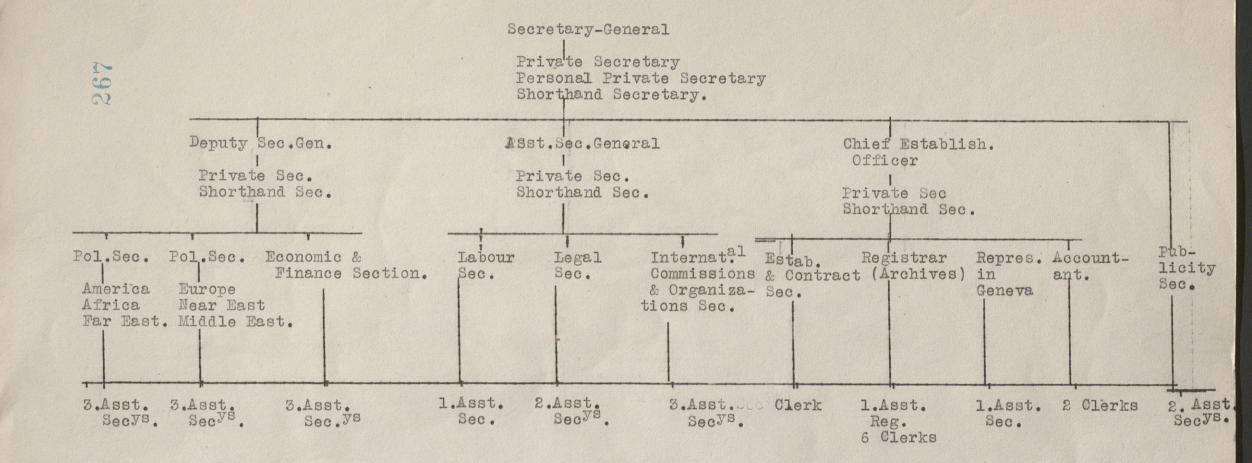
SOCIÉTÉ DES NATIONS. LEAGUE OF NATIONS ORGANISATION: 1919. 72 1455 INTERNATIONAL SECRETARIAT. 29. May 6. Dossier No. 255 No. 267 Received by (Subject.) The League of hations: Organisation Lard Eustace Percy hemo relative to its organisation of wrging that the Supreme Economic Council sho he maintained as it at presun Last Paper. 266. exists in order to assist the League (Minutes.) (Print.) (How disposed of.) (Index.) (Action completed.) A.B.C pul Next Paper. 301 259451-Wt. 5549/93-10,000-5-19-W. & S. Ltd.-(90).

May 7th, 1919. 267 After reading Lord Eustace Percy's memorandum, it appears to me that a considerable part of the early duties of the League of Nations will be concerned with economic and financial questions and with the arrangements to be made for the co-ordination of various International Commissions. If this is so, it will be necessary to set up at an early date a section of the Secretariat to deal with these problems. In the tentative sketch of Organization no provision is made for this. Under the present scheme, the duties of the branch of the Assistant Secretary-General will certainly be very arduous at first but after a short time when the various establishment branches are/running order, his work should be greatly diminished. I would therefore suggest at an early date that the Assistant Secretary-General should take charge of sections relating to (1) Labour, (2) Economics and Finance, (3) International Organizations. He should simultaneously be relieved of his present duties and his place taken by a Chief Establishment Officer. How soon this can be accomplished must depend on the progress of the Organization, but the setting up of the new sections I have indicated, ought not, in my opinion, to be long delayed. A plan in which the re-organization is sketched out, is attached. E.D. Since writing the above I have talked over the scheme with Lord Robert Cecil and made an alteration as regards the division of work between the Deputy and the Assistant Secretary General, the details of which are set out in the plan.



Note. There will be a staff of 20 shorthand typists. Of these some will be attached to Sections and others employed in a general capacity.



## MEMORANDUM.

The League of Nations will have, during the first months of its organization, to delegate some of its functions provisionally to existing bodies capable of carrying them on for a time while the Central Secretariat of the League is in process of organization. It is easy, after these five years of war, when the Allied and Associated Governments have had to deal jointly in varying degrees with almost all phases of economic and political life, to find experts who are both acquainted with the subjects to be dealt with and accustomed to act jointly with representatives of other nations.

For instance it is easy enough to get the various Allied and Associated Governments to nominate their representatives on the Communications Branch of the Supreme Economic Council, to act also as the authority responsible under the Ports and Waterways Chapter of the Treaty of Peace for the establishment and co-ordination of the Elbe and Oder Commissions and for the preparation of a general Convention, of a new Danube Convention, of a revision of the Convention of Mannheim and, if necessary, for the establishment of a Niemen Commission, as well as an other miscellaneous Conventions under this Chapter of the Treaty of Peace.

But it would be well if the Secretariat of the League of Nations could consider at once whether this is the best method of procedure or whether it is not necessary to provide in advance for a much more comprehensive transitional machinery especially in economic matters.



Lord Robert Cecil's memorandum on the Reparation Chapter of the Treaty of Peace, that the Treaty of Peace has been drawn up with very little, or no, consideration of the fundamental economic needs of the world as a whole in the reconstruction period.

various chapters and articles of the Treaty have been previded for the purpose of meeting not only the real needs and demands of the various Allied and Associated Powers, but also in many cases for the purpose of throwing sop of one kind or another to excited public opinion.

The various chapters of the Treaty do not hang very well together and their effect is to set up a number of miscellaneous bodies responsible for economic functions and moreover to prescribe various economic arrangements without any definite provision as to the machinery by which such arrangements are to be carried out. The Reparation Commission is of course a classic instance of an international body which may have the profoundest effect on the economics of the Reconstruction period but which is apparently to act in no sort of connection or conjunction with any other international body. A minor instance in the Port and Waterways Chapter of the Treaty is the Commission to be set up for the establishment of transit, depots at Hamburg and Stettin in the interests of Checho-Slovakia.

I do not pretend to have thought out exactly how important all these questions may be, but I am strongly inclined to believe that it is essential, if we are to establish a strong League of Nations at all, that some central international body should be maintained for the purpose of holding a watching brief in economic matters. It is for this reason that I believe



the League of Nations Secretariat should take every opportunity of inducing the Allied and Associated Governments to maintain the Supreme Economic Council more or less as it at present exists. For that purpose it would be well worth while to ask that Council itself to take over the functions alluded to at the beginning of this Memorandum. The Council has the great advantage of having the ear of the various Allied and Associated Governments at the present moment. It is too strong to be ignored by them. They may which they may ignore any merely technical Commissions, set up at the instance of the League, but they could not ignore the Economic Council.

As a matter of fact the Secretariat of the League of Nations has immediate duties which only the Supreme Economic Council with all the machinery at its disposal can discharge.

For instance, a scheme is to be elaborated for the exertion of economic pressure on recalcitrant members of the League. I do not see how any such scheme is to be worked out in all its details except by some body of equal authority with the Council.

To sum up, if the Secretariat of the League is not to become in the next year or two merely one of a number of miscellaneous international bodies occupied in carrying out this or that detail of the Treaty of Peace, it would be well advised to make the maintenance of the Supreme Economic Council its first care.

Devey

255,919.