1969) and then by Fiorello La Guardia (1882–1947). On 29 February 1944, just a month after Rosenstein-Rodan's seminar, Allan George Barnard Fisher (1895–1976), who had been New Zealand's delegate at the Conference of Atlantic City in 1943, spoke about UNRRA at a Chatham House seminar.<sup>30</sup> Eventually, he said, 'after much talk, here's an institution'. To be sure, he was well aware that no organization had yet been created for handling the long-term reconstruction: UNRRA would focus on relief and rehabilitation, 'but not on reconstruction'. He was worried about sovereignty issues, too: 'in the last resort each supplying country retains the undoubted right to determine for itself what it will do with its own supplies'. In other words,

<sup>28</sup> Giovanni Farese, *The Chatham House circle and the lessons for today: making sense of the culture of investment-led international development, 1939–1945*, mimeo.

<sup>29</sup> Published as Paul Narcyz Rosenstein-Rodan, 'The international development of economically backward areas', *International Affairs* 20: 2, pp. 157–65.

<sup>30</sup> Speech published as Allan George Barnard Fisher, 'The constitution and the work of UNRRA', *International Affairs* 20: 3, 1944, pp. 317–30.

‘UNRRA is a creature of governments who are members. If they refuse to move, UNRRA by itself can do nothing’. Therefore, he added, ‘if we want UNRRA to do more, we must be prepared to pay more’. But the dice had been loaded and UNRRA was to be welcomed as ‘the first living example of new international organization’.

11. *Economic reconstruction in Europe* (1944). A passage from Fisher’s preceding paper reads as follows: ‘To a philosophical and detached observer in Atlantic City, perhaps the most interesting experience of all was the opportunity there afforded of watching a country preening its wings before the world in preparation for its first flights as a near-Great Power’. This country is Canada, and the article to which we now turn is by an anonymous ‘Canadian economist’. Written in mid-July 1944, at the time of the Bretton Woods Conference, it was published the following autumn.<sup>31</sup> One can only speculate about the author’s name. Harold Innis (1894–1952), Lauchlin Currie (1909–93), Jacob Viner (1892–1970) and Escott Reid (1905–99) were all prominent Canadian-born economists. Innis was an admirer of Toynbee; Currie was adviser to Roosevelt; Reid was the first secretary of the Canadian Institute of International Affairs and played a role in shaping the United Nations and NATO, before joining the World Bank at the request of its third President, Eugene Robert Black (1898–1992); Viner was adviser to the US Treasury, and involved in the ‘War and Peace Studies’ project at the CFR, along with economist Alvin Hansen.<sup>32</sup> Whoever the author, the article makes a strong argument in favour of development, not just of reconstruction, for postwar Europe. The key economic note is ‘functional collaboration’ crossing national frontiers, either on a regional basis (western Europe; the Silesian-Czech-Austrian heavy industry region; south-eastern Europe), or a continental one in sectors such as power (a European Grid) and transport (a European Transport Board). An international investment bank is invoked to support development projects.

12. *The International Labour Organization* (1945). The idea of the fullest possible use of Europe’s resources went along with employment and labour issues. By 1945, the International Labour Office, established as part of the Treaty of Versailles in 1919, had already produced important work under the leadership of its first Director, the French Albert Thomas (in office 1919–32), and of his successors: the British Harold Butler (1932–39), the Irish John Wynnant (1939–41) and the American Edward Phelan (1941–48). The US had joined the ILO in 1934 under Roosevelt’s presidency, though they continued to stay out of the League. At the ILO conference in 1941 Roosevelt had said: ‘we have learned too well that social problems and economic problems are not watertight compartments ... in international as in national affairs’. In 1944, echoing his 1941 *Four Freedoms* speech, he had added that ‘there can be no real freedom from fear unless there is also freedom from want’,<sup>33</sup> labelling the

<sup>31</sup> A Canadian economist, ‘Economic reconstruction in Europe’, *International Affairs* 20: 4, 1944, pp. 527–41.

<sup>32</sup> On the CFR, see Sebastiano Nerozzi, ‘Building up a multilateral strategy for the United States: Alvin Hansen, Jacob Viner, and the Council on Foreign Relations (1939–1945)’, in Robert Leeson, *American power and policy* (New York: Palgrave MacMillan, 2009), pp. 75–136.

<sup>33</sup> Franklin D. Roosevelt, *Four Freedoms speech* (State of the Union address), 1941.

Declaration of Philadelphia (1944) concerning the aims of the International Labour Organization (not just an 'office' anymore) 'a landmark in world thinking'. A survey of these developments is found in this paper written by John Price and published in *International Affairs* in 1945.<sup>34</sup> Research director of the British Transport and General Workers' Union, Price was assistant to the minister of labour, Ernest Bevin (in office 1940–45), and director of the ILO office in London.

13. *The persistence of individualism in the theory of International Relations* (1945). 'It is being gradually recognized that States ought not to have the right to change their economic legislation ... without regard to the effect of these changes on other States likely to be affected.' This quote, which might well have been part of the Philadelphia Declaration of 1944, is from this paper read by Morris Ginsberg (1889–1970) at Chatham House in December that year, and published in the spring of 1945.<sup>35</sup> Born in Lithuania, Ginsberg had emigrated to the UK where he taught sociology, social anthropology and social psychology both at UCL and the LSE, emphasizing the role of these disciplines, and the usefulness of their organic view on society, in the discussion of international problems. The inherent unity of mankind implied 'the recognition by all states of their obligation to a wider society', and the necessity of a 'common submission of all states to an international authority or to ... international law'. Analogies with national systems were offered: the right to property, for instance, 'was subject to the limitation that appropriation by the individual involved no encroachment', while 'the movement from laissez-faire to socialized control in the case of property inside the State' suggested that the solution was in the 'creation of some form of supra-national authority... Political thought seems to be moving in this direction'. In 1950, Ginsberg helped draft the UNESCO statement *The race question*, a moral condemnation of racism, written with Swedish economist Gunnar Myrdal (1898–1987), French anthropologist Claude Lévi-Strauss (1908–2009) and British biochemist Joseph Needham (1900–1995)—to name just a few.

14. *Education and world order* (1945). That international institutions may be necessary, but not sufficient, was the preoccupation of educationist Fred Clarke (1880–1952). Director of the Institute of Education at the University of London, Clarke had graduated in History at Oxford, before teaching in the UK, South Africa (in Cape Town) and Canada (at McGill, Montreal). Moreover, he was a member of 'The Moot', a Christian discussion group concerned with the role of culture in society convened by Joseph Houldsworth Oldham (1874–1979), a Scottish missionary and prominent figure in Christian ecumenism (another 'world movement'). Sociologist Karl Mannheim (1893–1947), philosopher and theologian Paul Johannes Tillich (1886–1965) and theologian Karl Paul Reinhold Niebhuur (1892–1971) were part of the group, too.<sup>36</sup> Clarke's article was published in July

<sup>34</sup> John Price, 'The International Labour Organization', *International Affairs* 21: 1, 1945, pp. 30–39.

<sup>35</sup> Morris Ginsberg, 'The persistence of individualism in the theory of International Relations', *International Affairs* 21: 2, 1945, pp. 155–67.

<sup>36</sup> See Heather A. Warren, *Theologians of a new world order: Reinhold Niebhuur and the Christian realists, 1920–1948* (New York and Oxford: Oxford University Press, 1997). Theologians were widely read, also among bank-

1945, a month before the dropping of the atomic bombs in Japan.<sup>37</sup> For him, the new frontier was world-citizenship: ‘the educational goal is everywhere the inclusion of international obligations with the ambit of national duties’. The keywords were self-awareness; community. ‘Indeed, a thorough exploration of its meaning may yield the master-key to our whole problem. For it is the stuff of community in wider commonality spread, beyond the limits of national boundaries, which will fertilize the soil out of which a world order can grow.’

15. *International collaboration and the economic and social council* (1945). It was the ‘in-house economist’, Allan George Barnard Fisher, who, in the autumn of 1945, brought the discussion back onto economic grounds.<sup>38</sup> For him, the point of departure were the new events in international politics such as the Dumbarton Oaks Conference on a World Organization (August–October 1944) and the San Francisco Conference creating the United Nations Charter (April–June 1945). It was also the occasion for a reappraisal of the good work done by the League of Nations. An example was the Bruce Report on an economic and social council: approved in December 1939, it was not carried into effect due to the war, though it would be instrumental for future deliberations. ‘It is now popular to contrast the success of ILO and of the League’s economic departments with the failure of the League itself’. What would international collaboration be like in the postwar era? In Fisher’s view there would be no ‘genuine coordination if one country is simply in the position to dictate the process’. Collaboration should encompass ‘an enlightened regard to our own national self-interest’, and ‘the necessity for a much more careful consideration of the interest of others than we have commonly shown in the past’. One could not expect international institutions to do more than the League had done, he argued, if governments had not formed new habits in international life.

16. *The functional approach to world organization* (1948). ‘If one were to visualize a map of the world showing economic and social activities, it would appear as an intricate web of interests and relations crossing political divisions, not a fighting map of States and frontiers, but a map pulsating with the realities of everyday life’. A Romanian-born naturalized British scholar, David Mitrany (1888–1975) studied at the LSE and taught at Harvard, Yale and Princeton. At the outbreak of the Second World War, he was back in Britain working for the Foreign Office. Frustrated with the Foreign Office’s rejection of his ideas, Mitrany took up a position at Chatham House, where he wrote a seminal work on functionalism in International Relations: *A working peace system: an argument for the functional develop-*

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ers. Tillich, for instance, was often quoted by the third president of the World Bank, Eugene Robert Black (1898–1992). See e.g. his *The diplomacy of economic development*, The William L. Clayton Lectures on ‘International economic affairs and foreign policy’ (Cambridge, MA: Harvard University Press, 1960). On Black, see Giovanni Farese, Paolo Savona, *Il banchiere del mondo. Eugene Robert Black e l’ascesa della cultura dello sviluppo in Italia* (Soveria Mannelli: Rubbettino, 2014).

<sup>37</sup> Fred Clarke, ‘Education and world order’, *International Affairs* 21: 3, 1945, pp. 376–85.

<sup>38</sup> Allan George Barnard Fisher, ‘International collaboration and the economic and social council’, *International Affairs* 21: 4, 1945, pp. 459–68.

*ment of international organization* (1943).<sup>39</sup> Mitrany opposed illusionary federation projects *à la* Coudenhove-Kalergi (see the debate with Curtis in the ‘summary of discussion’). A beginning could be made by creating a joint government for tasks cutting across boundaries. Mitrany had studied the Tennessee Valley Authority and the London Transport Board in which partly independent states, or co-equal municipal authorities, coordinated their interests. He refers to the Alcan Highway, ‘which created a strip of international administration’ from the US to Canada to Alaska, and to the development of the Rio Grande, that had been turned from a ‘dividing river into a joint enterprise’. There would thus be a shift from politics to problems, from power to purpose. Administrative law would be the ‘characteristic tool’ of this approach. World government would gradually evolve through task performances. ‘We can ask our fellow men to look beyond the National State; we cannot expect them to feel themselves at once members of the world state.’ This paper was read at Chatham House on 4 March 1948.<sup>40</sup> The Berlin Blockade, one of the major crises of the Cold War, would soon start (1 April 1948–12 May 1949).

17. *The International Bank for Reconstruction and Development* (1948). If the building of world government was a distant goal, nonetheless there already existed a World Bank, as the International Bank for Reconstruction and Development came to be known. It was the first venture in the field of government-sponsored international investment. Since reconstruction was ‘the common task of the world’s nations ... risks also should be shouldered by all of them’, as Johan Willem ‘Wim’ Beyen put it in the pages of *International Affairs*.<sup>41</sup> Trained in law at the University of Utrecht, Beyen started his career at the Ministry of Finance, was secretary of the board of Philips, vice-president of the BIS (in office 1935–7), along with the Italian Alberto Beneduce, and then President (1937–9). From 1940 to 1945 he was financial advisor to the Dutch Government while in exile in London, where he came in contact with the Chatham House circle, and, around the same time, became Director of Finance for Unilever. In July 1944, he participated in the Bretton Woods Conference establishing the World Bank and the IMF, of which he was executive director until 1952 (1946–52 at the WB; 1948–52 at the IMF). In 1952 he was appointed Minister of Foreign Affairs of the Netherlands. In this capacity, he played a role in the creation of the European Economic Community (the Beyen Plan of 1955), just after the demise of the project for a Defence Community. His reference to an ‘enlistment of surplus productive capacity wherever to be found in the world’, to be used ‘for the further development of the world’s productive capacity’ deserves underlining.

18. *World government—in whose time?* (1949). In the words of international law scholar Percy Ellwood Corbett (1892–1983) there was, indeed, a ‘movement in direction of a very general social coordination in the world, and the stages [were]

<sup>39</sup> Published by The Royal Institute of International Affairs and Oxford University Press. See Mihai Alexandrescu, ‘David Mitrany: From Federalism to Functionalism’, *Transylvanian Review* 16: 1, 2007, pp. 20–33.

<sup>40</sup> Published as David Mitrany, ‘The functional approach to world organization’, *International Affairs* 24: 3, 1948, pp. 350–63.

<sup>41</sup> Johan Willem Beyen, ‘The International Bank for Reconstruction and Development’, *International Affairs* 24: 4, 1948, pp. 534–42.

marked by the establishment of certain bits of social mechanism for handling very specific problems'. Born in Canada, Corbett was educated at McGill University, Montreal, and at Balliol College, Oxford. Having been wounded in France during the First World War, he worked after the war as assistant legal advisor at the ILO, before returning to McGill, where he was Dean from 1928 to 1936. In 1942 he wrote the book *Post-war worlds* for the Institute of Pacific Relations, translated in 1944 as *L'après-guerre* by the Canadian Institute of International Affairs. In 1943, he moved to Yale University, and in 1948 acquired American citizenship. In this article, he states that world government is a reality in progress, and that 'steps in that movement were the bits and pieces of organizations that were being developed'.<sup>42</sup> The United Nations were, he believed, the nearest possible approach to world government. His doubts about further integration were also grounded in 'the possibility that a world government would show a Communist majority'. Notably, not only had the Cold War started by that time, but in a few months the red flag would be raised in Beijing. This paper was read at Chatham House on 4 June 1949 and published in October, the very month the People's Republic of China was born.

19. *International equilibrium and national sovereignty under full employment* (1949). How to reconcile Keynes with Roosevelt—a view of the world economy with a view of world politics—still remained an open issue, even after the Bretton Woods agreement of 1944. In this article, young Keynesian economist Arthur Joseph Brown (1914–2003) asks how to reconcile full employment with external equilibrium without making use of restrictive policies.<sup>43</sup> For him, 'the question whether national sovereignty is compatible with order ... is urgent in the economic field'. Trained at the Oxford Institute of Statistics with the father of econometrics, the Russian–American Jacob Marschak (1898–1977), Brown had worked for the Research Department at the Foreign Office during the war (notably, both the Oxford Institute of Statistics and Chatham House contributed to the then frenetic work of the Foreign Office). In 1947, he became the youngest ever professor in economics in the United Kingdom and was increasingly involved in the activities of both the British government and the UN. He taught at Leeds University until 1979. In this article, he focuses on the issue of adjustment. If price elasticities (the responsiveness of the quantity demanded of a good or a service to a change in its price) are low enough, 'no free foreign exchange market can operate. As soon as a country has an adverse balance of payments which is not covered by loans freely made to it, the foreign exchange will in any case move against it'. The issue of international cooperation and international loans was becoming urgent: the Marshall Plan had been launched.

20. *The European Recovery Program in operation* (1949). Thomas Knight Finletter (1893–1980) is a forgotten figure in the history of international relations and international economy. Trained in law at the University of Pennsylvania, he served in

<sup>42</sup> Percy Ellwood Corbett, 'World government – in whose time?', *International Affairs* 25: 4, 1949, pp. 426–33.

<sup>43</sup> Arthur Joseph Brown, 'International equilibrium and national sovereignty under full employment', *International Affairs* 25: 4, 1949, pp. 434–42.

France during the First World War, and worked as lawyer at Coudert Brothers, a prominent law firm. In 1941, he was special assistant to Secretary of State Cordell Hull (1871–1955), and to President Roosevelt and his wife Eleanor, drafting plans for the UN. During the war years, he was appointed deputy director of the Office of Foreign Economic Coordination (OFEC) in charge of planning economic activities related to liberated areas. In 1947–8, he headed the Finletter Commission, an air policy commission, under President Harry Truman (1884–1972). He then moved to London as chief mission of the Economic Cooperation Administration (ECA), set up to administer the European Recovery Program (ERP), known as the Marshall Plan. In this paper, Finletter illustrates the rationale of the Plan, stating that ‘it is important to remember that if there is a negative gap in western Europe, there is also a positive gap in the United States balance of payments position. Work can be profitably directed against the positive gap as well as the negative’. It is a balanced analysis still applicable. References to ‘cooperation’, ‘integration’ or ‘federation’ in Europe deserves underlining. Finletter spoke at Chatham House on 19 October 1948 and this paper was published a year later.<sup>44</sup>

## **A cultural battle rooted in history, and the role of hubs and leadership**

Though only a fragment of the world literature on the subject (the contributions of Chinese, French, Italians and Swedish, to name just a few nationalities with great internationalist traditions, should also be sought for in different journals), the articles collected in this virtual issue reflect the rise of the dual culture of world development and world government.

In the interwar years new dimensions of international life became relevant, including global poverty, and global interdependence with its greater, not fewer, risks.<sup>45</sup> The First World War, the ascent of social democracy, the great depression of 1929–1933, government intervention in the economy, the rise of national self-determination movements all contributed to the making of a new epistemic framework. The great depression, in particular, was the baptism of fire for a generation of economists and policy-makers.<sup>46</sup>

In the words of US Assistant Secretary Harry D. White, quoted by Eric Helleiner, ‘rich and powerful countries can for long periods safely and easily ignore the interests of the poorer ... but by doing so they only imperil the future and reduce the potential of their own level of prosperity’.<sup>47</sup> This new view is also present in this virtual issue. As is its corollary: world peace cannot be kept with paper provisions, or with peace institutions only, as in Wilson’s ‘Fourteen Points’. Peace is not the mere absence of violence: it requires deliberate efforts to increase

<sup>44</sup> Published as The Hon. Thomas Knight Finletter, ‘The European Recovery Program in operation’, *International Affairs* 25: 4, 1949, pp. 1–7.

<sup>45</sup> The milestone being perhaps Colin Clark, *The conditions of economic progress* (London: Macmillan, 1940).

<sup>46</sup> See Eichengreen, *Hall of mirrors*.

<sup>47</sup> Notably, these words were part of a January 1942 draft for a ‘United Nations Stabilization Fund and a United Nations Bank’. See Helleiner, *Forgotten foundations*, p. 103. The US had entered the war only a month earlier in December 1941. But White was drawing also on earlier (failed) attempts at establishing an Inter-American Bank in 1939–1940.

the welfare of the people. As stated by Roosevelt in his *Four Freedoms* speech, 'freedom for fear' is tied with 'freedom from want'.<sup>48</sup> Today, in an interdependent world blighted by deficits of the poor and surpluses of the rich, peace needs to leverage on international policy coordination and on supra-national orders to invest in education, environment, research and infrastructure.

Nonetheless, a split emerged then, and continues today, between the functionalists or evolutionaries on the one hand, and the constitutionalists or federalists on the other. Yes, economic matters tend to evolve, sooner or later, into political and constitutional ones (the euro being one example), and it might be preferable to address political issues first. Yet, it is also true that 'you can ask your fellow men to look beyond the national state', as David Mitrany writes in this virtual issue, but 'you cannot expect them to feel themselves at once members of the world state'.<sup>49</sup>

At the same time, different regions of the world are moving towards closer integration, even across the Atlantic and the Pacific. And yes, there is a tendency towards a definition of an *intérêt général*; or, in the words of Eyal Benvenisti, of the idea that states and international organizations are 'trustees of humanity', i.e. that there is an equal obligation on the part of states towards the citizens of other states (consider e.g. migrants) and of international organization towards all.<sup>50</sup> And yet, this process is slow, and it is not easy to reconcile it with national democracy and national sovereignty.

In 1945, speaking at the House of Commons, foreign secretary of the UK Ernest Bevin (in office 1945–1951) mentioned a 'People's world assembly', referring to 'a house directly elected by the people of the world, to whom nations are accountable'.<sup>51</sup> Today, though these visions might risk overwhelming us with their boldness, nonetheless it must be strongly reaffirmed that organic long-term views are vital. And that atomistic (only national) short-term ones are fatal. This is the broad lesson of this 'dual culture'.

Finally, the fundamental issue of conscience, touched on here by educationist Fred Clarke in particular, and that of a conscientious leadership, is of utmost importance.<sup>52</sup> Just like Ernst Minor Patterson, in the first article of this virtual issue, stresses the need 'to discover how to adapt statesmanship to a world-economy',<sup>53</sup> so does, in the last one, Arthur Joseph Brown, by asking whether statesmanship will be equal to the task of 'bringing the major disequilibrium between the New World and the Old to manageable proportions',<sup>54</sup> therefore without hampering prosperity and endangering peace.

<sup>48</sup> Roosevelt, *Four Freedoms speech*. In his recent speech to the UN General assembly, Pope Francis mentioned the risk, for the United Nations, to end up as 'nations united by fear and distrust'. See Pope Francis, *Address to the General Assembly of the United Nations*.

<sup>49</sup> Mitrany, 'The functional approach to world organization'.

<sup>50</sup> Benvenisti, *The law of global governance*.

<sup>51</sup> Speaking in the debate on the United Nations Charter, House of Commons, 23 November 1945; *Parliamentary debates* (London: HMSO, 1945).

<sup>52</sup> On the issue of conscience, Pope Francis quoted the address of Pope Paul VI to the UN General Assembly, delivered exactly fifty years ago, on 5 October 1965: 'To appeal to the moral conscience of man has never been as necessary as it is today'. See Pope Francis, *Address to the General Assembly of the United Nations*.

<sup>53</sup> Patterson, 'An economic approach to peace'.

<sup>54</sup> Brown, 'International equilibrium and national sovereignty under full employment'.

*World development and world government in International Affairs*

This was—and still is—first and foremost a cultural battle. In this battle, *International Affairs*, and Chatham House, have proven to be hubs of world relevance by attracting leading policy-makers and scholars, and disseminating their views.

Why did this stream of thought submerge for decades? The death of Roosevelt (1945) and that of Keynes (1946)—that is, the death of two major architects of the postwar order; the Cold War (1948–89), and the rise of communism in China (1948–78) splitting the world in two or three; the end of the Bretton Woods monetary system (1944–1971), plunging the world in an era of new financial turbulence; the hopes and promises of political and social convergence through free-markets and globalization; the application of the ‘logic of the unmanned’ to various banking, economic, defence, political and social systems requiring human discretion and judgment, and not just algorithms. For all these reasons, and perhaps many more, the dual culture of world development and world government submerged, running like a subterranean river. Yet, the rushing of the torrent could be heard clearly all the while.