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RECORDS

OF THE

EIGHTH ORDINARY SESSION

OF THE

ASSEMBLY

MEETINGS OF THE COMMITTEES

MINUTES

OF THE

FOURTH COMMITTEE

(BUDGET AND FINANCIAL QUESTIONS)

5

GENEVA 1927

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¹ This meeting of the Fourth Committee was called at the special request of the Assembly.

LIST OF MEMBERS OF THE FOURTH COMMITTEE

Chairman: Jonkheer W. J. M. VAN EYSINGA (Netherlands).
Vice-Chairman: His Excellency Dr. Augusto DE VASCONCELLOS (Portugal).

Members:

Abyssinia: His Excellency Count LAGARDE, Duc d'ENTOTTO.
Australia: The Honourable Thomas John LEY, M.P.
Austria: His Excellency Dr. Leo DI PAULI.
Belgium: M. J. MÉLOT.
British Empire: The Right Honourable Sir Edward Hilton YOUNG, G.B.E., D.S.O.,
D.S.C., M.P.
Mr. E. ROWE DUTTON (Substitute).
Bulgaria: His Excellency M. Wladimir MOLLOFF.
Canada: The Honourable Charles A. STEWART, P.C.
The Honourable Philippe ROY, C.P., M.D., and Mr. Walter A.
RIDDELL, M.A., Ph.D. (Substitutes).
Chile: His Excellency M. Jorge VALDÉS-MENDEVILLE.
China: His Excellency Dr. OUANG TING TCHANG.
Colombia: His Excellency Dr. Antonio José RESTREPO.
Cuba: His Excellency M. Aristides DE AGÜERO Y BETHANCOURT.
His Excellency M. Guillermo DE BLANCK.
Czechoslovakia: His Excellency Dr. Stephan OSUSKÝ.
Denmark: His Excellency M. Andreas OLDENBURG.
Dominican Republic: Dr. Tulio Franco FRANCO.
Estonia: M. Oskar ÖPIK.
Finland: M. Hugo VALVANNE.
France: M. François LABROUSSE.
M. Jean RÉVEILLAUD.
M. DE CHALENDAR (Expert).
Germany: Dr. KAAS.
M. KARLOWA (Substitute).
Greece: His Excellency M. Demètre CACLAMANOS.
M. Vassili DENDRAMIS (Substitute).
Guatemala: His Excellency M. José MATOS.
Haiti: M. Alfred NEMOURS.
Hungary: General Gabriel TÁNCZOS.
M. Zoltán DE BARANYAI (Substitute).
India: Sir C. P. Ramaswami AYYAR, K.C.I.E.
Khan Bahadur Mian Sir FAZL-I-HUSSAIN (Substitute).

<i>Irish Free State :</i>	Mr. Michael MACWHITE. Mr. Diarmuid O'HEGARTY (Substitute).
<i>Italy :</i>	His Excellency M. Stefano CAVAZZONI. The Honourable Cesare TUMEDEI and The Honourable Edmondo ROSSONI Professor Giuseppe GALLAVRESI (Substitutes).
<i>Japan :</i>	His Excellency M. Naotake SATO.
<i>Latvia :</i>	M. Charles DUZMANS.
<i>Liberia :</i>	His Excellency Baron Rodolphe Auguste LEHMANN.
<i>Lithuania :</i>	His Excellency Dr. Dovas ZAUNIUS.
<i>Luxemburg :</i>	His Excellency M. Emile REUTER.
<i>Netherlands :</i>	Jonkheer W. J. M. VAN EYSINGA.
<i>New Zealand :</i>	The Honourable Sir James PARR, K.C.M.G. Mr. C. KNOWLES (Substitute).
<i>Nicaragua :</i>	His Excellency M. Tomas Francisco MEDINA. Dr. Antoine SOTTILE.
<i>Norway :</i>	M. L. OFTEDALOR. Dr. Christian L. LANGE.
<i>Panama :</i>	His Excellency Dr. Eusebio A. MORALES.
<i>Paraguay :</i>	Dr. Ramon V. CABALLERO.
<i>Persia :</i>	Dr. P. KITABGI Khan. Dr. Hussein Khan GHADIMY.
<i>Poland :</i>	His Excellency M. Jean DE MODZELEWSKI.
<i>Portugal :</i>	His Excellency Dr. Augusto DE VASCONCELLOS. M. Francisco DE CALHEIROS E MENEZES (Substitute).
<i>Roumania :</i>	His Excellency M. Eugène NECULCEA. M. Savel RADULESCO (Substitute).
<i>Salvador :</i>	His Excellency Dr. J. Gustavo GUERRERO.
<i>Kingdom of the Serbs, Croats and Slovenes :</i>	M. Leonidas PITAMIC. His Excellency M. Djordje DJOURITCH.
<i>Siam :</i>	His Highness Prince CHAROON. Khun PRASIRT MAITRI (Substitute).
<i>South Africa :</i>	Mr. Charles Isaac PIENAAR.
<i>Sweden :</i>	M. A. F. VENNERSTEN. M. E. C. BOHEMAN (Substitute).
<i>Switzerland :</i>	M. Emile Louis GAUDARD. M. P. WIDMER (Substitute).
<i>Uruguay :</i>	His Excellency Don Pedro COSIO, or His Excellency Dr. Alfredo DE CASTRO.
<i>Venezuela :</i>	His Excellency M. César ZUMETA.

**FOURTH COMMITTEE OF THE EIGHTH ORDINARY SESSION
OF THE ASSEMBLY**

(BUDGET AND FINANCIAL QUESTIONS)

AGENDA.

1. ELECTION OF VICE-CHAIRMAN.
 2. PUBLICITY OF MEETINGS.
 3. APPROVAL OF PROVISIONAL AGENDA.
 4. EXPENSES OF THE PERMANENT CENTRAL BOARD TO BE SET UP AFTER THE COMING INTO FORCE OF THE OPIUM CONVENTION OF FEBRUARY 19TH, 1925.
 5. APPOINTMENT OF THE SUB-COMMITTEES ON CONTRIBUTIONS IN ARREARS AND ON THE ADMINISTRATIVE TRIBUNAL.
 6. REPORTS OF THE SUPERVISORY COMMISSION.
 7. AUDITED ACCOUNTS FOR 1926.
 8. FINANCIAL SITUATION OF THE LEAGUE ON AUGUST 31ST, 1927.
 9. REPORT BY THE COUNCIL ON NEW WORK INVOLVING ADDITIONAL EXPENDITURE ON THE PART OF THE LEAGUE.
 10. APPOINTMENT OF RAPPORTEUR.
 11. BUDGET FOR 1928:
 - (a) Secretariat and Special Organisations of the League;
 - (b) International Labour Organisation;
 - (c) Permanent Court of International Justice.
 12. CONSIDERATION OF THE REPORTS OF THE SUB-COMMITTEES ON CONTRIBUTIONS IN ARREARS AND ON THE ADMINISTRATIVE TRIBUNAL.
 13. SUPPLEMENTARY CREDITS.
 14. REPORT OF THE SUPERVISORY COMMISSION ON THE ADJUSTMENT OF SALARIES AT GENEVA.
 15. MISCELLANEOUS QUESTIONS.
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FIRST MEETING.

Held on Tuesday, September 6th, 1927, at 11 a.m.

Chairman: Jonkheer W. J. M. VAN EYSINGA (Netherlands).

1. Opening of the Session.

The CHAIRMAN thanked the Committee for the honour it had done his country in asking him to preside over its meetings.

The work of the Fourth Committee was difficult but extremely interesting, covering as it did the whole life of the League as reflected in the figures of its accounts and its budgets. The budgetary work of the Fourth Committee and of the Assembly had an influence on the relations between the Council and the Assembly similar to that exerted by the budget of national Parliaments on the relations between national administrations and Parliaments. Last year M. Osuský had recalled that the question whether certain matters did or did not enter into the field of activity of the Assembly — a problem which had already been discussed in principle at the Assembly of 1926 — had already been dealt with in the Finance Committee of the Assembly in connection with a number of matters. It was the duty of the Fourth Committee to watch over the correct management of the finances of the League of Nations and to ensure the observance of strict economy. Nevertheless, the Committee must never shut its eyes to the necessity for new expenditure which appeared to be essential.

After it had dealt with a number of points which could be quickly settled, the Committee might examine the delicate question of supplementary credits, in which it would be greatly assisted by the preparatory work of the Supervisory Commission.

M. RÉVEILLAUD (France) congratulated the Committee on the choice of its Chairman, adding that he had clearly described the work of the Fourth Committee, which consisted in an eager search for economy and a very appreciative interest in all the work of the League.

2. Appointment of the Vice-Chairman.

On the proposal of M. RÉVEILLAUD (France), M. OUANG TING TCHANG (China) and M. DE MODZELEWSKI (Poland), M. DE VASCONCELLOS (Portugal) was elected Vice-Chairman of the Committee.

M. DE VASCONCELLOS (Portugal) thanked the Committee for the great honour it had done his country in appointing him Vice-Chairman. He would endeavour to carry out the duties faithfully and devotedly.

3. Publicity of the Meetings.

The CHAIRMAN recalled that the general practice was to hold public meetings, it being understood that the Committee could sit in private when it thought it necessary. He suggested that this procedure might be continued.

The proposal was adopted.

4. Adoption of the Agenda.

On the proposal of the CHAIRMAN, *the provisional agenda was adopted* (Annex 1).

5. Expenses of the Permanent Central Board to be set up after the Coming into Force of the Opium Convention of February 1925: Question of Procedure.

The CHAIRMAN said that it was necessary to decide whether Article 19 of the above Convention should affect the League of Nations budget and whether the provisional budget of the Permanent Central Board included in the document before the Committee (Annex 2) should be adopted. This question might be examined to some extent in collaboration with the Fifth Committee.

The SECRETARY-GENERAL pointed out that this item raised a very important point of principle, namely, whether international Conventions concluded by certain Members of the League could provide that the expenses arising out of them should be placed on the League budget.

It was, he thought, for the Fourth Committee alone to decide this point. Another question, however — whether the proposals were sufficient to carry out adequately the provisions of the Convention — might be immediately referred to the Fifth Committee. The Finance Committee would then be able to deal with the report and the proposals in detail, and, if it were unable to accept the suggestions of the Fifth Committee, it could then appoint a joint Committee for the final settlement of the whole problem.

Sir Edward Hilton YOUNG (British Empire), while agreeing with the Secretary-General, asked whether the Committee should not have the opportunity of obtaining the views of the Supervisory Commission.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, explained that, precisely because a new principle was involved, the Supervisory Commission, in agreement with the Secretary-General, had left the item out of the budget in order to allow the Fourth Committee complete freedom to express its opinion. He agreed that the Fifth Committee might be asked for a report on the matter, which might be discussed by the Fourth Committee.

The CHAIRMAN hoped that the Supervisory Commission would be prepared to express its opinion on the matter of principle involved. The question might be referred to the Fifth Committee, and, when the report of that Committee was received, it would be referred to the Supervisory Commission, after which the Fourth Committee would be able to discuss the whole matter. The Fifth Committee would be asked to say whether the work of the Board could be properly done with the credits shown in the provisional estimates, and the Fourth Committee would consider, with the assistance of the Supervisory Commission, the question of principle, namely: whether the work should be paid for by the League.

This procedure was adopted.

6. Constitution of Sub-Committees.

The CHAIRMAN proposed that the Committee should authorise its Bureau to make suggestions for the constitution of its Sub-Committees.

M. RÉVEILLAUD (France) seconded this proposal.

The proposal was adopted.

SECOND MEETING.

Held on Monday, September 12th, 1927, at 3 p.m.

Chairman: Jonkheer W. J. M. VAN EYSINGA (Netherlands).

7. List of Correspondence received or despatched by the Committee.

The CHAIRMAN informed the Committee that the following letters had been received or despatched:

- (1) Letter from the Bureau of the Assembly referring to the Minutes of Committees;
- (2) Letter from the Chairman of the Fourth Committee to the Chairmen of the five other Committees asking them to forward, as soon as possible, any estimates for supplementary credits which might arise from the work of those Committees;
- (3) Letter from the Fourth Committee to the Chairman of the Fifth Committee regarding the Permanent Central Board provided for in the Opium Convention of February 1925;
- (4) Letter from the President of the Assembly to the Chairman of the Fourth Committee referring to the sum of 10,000 francs for the cost of the alteration of the presidential platform in the Salle de la Réformation.

The Chairman proposed to refer this last letter to the Supervisory Commission for its opinion.
This proposal was adopted and the other communications noted.

8. Room for the Meetings of the Committee.

The CHAIRMAN said that certain delegations considered that Room B was not sufficiently large for the work of such an important Committee as the Fourth. He asked the Secretary-General to give his opinion on this point.

The SECRETARY-GENERAL agreed with the Chairman. He explained, however, that there were only three rooms available in the Secretariat. The only way to overcome the difficulty would be to

ask the Director of the International Labour Office to put at the disposal of the Committee the Governing Body room, but this would cause administrative difficulties.

The CHAIRMAN realised that this room in the International Labour Office would be inconveniently far away and would make it more difficult to keep in touch with the members of the other Committees. The Committee might perhaps continue to work in Room B, where several budgets had already been voted.

Mr. MACWHITE (Irish Free State) said that Room B had numerous disadvantages, but it did make it possible to keep in touch with delegates attending other Committees. The proposed move would give rise to more difficulties than advantages.

M. DE MODZELEWSKI (Poland) supported this view.

The Committee agreed to continue to sit for the present in Room B.

9. Appointment of Sub-Committees on Contributions in Arrears and on the Administrative Tribunal.

The CHAIRMAN recalled that, at its last meeting, the Committee had asked its officers to make proposals regarding the constitution of Sub-Committees. To this end, they now proposed the following names for the Sub-Committee on Contributions in Arrears:

M. W. MOLLOFF (Bulgaria);
Dr. Antonio José RESTREPO (Colombia);
M. Jean RÉVEILLAUD (France);
Dr. KITABGI Khan (Persia);
M. A. F. VENNERSTEN (Sweden).

Dr. GHADIMY (Persia) said that Dr. Kitabgi Khan was obliged to attend another Committee. He suggested that he might take his place.

This proposal was adopted.

The CHAIRMAN, referring to the constitution of the Sub-Committee on the Administrative Tribunal, remarked that a member of the Supervisory Commission had not been invited to sit on this Sub-Committee, as the Supervisory Commission had prepared the scheme. It was thought desirable, however, to ask the members of the Supervisory Commission to be good enough to give their assistance by explaining the proposals before the Committee. It was therefore proposed that the Sub-Committee on the Administrative Tribunal should be constituted as follows:

M. C. ZUMETA (Venezuela);
M. C. TUMEDEI (Italy);
Sir C. P. Ramaswami AYYAR (India);
General G. TÁNCZOS (Hungary);
Dr. KAAS (Germany).

The CHAIRMAN asked the two Sub-Committees to meet after the meeting of the Fourth Committee to choose their Chairmen and to arrange for their first meeting.

This proposal was adopted.

Sir Edward Hilton YOUNG (British Empire) drew the attention of the Committee to Item 14 of the agenda: Report of the Supervisory Commission on the Adjustment of Salaries at Geneva. He thought that it would at some time be necessary to appoint a special Sub-Committee to examine this question.

The CHAIRMAN informed the Committee that he had just learned that a supplementary report would be furnished by the Supervisory Commission regarding this matter. The Committee might perhaps wait until it had received this report before considering the proposal of Sir Hilton Young.

Sir Edward Hilton YOUNG (British Empire) agreed to the adjournment of his proposal.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, said that the Supervisory Commission had to wait for the report of the Salaries Adjustment Committee before it could submit its final report to the Fourth Committee. The former Committee would meet on September 15th, and the Supervisory Commission hoped to be able to submit its final report to the Fourth Committee at the end of the week.

Sir Edward Hilton YOUNG (British Empire) said that, if the Committee wished to appoint a special Sub-Committee, it would be desirable to do so as quickly as possible. On the other hand, the Committee ought to have all available information, in order to decide upon the ultimate desirability of appointing such a Sub-Committee.

The CHAIRMAN proposed that the Committee should keep in close touch with the Supervisory Commission on this question, which might be dealt with later.

This proposal was adopted.

10. Work of the Supervisory Commission: Statement by the Chairman of the Commission.

The CHAIRMAN put before the Fourth Committee the reports on the work of the twenty-second, twenty-third and twenty-fourth sessions of the Supervisory Commission (Annexes 3 and 4). He suggested that the Committee should first hear the general statement of the Chairman of that Commission. The reports could be examined in detail during the consideration of the budget, and the Fourth Committee might take its decision after the discussion on the audited accounts and the budget.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, wished to give certain general explanations, particularly as there were some new members on the Committee. It was desirable that the Committee should understand how the accounts were audited.

This audit was in the hands of a high official of the Italian Government, the Auditor of the League of Nations, who was not, however, a League official. He examined the accounts, with his assistant, four times a year. The Supervisory Commission also examined the Auditor's report quarterly, so that it could immediately intervene if necessary. At the end of the year, the Auditor prepared a report for the Assembly, which was first examined by the Supervisory Commission, which also submitted a report on this subject to the Assembly.

Referring to the question of recoverable advances (Annex 5, page 109), M. Osuský explained that they consisted of expenditure incurred by the Council in the particular interest of certain States. The Assembly had decided several years ago that such expenses should not be borne by all the Members of the League. These recoverable advances were shown each year in the accounts. The Supervisory Commission now proposed that interest at the rate of 4 per cent should be charged after a delay of six months from the time when the advance had been made. The Fourth Committee would have to decide on this point.

Another example of the questions dealt with by the Commission related to certain sums included in the assets (Annex 5, page 139). The Supervisory Commission proposed that the contributions in arrears, which had for several years been carried as assets on the balance-sheet of the League of Nations, should in future be shown under a special heading.

Referring to the surplus of 1,590,000 francs (Annex 3, page 74), M. Osuský added that the Commission would later make proposals in this connection.

M. Osuský referred the Committee to the various budgets since 1921, and pointed out the considerable increase in the work of the Secretariat, which might easily be seen from the figures of documents received and despatched. In 1923, the budget of the League of Nations was 25,500,000 francs, and the special budget of the Secretariat 15,500,000 francs. The budget estimates for 1928 for the Secretariat amounted to 13,400,000 francs. These figures showed that, after years of experience and endeavour, the heads of the organisation of the League of Nations had, in collaboration with the Supervisory Commission, achieved a normal budget.

The Chairman of the Supervisory Commission insisted that, if the expenses of the League increased in the future, that fact must be explained by the necessary development of the work of the League of Nations. The Supervisory Commission would also insist on the need to examine the credits asked for new undertakings. Once new work had been begun, it was no longer possible to suppress the credit entered in the budget for the purpose without losing the benefit of money already spent.

M. Osuský recalled that the Fourth Committee and the Assembly had last year asked the Supervisory Commission to re-examine the system of salaries adjustment and to decide whether it should be retained or modified. The Supervisory Commission had made its report on the matter of principle. The report on the figures themselves would be submitted very shortly.

The Supervisory Commission had also reported on the problem of the deputy Judges at the Permanent Court of International Justice, and its conclusions, though rather negative in character, would come before the Fourth Committee.

The Supervisory Commission had also enquired into the establishment of an Administrative Tribunal to deal with litigation concerning officials of the League of Nations. The staff would thus be assured that its rights were safeguarded. The Statute of this Tribunal had been prepared, taking into account the two following principles which it was not easy to reconcile: on the one hand, the necessary guarantee had to be given to the staff, but, on the other, nothing should be done to jeopardise the authority of the responsible heads of the organisations of the League of Nations. The Fourth Committee would have an opportunity to examine the Statute and the report of the Supervisory Commission.

M. Osuský expressed the hope that the observations which he had put forward in the name of the Supervisory Commission would be of help in the discussions of the Fourth Committee.

The CHAIRMAN warmly thanked M. Osuský for his clear and precise survey.

11. Audited Accounts for the Eighth Financial Period (1926).

The Committee approved the audited accounts of the League for the eighth financial period (1926) for submission to the Assembly (Annex 5).

12. Financial Position of the League on August 31st, 1927.

The CHAIRMAN recalled that a document on this subject was submitted yearly by the Secretariat in conformity with Article 21 of the Financial Regulations.

The Committee took note of this document (Annex 6).

13. Report of the Council and of the Governing Body of the International Labour Office on New Work involving New Expenditure on the Part of the League.

The Committee took note of this document (Annex 7).

14. Appointment of a Rapporteur to the Assembly.

On the proposal of Sir Edward Hilton YOUNG (British Empire), M. DE MODZELEWSKI (Poland) was elected Rapporteur by acclamation.

15. Budget for the Tenth Financial Period (1928): General Discussion.

The CHAIRMAN opened the general discussion on the budget for the tenth financial period, 1928.

The SECRETARY-GENERAL expressed his appreciation of the work of the Supervisory Commission. With its assistance, he had endeavoured to keep the budget within as narrow limits as possible, as they recognised the economic burdens from which all States were suffering. As M. Osuský had said, however, the normal work of the Secretariat could not be carried on without the provision of the amount now suggested. The present budgeting was sometimes dangerously close, and the Economic Conference, for example, had involved a considerable increase of expenditure over what was originally provided. This had been met by a system of transfers, but the Conference had also increased the expenditure of the general services. If the Assembly decided to impose new tasks on the Secretariat, it would be necessary to increase the budget or to allow the cessation of some of the normal work now being done. He hoped the members of the Committee would read the report "Present Conditions of Work in the Secretariat" (Annex 9), which showed the great increase in the general work of the Secretariat.

Sir Edward Hilton YOUNG (British Empire) much appreciated the remarks made by the Secretary-General and the Chairman of the Supervisory Commission, upon whose helpful collaboration the whole year's financial work was based. The Fourth Committee had to confirm and support the conclusions reached by the Supervisory Commission.

This was an important time in the financial history of the League, and he would recall the resolution proposed by the distinguished representative of India, at the last ordinary session of the Assembly, that the contributions of States should not exceed their contributions for the then current year, and that the maximum expenditure should approximate to the total for 1926. Though no member would wish to oppose the extension of the League's activities, it was well, in order that its functions might be properly performed, to remember this resolution. Though a great effort had been made to stabilise expenditure, the ideal before the Committee last year had not been fully achieved, though it was true that the bulk of the increase was due to automatic increments of salaries and only a minor part to the acceptance of further work. It appeared that this year's expenditure would exceed last year's by some 500,000 gold francs. Without wishing to criticise the details of the proposed fresh expenditure, he hoped that it would be possible to find some equivalent economies which would balance it. It would also be of great help if proposals for new expenditure could be considered together at the end of the discussions.

In conclusion, he felt that the League would, sooner or later, find it necessary to impose a limitation upon the initiative for proposals involving new expenditure. Most assemblies of the world adopted some self-denying ordinance and confined the initiative in proposing new expenditure to some smaller body than the general deliberative body.

Sir Ramaswami AYYAR (India) proposed to touch upon one or two general questions. The work of the Fourth Committee was of great importance to the League, and his last year's proposals had been put forward not only from purely economic considerations but also to ensure that some States, far removed from the scene of the immediate activities of the League, might be assured that its work was as comprehensive and universal in character as possible. New commitments entered into should be considered in relation to what would happen not only during the year immediately under review but in future years. Such new commitments must be scrutinised with great care in order to ascertain the effect they might have on existing activities.

He would refer to the resolution passed by the Assembly in 1922 regarding unforeseen expenditure. It was agreed that special investigations made in the interests of one or more Members of the League should be paid for by those Members, and he was convinced that this was a sound principle to be observed in future.

The work of the League was continually extending, and in many Conferences there were represented States non-Members of the League. Was it not wise to keep the financial aspect in mind and to provide that such States would make payments when participating in the Conferences of the League?

In conclusion, he would suggest that the publications of the League might be put on a rather more sound commercial basis, and that agents might be appointed in distant countries with a view to the better dissemination of these publications. He fully shared the desire that the League should be worldwide, but it was necessary that it should be conducted on businesslike lines.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, warmly supported the proposal of the British delegate that supplementary credits should all be considered together. Proposals entailing expenditure not already covered by the budget were always made towards the end of the session of the Assembly, and, though this was not the usual governmental budgetary practice, he felt that the Committee should reserve to itself the right to reconsider items already voted when the question of supplementary credits came up.

As regards the participation of non-Member States in League Conferences, he would recall Article 22 of the Financial Regulations and point out that certain States did make contributions towards the cost of Conferences at which they were represented.

The CHAIRMAN, speaking in his capacity as Netherlands delegate, fully agreed with what had been said as regards the possibility of economy in the matter of publications.

The British delegate had brought out the weak point in the present procedure, namely: that supplementary credits had to be dealt with too late.

The SECRETARY-GENERAL said that the increase in the budget was largely due to the fact that the International Labour Office vote was 472,000 francs higher. This figure was, however, fictitious in that a non-recurring appropriation-in-aid, amounting to 265,000 francs, had been made last year by the German Government, leaving an actual increase of 206,000 francs.

The International Labour Organisation was autonomous, and the only control which the Assembly had over it was through the budget. The actual increase in the League budget apart from the International Labour Organisation was only 101,000 francs, which practically corresponded to the automatic increments in salaries.

He agreed with the British delegate that it might ultimately be necessary to set up a body to decide which proposals for new expenditure should have priority.

Replying to the delegate of India as to whether it was not possible to arrange that States invited to Conferences should pay their proper share of the expenses, he did not think that there were any non-Member States which were now Members of the Technical Organisations. The League therefore had to trust to a certain amount of good will on the part of States invited to Conferences, but some Governments, particularly that of the United States, when invited to a Conference made up of Governmental representatives, always paid a contribution based on the share they would have paid if they had been members of the Technical Organisations concerned.

As regards the question of publications, the Supervisory Commission was going into the matter very thoroughly and the Secretariat was doing all it could to reduce the expenditure on printing.

16. Detailed Examination of the Budgetary Estimates of the Secretariat and Special Organisations (Annex 8): Chapter I, Item 1: Session of the Assembly (392,900 gold francs).

Item 1 was adopted without amendment.

17. Chapter I, Item 2: Sessions of the Council (75,000 gold francs).

Item 2 was adopted without amendment.

18. Chapter I, Item 3: Unforeseen Expenditure, subject to Special Vote of Council (500,000 gold francs).

Sir Edward Hilton YOUNG (British Empire) asked if the Secretariat could give the Committee any closer estimates on this item.

The SECRETARY-GENERAL said that, as regards 1927, none of the corresponding credit had yet been spent, but that it had been the practice to make provision for 500,000 francs to meet political contingencies unforeseen at the time when the budget was drawn up. It would be a very serious matter if the work of the Council were hampered by lack of funds at a time of political crisis.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, said that the thoroughness of the control of the Supervisory Commission might be appreciated by reference to the report of the Supervisory Commission (see Annex 3, paragraph 14). The Commission had closely enquired into what was considered to be "unforeseen" expenditure.

M. ZUMETA (Venezuela) pointed out that the figures for contributions on which the budget was based were somewhat theoretical. As a matter of fact, 7 per cent less revenue was received than was estimated, and this would have to be taken into account.

Sir Edward Hilton YOUNG (British Empire) agreed that it was necessary to cover the possibility that contributions might not be paid, but he hoped that such an item might be kept under a special heading.

The SECRETARY-GENERAL pointed out that, even if a special figure were allowed to cover unpaid contributions, he would still have to ask for the sum of 500,000 francs now under discussion, since it was essential to have funds available in case of a political crisis. If it were not spent for this purpose, it was, of course, useful partly to make up for the non-payment of contributions.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, said that the Commission always examined closely the transfers effected, and he pointed out that the money in question could not be used except for the political purposes for which it was intended.

Item 3 was adopted without amendment.

19. Chapter II, Item 4: Salaries, Wages and Allowances (5,441,385 gold francs).

Item 4 was adopted without amendment.

20. Chapter II, Item 5: Contribution to the Staff Provident Fund (280,000 gold francs).

Item 5 was adopted without amendment.

21. Chapter II, Item 6: Liaison with Latin America (119,447 gold francs).

Item 6 was adopted without amendment.

22. Chapter II, Item 7: Branch Offices (133,459 gold francs).

M. VENNERSTEN (Sweden) asked what were the functions and duties of these branch offices and whether they were likely to be permanent.

The SECRETARY-GENERAL thought it very likely that these offices would be of a permanent nature. They were found to be very useful and inexpensive distributing centres, and he felt that they were essential and constituted an economy.

M. OLDENBURG (Denmark) said that he had noted that provision was made in the budget of the Information Section and of the International Labour Office for branch offices, and asked whether it was necessary to have several League offices in one town. He thought that it might be possible to unite under one roof all the offices of the League of Nations organisations.

The SECRETARY-GENERAL said that the staff of the Information Section branch offices consisted of one or two people in different capitals responsible for the distribution of news and for keeping the public informed as to League activities. He would consult the Director of the International Labour Office on the question whether it would be possible to house the branch offices of the Secretariat and Labour Office in the same building, but he felt it would take some time.

M. GALLAVRESI (Italy) said that the Paris and London offices were fairly near the seat of the League, but perhaps it would be possible to extend these information bureaux to other more distant centres if their work was so useful.

The SECRETARY-GENERAL said that there was a slight misunderstanding. In Sub-Schedule 1 to Schedule B of the budget it would be seen that there was a Rome office with a small staff, as well as one at Tokyo and Berlin. These were used for disseminating news only. The London and Paris offices were, in addition, used for distribution of documents, because these capitals were very convenient centres. As soon as it was found economical to set up a small office in a capital for distribution purposes the Committee would be asked for the necessary funds.

Item 7 was adopted without amendment.

23. Chapter II, Item 8: Travelling Expenses of Officials of the League (263,000 gold francs).

M. DE MODZELEWSKI (Poland) said that he had heard that members of the Secretariat living within the Swiss border were not entitled to travelling expenses to their homes, whereas others who lived just across the frontier were so entitled. He felt that the position was slightly anomalous.

The SECRETARY-GENERAL explained that a person who was engaged on what was called the "local scale" was always presumed to be an inhabitant of Geneva and therefore did not receive the travelling expenses accorded to international officials. He felt that the arrangement was logical and that it would be difficult to make exceptions.

Item 8 was adopted without amendment.

24. Chapter II, Item 9: Frais de représentation (162,500 gold francs).

Item 9 was adopted without amendment.

25. Chapter II, Item 10: Property Account: Maintenance (239,445 gold francs).

Item 10 was adopted without amendment.

26. Chapter II, Item 11: Publications Department (418,500 gold francs).

Sir Ramaswami AYYAR (India) suggested that it might be advisable to establish an agent for League publications in his own and other countries. He felt that this would not be expensive and would be extremely useful.

The SECRETARY-GENERAL said that there had been some dissatisfaction regarding the sales of League publications and that last year a special officer had been appointed to help to push the sales and to go into the business of organisation. He had at present been three months in office and had worked with great vigour. The Secretary-General would bring to his notice the suggestion made by the representative of India.

Item 11 was adopted without amendment.

27. Chapter II, Item 12: General Office Expenses (445,000 gold francs).

Item 12 was adopted without amendment.

28. Chapter II, Item 13: Special Staff Charges (96,540 gold francs).

Item 13 was adopted without amendment.

29. Chapter II, Item 14: Interest Charges: Bank Account (1,000 gold francs).

Item 14 was adopted without amendment.

30. Chapter II, Item 15: Unforeseen and Miscellaneous Expenses of the Secretariat (50,000 gold francs).

Item 15 was adopted without amendment.

31. Chapter II, Item 16: Unpaid Liabilities Fund (7,500 gold francs).

Item 16 was adopted without amendment.

32. Chapter II, Item 17: Supervision of Revenue and Expenditure (42,100 gold francs).

Item 17 was adopted without amendment, with the exception of sub-item (d), which was postponed until M. Réveillaud could be present.

33. Chapter III, Items 18 to 30: Special Organisations of the League.

Items 18 to 30 were postponed to a later meeting.

34. Chapter IV, Item 31: Loss on Exchange.

Item 31 was adopted without amendment.

35. Chapter V, Item 32: Further Additions to Property.

Item 32 was adopted without amendment.

36. Chapter V, Item 33: Further Purchases of Furniture, Equipment, etc. (80,000 gold francs).
Item 33 was adopted without amendment.
37. Chapter V, Item 34: Library (103,000 gold francs).
Item 34 was adopted without amendment.

THIRD MEETING.

Held on Tuesday, September 13th, 1927, at 3 p.m.

Chairman: Jonkheer W. J. M. VAN EYSINGA (Netherlands).

38. Gift by Mr. John D. Rockefeller, Junior, for the Construction and Endowment of a League of Nations Library.

The CHAIRMAN read the following letter from the President of the Assembly:

" I have the honour to inform you that the Assembly decided at its meeting this morning to entrust to the Committee of which you are Chairman the study of the practical questions involved in the acceptance of the Rockefeller gift.

" I enclose herewith, for your assistance, a copy of the resolution of the Council and a copy of the note of the Secretary-General with reference to this gift.

" I may add that, at its meeting this morning, the Assembly confirmed the acceptance of this gift by the Council.

" I should be glad if you would bring the above matter to the attention of the Fourth Committee."

The Assembly had referred this question to the Committee of five appointed by it, and although the acceptance of the gift would not involve any fresh financial burden on the Members of the League, it was possible that the resolution adopted by the Council might have certain effects from a financial point of view. In these circumstances the Chairman would propose to submit this letter to the Supervisory Commission.

The proposal was adopted.

39. Report on the Work of the Information Section of the Secretariat.

The SECRETARY-GENERAL said that, in fulfilment of the request made in the previous year by the representative of the Irish Free State, the Secretariat had prepared a report on the work of the Information Section. That report was at the disposal of the members (Annex 10).

40. Detailed Examination of the Budgetary Estimates of the Secretariat and Special Organisations (*Continuation*): Chapter II, Item 17(d): Expenses of Committee on Allocation of Expenses (12,000 gold francs).

M. RÉVEILAUD (France) recalled that the Committee for the Allocation of Expenses, over which he had the honour to preside, had been instructed to draw up an equitable system of contributions from the States Members to the expenses of the League, and had submitted to the 1925 Assembly a draft scale which had been approved by the Fourth Committee and by the Assembly. That scale, however, was to hold good only for the years 1926, 1927 and 1928, since economic conditions at that time made it impossible to prepare a permanent table.

The Committee on the Allocation of Expenses had therefore been instructed to continue its economic investigations with a view to bringing up a new scheme in 1928, in order finally to settle this thorny question. There was ground for enquiring whether this work was feasible at the present moment.

The International Economic Conference held recently had shown that all States, both from the point of view of currency stability and from that of budgetary equilibrium, had made great progress. Nevertheless, in many ways the world was still in a state of disequilibrium, more especially Europe, which was far from having recovered its pre-war stability. If the years 1913 and 1925 were compared, it would be seen that the population of Europe had increased by 1 per cent and general production by 5 per cent, whereas trade represented only 89 per cent of the 1913 figures. Numerous industries, more especially the metallurgical, coal and shipping industries, were suffering from the crisis. Agriculture too was in a state which caused very grave apprehensions, since the price of agricultural products had failed to follow the ascending curve of industrial products.

It had been noted at the Economic Conference that these unfavourable factors would probably not be changed in the near future, first, because numerous industries had been set up in what

were once called the new countries, and, secondly, because the currents of emigration had been profoundly modified. Finally, it was impossible to ignore the consequences of the reconstruction of the devastated regions and of the charges resulting from debts and war pensions, the effects of which would no doubt be felt for several decades.

Doubtless, in these circumstances, it would be necessary to take up again the work of the Allocation Committee without awaiting the complete recovery of the economic situation. But if the question were viewed from the standpoint of what was practical at the present time, there was another imperative consideration. It would perhaps be remembered that while, in order to ascertain the contributory capacity of the various States, the Allocation Committee had based its investigations on all the indices which it had succeeded in discovering, it had adopted as its principal criterion the result of the comparison of the budgets for certain heads of expenditure.

If, then, the Committee began work this winter, the most recent budgets available would be those of 1926 — that was to say the budgets for a year which had been marked by wide fluctuations. For instance, an analysis of the budgets of France and Italy, the exchanges in which countries had fluctuated considerably in the course of the two previous years, would lead to entirely erroneous conclusions. The continent of Asia had also been, and was still, the scene of far-reaching economic and political disturbances, which had a direct influence on budgets.

No doubt a time of tranquillity would come, but it could not be said that this first year of currency stability would furnish a sufficiently firm basis, and that a single additional year would suffice to enable the Allocation Committee to achieve its work. The economic position would continue to fluctuate for some years to come. Currency stability would be followed by a decline in prices, the first result of which would be a drop in sales, and the second unemployment. Wages would only adapt themselves to prices, and production would only resume its normal position after a long interval of time. Thus, M. Réveillaud did not think that it would be possible to compare national budgets for some three or four years.

He did not, however, desire to discuss this latter point to-day. His only conclusion was that it would be quite useless to maintain the instructions given to the Allocation Committee to prepare a new scale this winter. If the Fourth Committee agreed with this view, it might place its opinion on record by refusing to give for this work in the 1928 budget a figure higher than that for the previous year, and M. Réveillaud proposed that this item should be reduced to 7,500 francs. If he did not ask for it to be omitted altogether, it was because the Committee might have to be convened if only to decide on the admission of a new State to membership of the League.

The CHAIRMAN thanked M. Réveillaud for his clear statement. His proposal was that the sum of 7,500 francs should be inserted in Article 17 (d) instead of the proposed 12,000 francs, and that the Allocation Committee should be authorised to wait before revising the scale at present in force.

This proposal was adopted.

41. Chapter III, Item 18: Administrative Commissions and Minorities Questions (356,817 gold francs).

M. TUMEDEI (Italy) pointed out that the minority questions were diminishing in importance. This was natural as the organisation of new States became more consolidated. He had hoped, therefore, that the sums included in Item 18 would have been reduced as a consequence. This item, however, showed a continuous increase, for it had risen from about 329,000 francs in 1926 to 352,000 francs in 1927, and to 356,000 in 1928.

He thought that it would be appropriate to reduce the expenditure of those Sections of the Secretariat whose work had grown less, in order to increase in proportion the credits allotted to Sections whose work had increased, without increasing the total budget of the League.

M. COLBAN, Director of the Administrative Commissions and Minorities Section, explained that, at the moment, the budget of the Section had been stabilised, and the small increase in the budget of 1928 was due to the automatic increments in the salaries of members of the Section. He pointed out that a reduction in travelling expenses from 39,000 to 35,000 francs was proposed.

The Section did not only deal with minorities. It also dealt with questions relating to the Saar Territory and the Free City of Danzig. The latter, in particular, involved much work.

The Minorities Branch of the Section had a most important task. The protection of minorities by the League demanded the closest possible co-operation between the League and the Governments concerned, and rendered necessary much travelling. The work of the Minorities Branch was to a very great extent confidential, and its magnitude could not be judged from the comparatively few cases brought before the Council in public.

In conclusion, M. Colban mentioned the international character of the Section, which comprised sixteen officials of thirteen different nationalities.

M. DI PAULI (Austria) had been astonished to see in the report of the Secretariat so little reference to the Minorities Section. M. Colban had just pointed out the importance of the quiet work which the Section had done and of the co-operation which existed between it and the Governments. The Austrian delegation was so convinced of the value of this activity that, far from wishing to reduce the figure for the budget for this Section, it would be more disposed to ask for an increase.

Moreover, the credit for printing and documentation was less than in 1927, and the importance of the Minorities Section must not be forgotten, for its creation had aroused great hopes in many countries, and its work should not be allowed to decrease.

The sum of 15,000 francs contained in the estimates for 1926 as a provision for the development of the Section was no longer included in the estimates for 1928. It would be very regrettable to conclude from this that it was not proposed to develop the Section.

In conclusion, M. Di Pauli asked that the proposed budget figure should be retained, and that the Committee should take note of the fact that certain delegations regretted that a higher figure had not been put down.

M. PITAMIC (Kingdom of the Serbs, Croats and Slovenes) stated that he was entirely satisfied with the explanations given by M. Colban. He pointed out that the figure of 356,817 gold francs was not only intended for minority questions but also for those concerning Danzig and the Saar, and the slight augmentation on the previous year was accounted for by the automatic increments in salaries. He therefore asked that this sum should be maintained.

Dr. KAAS (Germany) considered that the proposed slight increase for the Administrative Commissions and Minority Questions was fully justified. He fully associated himself with the observations of the Austrian delegate and asked that the figure in the budget be maintained.

M. TUMEDEI (Italy) recognised the importance of the work done by the Minorities Section. It appeared, however, from the explanations of the Director of the Section that certain questions on its programme tended to disappear. Under such circumstances, it seemed that the staff might be reduced. In this connection it must not be forgotten that an increase of staff was asked for under certain other chapters of the budget.

M. Tumedei thought that the figure of 35,000 francs for travelling expenses, which represented a tenth part of the total figure, was too high.

He also referred to the increased estimates for printing and documentation. Could not certain of the publications of this Committee be sold to cover part of the expenses?

Mr. MACWHITE (Irish Free State) said that the increase shown in the budget for the coming year was almost entirely due to the automatic increments in salaries, and, in view of the difficult nature of the work, his delegation felt that the efficiency of the Section would be lessened if the budget were reduced.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, desired to give explanations to M. Di Pauli regarding the sum of 15,000 francs shown in the budget of 1926 for the development of the Section, a sum which was not included in the provisions for 1928. There was no question of proposing a reduction which would adversely affect the work of the Section. The sum had been inserted in the budget in 1923 as the result of a resolution adopted by the Assembly. At that time, negotiations had been undertaken with a view to the conclusion of peace in the Near East, and it was expected that numerous questions would be submitted to the Minorities Section. It had therefore been necessary provisionally to include a round sum in the budget to cover any new work which might be entrusted to the Section. Afterwards, that sum had been incorporated in the budget when the Secretary-General, the Section and the Supervisory Commission had been able to realise exactly what were the actual necessities.

The SECRETARY-GENERAL appealed earnestly to the Committee not to press for a reduction in the personnel of the Section, which was called upon to carry out duties that had been laid upon the Council of the League by certain treaties. From the considerable experience of the Minorities Section, he could say that the work, instead of diminishing, was at present increasing. The number of petitions was about the same, but the problems raised were more difficult than ever. At a recent session of the Council there had been fifteen small Sub-Committees to consider various minority problems. He felt that every member of the Section was completely occupied with questions relating to minority petitions or to Danzig and the Saar, though much of their work did not come before the public. There were seven questions relating to Danzig on the agenda of the present Council session, and he did not believe that the Section could be reduced without diminishing the activities which the League was definitely instructed to carry out by the treaties.

As regarded travelling expenses, it had been found very valuable that members of the Section should travel and see the representatives of the Governments and of the minorities, thereby frequently avoiding fresh petitions and fresh work.

The printing and documentation did not concern public publications for the public but merely referred to the printing of petitions which were sent to the various Members of the Council.

M. TUMEDEI (Italy) said that he would not insist on his proposal, but he hoped that his observations would be taken into account in preparing the next budget.

Item 18 was adopted without amendment.

42. Chapter III, Item 19: Economic and Financial Organisation (1,217,031 gold francs).

Sir Edward HILTON YOUNG (British Empire) said that, in trying to keep the total of the budget down to a stabilised figure consistent with the discharge of the functions of the League, an endeavour was made to obtain an approximately stable total for each heading of expenditure. The slight increase in this item led him to ask what was the prospect of ultimate stability in this respect, and, while admitting fresh reasons for outlay, he hoped that all the executive organs of the League were

especially on the alert to eliminate obsolete expenditure, which was frequently a cause of waste. He assumed for example that, at the conclusion of temporary work such as the economic reconstruction of Austria, the Section had dispensed with the service of the personnel engaged on that work.

M. TUMEDEI (Italy) asked for explanations on the four points of Schedule L.

In No. 2 (a) of this schedule, the credit had been increased by 15,000 francs. According to the explanatory note, this increase, as compared with the figures for 1926, was the result of an increase in the number of the members of the Economic and Financial Committees. He would like to know what this increase was.

In the second place, the printing and publications expenses for the Committees had increased to a rather high sum: 55,000 francs under Sub-head 2 (b) and 145,000 under Sub-head 3 (c), which made a total of 200,000 francs. He did not know whether it would be possible to suppress certain publications, but he thought that, in any case, the Committee might consider what economies might be realised in this matter.

As regards miscellaneous and unforeseen expenses in Sub-head 4 of the same schedule, he wished to know why 30,000 francs had been put down this year when only 4,250 francs had been spent in 1926.

In Item 15, 50,000 francs had already been voted for unforeseen Secretariat expenses, and really unforeseen expenditure above this sum could be covered by transfers.

The SECRETARY-GENERAL said that there was a question of principle as regards miscellaneous and unforeseen expenditure. The Committee had always insisted upon knowing accurately what each of these special organisations cost. There had been proposals to combine all the unforeseen expenses in one big sum, but the Committee had preferred an arrangement by which these were shown clearly under the heading to which they belonged. He hoped that this system of allotting a given sum to each Section would be continued.

Sir Arthur SALTER, Director of the Economic and Financial Section of the Secretariat, said that, in the apparent increase of 46,000 francs on the total of this budget, an increase of 20,000 francs was merely a matter of budget presentation, as this sum had been previously paid to the Economic Section by the Disarmament Section to cover the cost of a statistical enquiry into disarmament. Almost the whole of the remaining increase was accounted for by the automatic increase in salaries.

As regarded the question of stabilisation, this really meant a stabilisation of the net total of work allotted by the Assembly and the Council. The membership of the Section would not increase by more than the work allotted and would, in fact, not increase by as much, since economies were continually being made as greater experience was obtained. The present staff increase concerned the minor personnel, which showed that the work was being transferred to a lower and less expensive grade of officer.

No officers had been retained on work concerning Austrian and Hungarian finances when that work drew towards its conclusion. Such work as remained to be done was done by officers who were primarily employed on other work.

The Italian delegate had asked why a larger sum was put down for 1928 than the expenditure actually realised in 1926 for subsistence, travelling and other expenses. The reason for the lower expenditure in 1926 was the fact that less than the usual number of members attended the Committees, but this position was very different in 1927. There had been a more regular attendance, more Sub-Committees had been established, and a German member had been added. This week the Council had added an American member to the Financial Committee. He was therefore sure that the figure set down was more likely to prove insufficient than extravagant.

As regards printing for the Committees, the reduction made last year had been too great, and it had been necessary to ask for a transfer from another vote.

As regarded the credit of 30,000 francs for miscellaneous and unforeseen expenses, it was quite possible that the whole of the money might not be needed, but in every one of the last five years the greatest amount of work done in the year had always been work of which he had had no knowledge at the time of the preparation of the budget. As the budget stood at present, it would only be possible to live by making on some items economies which could not at present be foreseen and using the money thus saved to meet unforeseen expenditure on other items.

With regard to sales, these were very rapidly increasing, and the returns now amounted to a considerable sum. He regretted, however, that this would not operate to reduce the expenses of the Section, as all the receipts from sales were turned over to another item.

M. DE MODZELEWSKI (Poland), though also anxious to see a certain stabilisation of the budget of the League under each heading, thought that economy in regard to this item would be false economy. The financial stabilisation of certain countries had been obtained owing to the work of the Economic and Financial Section of the League. The Economic Conference had been extremely successful, and the preparatory work done by the Section had been of the greatest value to the Conference. He therefore did not ask for a reduction on this item, as he felt that the development of the work of the League in this sphere could not but contribute to the establishment of economic stability.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, reserved the right to make observations in connection with Item 19 when the Second Committee, which intended to ask for an additional credit to cover the cost of the Economic Conference, submitted its request.

M. TUMEDEI (Italy) did not agree with the Polish delegate. Expenditure should not always be regarded as leading in the end to economy. The Committee should endeavour to find some practical economy in the budget, and he wondered whether it would be possible to have the actual results of the sale of publications.

The SECRETARY-GENERAL said that a big reorganisation of the whole of the Publications Department had just been undertaken. Next year, it would be possible to give the amount of the sales for each organisation.

The budget at present before the Committee had been subjected to the most drastic cuts by the Supervisory Commission, and he believed that very little more reduction could be effected.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, said that the sum estimated in the budget for the sale of publications amounted to the considerable figure of 220,000 francs. This was an obvious proof of the efforts made to reorganise the sale of publications.

Item 19 was adopted without amendment.

43. Chapter III, Item 20: Provision for the Development of the Economic and Financial Organisation, following the General Economic Conference (100,000 gold francs).

On the proposal of Sir Edward Hilton YOUNG (British Empire), the Committee decided to adjourn the examination of this item until it had before it detailed proposals for new expenditure.

44. Chapter III, Item 21: Mandates (260,884 gold francs).

M. DI PAULI (Austria) said that, in the note on Schedule M, it would be seen that "the proceeds of the resale of these reports to the public are not deducted from the figure for printing and documentation but are entered under 'Sale of Publications'". He wondered why such an explanation was given under this item and not under the same item of other Sections.

The SECRETARY-GENERAL quite agreed with the delegate of Austria, and said that he would endeavour to arrange in future that there should be a note at the head of Chapter III which would apply to all the Technical Organisations.

Item 21 was adopted without amendment.

45. Chapter III, Item 22: Transit Organisation (334,551 gold francs).

Sir Ramaswami AYYAR (India) asked whether the expenditure of 20,000 francs for the settlement of disputes submitted to the Committee should not be met by the parties who referred these disputes to the League.

The SECRETARY-GENERAL said that this question raised a difficult matter of principle. In 1922, after deciding to charge to the budget of the League expenditure, previously shown as recoverable, incurred for the International Credits Commission and the financial reconstruction of Austria, the Council decided that, "in future and on principle, expenditure incurred for special investigations in any one country should be met by the Government of that country".

He was not sure how far the resolution could be extended. Disputes might not be so easily settled if the two countries were asked to bear the expenses, and he felt that the best thing was to treat each case on its merits, bearing in mind the general principle that, if a State were to benefit largely, it should at any rate contribute to the expenses.

Sir Ramaswami AYYAR (India) did not wish to detract from the general principle that there might be important occasions when the budget of the League should be called upon to bear the expense, but in ordinary cases of disputes where expert advice was called for from League bodies, he understood that the normal principle to observe would be that the advice should be paid for by the countries concerned. •

Sir Edward Hilton YOUNG (British Empire) agreed with the Secretary-General that in these matters each case should be considered on its merits. His delegation greatly preferred the general rule that, where a particular State obtained a definite advantage from an enquiry, it should pay a special contribution.

With reference to the last heading in Schedule N, " Supplementary Credit: Work in Connection with Communications affecting the League of Nations in Times of Crisis ", he would like some more detailed information on this point.

The SECRETARY-GENERAL agreed with the principle that special charges should be borne by States specially benefiting from them, but pointed out that there were countries which did not get any very direct and easily assessed benefit from membership of the League, and it was desirable that the League should do what it could to help them.

M. HAAS, Chief of the Transit Section of the Secretariat, explained that this supplementary credit of 5,000 francs was necessary for the consultation of experts by the Transit Organisation, which had been asked by the Council for its advice as to the possibility of setting up a wireless station to be at the disposal of the League in times of crisis and also of arranging landing facilities for aircraft in the neighbourhood of the League.

Sir Edward Hilton YOUNG (British Empire) asked whether the expenditure would be in the form of fees to experts.

M. HAAS, Chief of the Transit Section of the Secretariat, replied that the experts received no fees except the ordinary travelling expenses normally allotted to them.

M. TUMEDEI (Italy) made an observation regarding subhead 4 of Schedule N, " Temporary Committees and Technical Work of Experts ". The credit under this item was an increase of 10,000 francs on that of the preceding year. The explanatory note said, however, that " the Committee on the Reform of the Calendar has now concluded its work, and the Committee on the Buoyage and Lighting of Coasts will not meet in 1928 ".

What temporary Committees would be meeting during the coming year, and could not the credit under this item be reduced ?

M. HAAS, Chief of the Transit Section of the Secretariat, replied that, even if the credit of 1926 had been 38,000 francs, the real expenses had reached the figure of 79,350 francs. This year the credit of 40,000 francs had been hardly enough; the credit of 50,000 francs in the 1928 budget would be actually less than the expenditure in 1927, as the provision for that financial year had been insufficient.

He added that the Committee on Buoyage would probably have to meet again this year, and he would point out that the Committee on the Reform of the Calendar had been one of the least expensive. There had also been meetings of other Committees in 1927.

Item 22 was adopted without amendment.

46. Chapter III, Item 23: International Health Organisation (992,638 gold francs).

Sir Edward Hilton YOUNG (British Empire) desired to make some reference to the future of the credits for the Singapore Bureau. He wished to refer to the financial side of the work, because, in the course of the next two years, the magnificent gift from the Rockefeller Institute would be coming to an end. He suggested to the Supervisory Commission that it was necessary to look rather far ahead, because, if the work were continued and the cost thrown upon the budget of the League, it would be found necessary to look for economies in the Health budget to compensate for the expenses of the Singapore Bureau.

In conclusion, he wished to congratulate those concerned on the success with which they had succeeded in maintaining the principle of stabilisation in this item.

The SECRETARY-GENERAL said that, as the question just raised was a difficult one to which attention was now being paid, he felt that it was hardly desirable to discuss it in detail now. The various Governments of the Far East were contributing generously towards the expenses of the Bureau, and he hoped these contributions would continue. It was clear that the League could not allow the Bureau to cease work or to diminish its activities, but there would be time for discussion of the matter next year.

Sir Ramaswami AYYAR (India) said that, after the Secretary-General's remarks, he was ready to let the matter rest for the moment. He noted with satisfaction that the budget of the Health Organisation had not exceeded the maximum limit which had been decided upon, and he associated himself with the congratulations offered by the British delegate.

M. TUMEDEI (Italy) said that he agreed with the principle that the expenses incurred by work of particular interest to certain States should, as far as possible, be borne by those States. As regards Schedule O, he would like to have certain information: first, there was an increase of 13,000 francs in the travelling and removal expenses. He did not quite see the difference between Sub-heads 1 and 2 under the heading " Interchange of Public Health Personnel ". He presumed that Sub-head 2 represented expenditure chargeable to the Rockefeller Grant and that Sub-head 1 did not. He understood that this work consisted of sending doctors to foreign countries, where they studied and prepared reports, and he would like to know if these reports were published and were of value.

Dr. RAJCHMAN, Medical Director, pointed out that 64,155 francs had been spent in 1926 on travelling and removals, and for this reason a figure of 63,000 francs had been included in the 1928 budget. It would be difficult to reduce this sum, owing to the wide activity of the Health Section,

which concerned a number of distant countries. The money spent under Sub-heads 1 and 2 of Section IV was for the same work. The Supervisory Commission had asked that the part paid for by the Rockefeller Foundation should be clearly indicated, but an alteration could be made in the next budget to show that Sub-heads 1 and 2 applied to the same purposes.

As regarded the third point, the doctors taking part in the interchange were chosen by their Governments, to whom they furnished their reports, the majority of which were extremely valuable. From time to time, meetings of specialists on certain questions were organised, concerning which valuable reports had been issued by the Section.

Item 23 was adopted without amendment.

47. Chapter III, Item 24: Social Questions (286,817 gold francs).

Item 24 was adopted without amendment.

48. Chapter III, Item 25: Reduction of Armaments (982,523 gold francs).

Mr. ROWE DUTTON (British Empire) asked if any details could be given of the vote of 200,000 francs for 1928 under "Investigations" (Schedule Q).

The SECRETARY-GENERAL said that, in certain countries, the military supervision which had arisen from treaty obligations had now come to an end. If in the future investigations had to be undertaken, which he hoped might not be the case, they would be made by the League, and the cost would therefore fall on League funds. It had been suggested last year that this item should be suppressed, and that any expenditure under this head might be borne from unforeseen Council expenses. He deprecated that course, however, as they could hardly consider as unforeseen expenses which they knew might occur.

Item 25 was adopted without amendment.

49. Chapter III, Item 26: Intellectual Co-operation, International Bureaux and Miscellaneous Questions (230,206 gold francs).

Item 26 was adopted without amendment.

50. Chapter III, Item 27: International Convention on Slavery (1,000 gold francs).

Item 27 was adopted without amendment.

51. Chapter III, Item 28: Legal Assistance for the Poor.

Item 28 was adopted without amendment.

52. Chapter III, Item 29: Committee of Experts for the Progressive Codification of International Law (75,000 gold francs).

M. TUMEDEI (Italy) referred to the vote of 75,000 francs for this item. This Committee had already prepared nine reports and had stated that it did not think it worth while to submit any further reports at present. Was it therefore necessary to maintain this item in the budget?

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, said that this item was only inserted provisionally and that the matter was in fact being considered by the First Committee. The result of its deliberations would be referred to the Fourth Committee.

The SECRETARY-GENERAL added that this item was inserted because the Committee had sent out a questionnaire to the various Governments. Though it was true that the Committee did not undertake any new work, there remained certain work which it would be necessary to clear up during the coming year. The First Committee would clearly have to consider the whole question of codification.

M. RÉVEILLAUD (France) asked that Item 29 be reserved and taken up later.

This proposal was adopted.

53. Chapter III, Item 30: International Federation for Mutual Assistance in the Relief of Peoples overtaken by Disaster (15,000 gold francs).

Mr. ROWE DUTTON (British Empire) said that this item had been inserted in the budget at a date prior to the Conference, and asked whether it was still necessary to allocate 15,000 francs for this purpose. Surely by next year the International Federation, if it had been formed, would have funds of its own?

The SECRETARY-GENERAL said that it was true that this amount had been put in the budget before the Conference was held, but the Council had considered that it was necessary to have one further session of the original Preparatory Committee to formulate certain proposals under the scheme.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, said that the Supervisory Commission had agreed to this credit, as it was the last time that it would appear in the budget.

Item 30 was adopted without amendment.

The CHAIRMAN recalled that Items 31 to 34 had already been approved.

The budget of the Secretariat was therefore approved as a whole.

54. Allocation of the Expenses of the League.

Sir Ramaswami AYYAR (India) regretted that he was not present when the discussion arose on the system of apportioning the expenses of the League. This question had been brought forward without prior notice having been given, and he had had no opportunity of consulting his Government. He therefore reserved his adhesion to the proposals, though fully realising the cogency of many of the arguments advanced by M. Réveillaud.

The CHAIRMAN said that the only decision proposed was to cut down the sum from 12,000 francs to 7,500 francs, so that the Committee on the Allocation of Expenses would again postpone the revision of the scale until after 1928. The question of revision would come next year before the Assembly, when the Indian delegate would have every opportunity to express his views.

Sir Ramaswami AYYAR (India) had understood that the general sense of the meeting was in favour of maintaining the *status quo* and preserving the present allocation for another term of years. He was, however, satisfied with the Chairman's statement that the matter was still open to discussion.

55. Thanks to the New Treasurer of the League.

The CHAIRMAN desired to read the following passage from page 66 of the Auditor's report:

"I cannot conclude the present report without expressing my great pleasure at the appointment of Mr. Jacklin as Treasurer of the League. I have already had occasion to appreciate his acuteness, keenness of mind and his competence. The Treasury of the League has been placed in good hands."

He felt sure that the Committee endorsed these sentiments and congratulated itself on the ability and qualifications of the successor of Sir Herbert Ames. The Treasurer had an extremely important duty to perform in the Secretariat, and one of his chief difficulties consisted in being obliged to say "No" from time to time. The Chairman realised that in his work Mr. Jacklin had the support of his superiors and of the Supervisory Commission, and he wished to assure him of the support of the Finance Committee of the Assembly, in spite of the fact that it only met once a year.

56. Despatch of Documents to Delegates.

M. DE BLANCK (Cuba) said that deputy delegates never received the documents of the Committees on which they worked. He hoped that an alteration could be made in the future.

The SECRETARY-GENERAL said that the rule was that documents were sent to all members sitting on a Committee irrespective of their position in the delegation. He would take steps to see that this rule was properly applied.

FOURTH MEETING.

Held on Wednesday, September 14th, 1927, at 3 p.m.

Chairman: Jonkheer W. J. M. VAN EYSINGA (Netherlands).

57. Despatch of Documents to Delegates (Continuation).

The CHAIRMAN informed the Committee that he had received the following communication from the Secretary-General:

"At the meeting held yesterday afternoon, one of the members of the Committee complained that he did not receive the documents of the Committee, as these were sent to one delegate only for each State, whereas certain delegations had appointed several representatives on the Fourth Committee.

" We know, however, that in the past certain delegations have complained of receiving too many documents, and the Fourth Committee has always insisted on reducing the expense of publication and documentation. Under these circumstances and in order to avoid the unnecessary despatch of documents, my colleagues will perhaps agree if I ask the Secretariat to send the documents of the Fourth Committee, save in exceptional cases, only to the delegates who regularly attend its meetings.

" If my colleagues agree, I will request an official of the Secretariat to ask each delegate which members of his delegation should receive the documents of the Fourth Committee."

This proposal was adopted.

58. Request for Supplementary Credits for Work on behalf of Russian and Armenian Refugees.

The CHAIRMAN read a letter from the Chairman of the Fifth Committee with reference to supplementary credits for work on behalf of Russian and Armenian refugees. He proposed that this question be referred to the Supervisory Commission.

The proposal was adopted.

59. Budget of the International Labour Organisation for 1928: General Discussion.

The CHAIRMAN said that M. Albert Thomas, Director of the International Labour Office, would now address the meeting on the question of the budget of the Office (Annex II).

M. Albert THOMAS, Director of the International Labour Office, recalled that it had been usual to attach to his budgetary estimates a brief survey of the work accomplished during the year by the International Labour Office. The large " Director's Report ", issued since 1924, made this unnecessary, but he would mention that 235 ratifications of conventions had been obtained during the year. This was a striking figure for those who understood the difficulties of obtaining these ratifications. He would pass over the scientific and statistical work, the enquiries into mining conditions, forced labour, long-term engagements, etc., which had been carried out by the International Labour Office during the preceding year, and he would deal with the budget proper of the Organisation which he directed.

The International Labour Office budget this year reached a total figure of 8,034,275 francs, from which must be deducted 130,000 francs, being receipts from the sale of publications, leaving a net total of 7,904,275 francs. The Committee would note that this was an increase on the expenditure for 1927 of the sum of 221,785 francs, account being taken of the receipts from the sale of publications. The Governing Body of the International Labour Office had not forgotten, in establishing its budget, the indications which had been given last year to all the organisations of the League as a result of the resolution put forward by the Indian delegation and adopted by the Fourth Committee. This would be clearly seen from the resolution quoted in the introductory note to the budget. The International Labour Office budget was sifted a number of times before being submitted to the Committee, and it was, in consequence, reduced to the lowest possible limit.

The increase in expenditure in the various chapters was approximately 306,000 francs. Expenditure could be classified under two headings: statutory and upkeep expenses, and expenses of development. The statutory and upkeep expenses were absolutely obligatory, the increase being due to the annual increments in salaries, which amounted to 101,400 francs, and the increase in the contribution towards the Provident Fund of 24,500 francs; the cost of setting up the Administrative Tribunal, amounting to 7,000 francs; and, finally, the increase in the salaries of officials of certain correspondents' offices whose salaries increased at the same rate as those in the national administrations. Besides the statutory expenses, the cost of upkeep of capital was also essential, namely, the sum of 6,000 francs for binding, and 8,000 francs for the upkeep and repairs of the International Labour Office building.

The second category of increases, which might be called expenses of development, amounted to 122,000 francs, and included in the first place 33,000 francs for new posts. It had been considered necessary to increase somewhat the minor staff, which was not sufficiently strong in proportion to the number of Members of Section, which had been increased last year as a result of the entry of Germany into the League.

M. Albert Thomas then drew attention to an increase of 6,300 francs for the Refugee Service. As regards the apparent increase in the expenditure on publications, he emphasised that this was purely fictitious and that actually the credit allowed for publications was 15,000 francs lower than that of the previous year. The increase consisted in the publicity expenses, which the Supervisory Commission had itself asked the International Labour Office to increase from 20,000 to 35,000 francs. Finally, an allowance had been made for an increase of 5,000 francs for paper and postage.

This year, an additional sum of 16,000 francs had been included for Commissions. Two new Commissions had been established by the Governing Body: the so-called Commission on Article 408, which supervised the enforcement of Conventions in the various countries and, with the assistance of experts, prepared the work of the Conference; and the Committee on Native Labour, which

had been established as a result of the discussion in the previous year in the Sixth Committee and in the Governing Body of the International Labour Office.

An addition of 5,000 francs had been made for external collaboration. The establishment of the office at Delhi, in India, had involved the expenditure of 50,000 francs.

M. Albert Thomas wished to add that, in a large number of other chapters, the Governing Body of the International Labour Office had endeavoured to effect important economies: 49,500 francs less were provided for printing for Conferences; 3,000 francs less for the travelling expenses of officials taking up new posts; 2,500 francs less in the expenses of the Supervisory Commission; and unforeseen expenditure had been reduced by 3,000 francs. Capital expenditure had been reduced by 21,000 francs. There had also been a reduction in the expenditure on the offices at Rome, London and Washington.

The budget therefore showed a reduction of 96,000 francs, which proved that the International Labour Office had succeeded in drafting its budget so as to cover 78 per cent of the increasing expenditure which was considered necessary for its development, leaving only obligatory expenditure to be borne as new charges by the States.

M. Albert Thomas added that, in spite of the increase of approximately 200,000 francs in this year's budget, it had remained stable since 1923. It had always been round about 8 millions. In 1923, if the exceptional services rendered to refugees were not counted, it amounted to 8,200,462 francs; in 1928, it was 7,572,600 francs. The number of the staff was the same in both years.

M. Albert Thomas recalled that the Supervisory Commission itself had said that the International Labour Office budget had now reached an irreducible minimum. The Supervisory Commission had been able to note how the Governing Body had been obliged at the end of the year to authorise a number of transfers, necessitated by the insufficient provisions in the different chapters. It had also noted the difficulties of the Treasury of the International Labour Office because the budget did not include the margin which was generally allowed in all budgets. The Director of the International Labour Office was convinced that a number of years' experience would show the necessity of allowing the essential margin in the budget, in order to give a certain freedom to the Treasury and to avoid the difficulties already pointed out by M. Nederbragt.

The CHAIRMAN thanked M. Albert Thomas for his eloquent and very complete survey, and opened the general discussion on the budgetary estimates of the International Labour Organisation for the year 1928.

M. DI PAULI (Austria) said that he had to leave the Committee owing to duties which required his presence in a Sub-Committee, and he asked to be allowed to anticipate the detailed examination of the International Labour Office budget and to ask M. Albert Thomas to explain why in Chapter II of the budget, Item 4, he had included a sum for travelling expenses of officials taking their holidays in their country of origin.

M. Albert THOMAS, Director of the International Labour Office, explained that this sum was included in the budgets of each of the organisations of the League of Nations. It was a result of the contracts signed by the League and its officials. Such arrangements were always made in all administrations whose work involved the expatriation of their officials. For those living at a distance, holidays were allowed every two or three years, and the cost of sending the officials home was borne by the administration.

M. DI PAULI (Austria) said that he was satisfied with this explanation.

M. TUMEDEI (Italy) noted that the receipts from publications were less in 1926 than in 1925. He noted, moreover, that, in the estimates for 1928, 115,000 francs for receipts had been included but that the Supervisory Commission had increased this item to 130,000 francs. He wished to know, first, the reason of the decrease mentioned, and, secondly, whether it was really anticipated that receipts amounting to 130,000 francs would be realised in 1928.

M. Albert THOMAS, Director of the International Labour Office, agreed that the receipts from publications had been 110,934 francs in 1925 and 95,331 francs in 1926. This decrease was due to the fact that the Supervisory Commission had asked the Office to deduct from the gross receipts the money spent on agents' travelling expenses, correspondence and other expenditure incurred with a view to promoting sales. Consequently, in 1926, the net receipts had temporarily fallen.

Apart from this expenditure on travelling or agency fees, M. Albert Thomas said that, in 1924, the sales effected reached 100,000 francs; in 1925, they had reached 135,920 francs. The gross sales in 1926 had been 149,600 francs and those of the first eight months of 1927 173,501 francs. The sale of publications was therefore continually increasing. The figure for the sales in Great Britain had risen, in 1925, to 13,300 Swiss francs; in 1926, to 18,400 francs, and for the first eight months of 1927, to 20,100 francs.

The sales in Germany had reached, in 1925, 7,900 Swiss francs; in 1926, 7,600 Swiss francs; and in eight months of 1927, 20,800 francs, *i.e.*, the amount of business in England had first of all exceeded that of France, Belgium and Switzerland, but to-day the business in Germany would exceed even that of England. M. Albert Thomas added that the International Labour Office only printed part of its publications in German, but that, as Germany was a country which took a great interest in social science and one where the workmen read a great deal, the receipts would increase very appreciably as publications in German became more numerous. This year the report of the Director of the International Labour Office had been printed in German for the first time, a report which was ordinarily distributed to trades union organisations.

He then cited the following figures: in January 1926, the German *Review* had 650 subscribers; to-day it had 1,158. There were similar increases in the *Review* in French. The Franco-English

Review had produced, in 1925, 16,200 francs; in 1926, 21,500 francs, and for seven months of 1927, 22,900 francs.

M. Albert Thomas noted that the budget of 1927 had already benefited considerably by the increasing sales. He hoped that the sale of publications of the Labour Office would reach 180,000 to 200,000 francs. Certainly the publications of the International Labour Office sold more easily than those of the other organisations of the League.

M. TUMEDEI (Italy) expressed his appreciation at the progress in the Publications Service and wished to be excused for his question. He had not, however, realised that, in the year 1925, the figure referred to gross receipts while, in the year 1926, it referred to net receipts. He remained, however, convinced that the old system of only putting down the gross receipts would not fail to be of great value, as it made it possible to obtain an exact estimate of the expenses of the Publications Service.

M. Albert THOMAS, Director of the International Labour Office, replied that he had been obliged, in estimating the receipts which would lessen the contribution of States, to include in the budget only net receipts and not gross receipts, since net receipts alone were taken into account in the Treasury of the League. An explanatory note could, however, be given on this point.

The CHAIRMAN declared the general discussion on the budget of the International Labour Office to be closed, and opened the discussion in detail on the various items.

60. **Detailed Examination of the Budgetary Estimates of the International Labour Office for the Tenth Financial Period (1928) (Annex I): Chapter I and II, Items 1 to 4.**

The following items were adopted without amendment:

1. Sessions of the Conference (254,000 Swiss francs);
2. Sessions of the Governing Body (85,000 Swiss francs);
- 2 a. Unforeseen Expenses relating to the Governing Body and the Conference (8,000 Swiss francs);
3. Salaries, wages and allowances (5,268,500 Swiss francs).
4. Travelling expenses of officials (184,000 Swiss francs).

61. **Chapter II, Item 5: Entertainment Allowances (85,000 francs).**

M. TUMEDEI (Italy) pointed out that Schedule D showed that entertainment allowances were distributed as follows:

Director, 30,000 francs; Deputy Director, 12,500 francs; Chairman of the Governing Body, 12,500 francs; Entertainment Fund, 30,000 francs.

He asked whether this Entertainment Fund was used for the entertainment expenses of officials other than those mentioned above. He added that the Fund, which was one-third of the total amount for entertainment allowances, seemed a very important point, particularly if compared with the Entertainment Fund of the Secretariat, which only amounted to 36,000 francs, out of a total of 160,000 francs, or one-sixth of the total sum.

He further wished to ask whether, when they had exhausted their own entertainment expenses, the Director, the Deputy Director and the Chairman of the Governing Body could have recourse to the general Entertainment Fund.

M. Albert THOMAS, Director of the International Labour Office, was sure that all would be clear to the Italian delegate if he recalled under what circumstances the general Entertainment Fund had been established. In 1921, the Secretary-General, the Deputy Secretary-General, the Director of the International Labour Office and the Deputy Director were asked to reconsider the contracts which had been made with them and to sacrifice half the entertainment allowance which had been allotted to them. This was how the general Fund had been set up. It had been felt wise to establish this Fund to allow other officials to participate in entertaining, and also to meet unforeseen expenditure.

M. Albert Thomas added that the entertainment allowances were put down for the Director and the Deputy Director and were paid monthly together with their salaries. The sums which made up the general Fund were at the disposal of the Director, who distributed them as necessity arose. The whole of this sum was spent and, moreover, was hardly enough to meet the requirements. He would here recall the words of M. Noblemaire as regarded the effect of the personal relations of the higher officials of the International Labour Office on the progress of the organisation.

M. TUMEDEI (Italy) did not know of the facts to which the Director had referred. He desired solely to discuss the question of principle and did not understand why a distinction had been made between the entertainment expenses allotted to the Director and the general Entertainment Fund, as both of these were at the disposal of the Director and the officials already provided for could draw from this general Fund. If the entertainment allowances of the Director and the Deputy Director

were insufficient, it was right that they should be increased, but he felt that, if these allowances were adequate, it was useless to establish a general Fund on which the same officials were allowed to draw.

The CHAIRMAN recalled once more the origin of the general Entertainment Fund of the International Labour Office. It had been established as a result of sacrifices which had been agreed to by the heads of departments.

M. Albert THOMAS, Director of the International Labour Office, said that the budgetary provisions for entertainment allowances included, in the first place, a sum which would allow the Director, the Deputy Director and the Chairman of the Governing Body to enjoy the standard of living which suited their position; and, secondly, the general Fund, to which recourse was had according to circumstances. He mentioned among a number of other examples the modest fete which had been given on the day of opening of the International Labour Office building. Without a common Fund, such a fete would have been quite impossible.

The Director had, moreover, to foresee ultimate expenditure which would be necessitated by official receptions. He was responsible for the use of the general Fund and was entirely free to say how this Fund was to be spent. For this reason, he only drew upon the common Fund previous to expenditure, thus avoiding any accumulation. Moreover, he reserved to himself the right to discriminate between officials whom he considered capable or incapable of receiving in the name of the International Labour Organisation.

M. Albert Thomas added that he had been a member of several public administrations; he had been a Minister, but in no administration in the world was there such a thorough — he would even say such a humiliating — supervision of the entertainment allowances under his name. Not only did he give the exact amount of the bill but he even included the tips given and the list of the persons who were invited. The Committee might rest fully assured that the Entertainment Fund was never spent for political ends.

M. TUMEDEI (Italy) emphasised the fact that he had never wished to express the slightest doubt as to the regularity of the expenditure in question. He had merely raised a question of principle. He had personally no objection to the existence of a general Fund, but had been struck by the difference between the figures given for the Secretariat and those given for the International Labour Office. In 1926, 36,000 francs had been voted as a general Entertainment Fund for the Secretariat. Only 23,000 francs had been expended, which resulted in a saving of about 13,000 francs. He had thought that, in making a clear distinction between the general Entertainment Fund and the entertainment allowances of the high officials, a similar saving would be made in the International Labour Office budget.

M. OSUSKÝ, (Czechoslovakia), Chairman of the Supervisory Commission, said that, in spite of the explanations which had been given, he felt it worth while to emphasise once again the origin of the general Entertainment Fund. By the terms of their contract, the Secretary-General, Deputy Secretary-General and Under Secretaries-General of the Secretariat and the Director and Deputy Director of the International Labour Office received as entertainment allowances a certain sum as part of their salaries. At a time of difficulty, a friendly appeal had been made to these officials, asking them to agree to sacrifice part of their entertainment expenses, though nobody disputed their absolute right to this money. In the interests of their administration the Secretary-General and the Director of the International Labour Office had gone so far as to accept not only a sacrifice of part of their salary but even that the Fund created as the result of this voluntary renunciation should be submitted to supervision.

M. Osuský thought that, though this was a matter already in the distant past, one could not but thank these high officials once again for their generous action.

M. TUMEDEI (Italy) said that he did not know that this was the origin of the general Fund, and associated himself with the remarks of M. Osuský thanking the high officials of the Secretariat and of the International Labour Office for their generous action. He was none the less convinced that, this sacrifice having been made, the principle of the separation of the funds should be observed.

Item 5 was adopted without amendment.

62. Chapter II, Items 6 to 13.

The following items were adopted without amendment:

6. Property Account, Maintenance of Geneva Office (137,100 Swiss francs).
7. Printing (460,000 Swiss francs).
8. General Office Expenses (230,000 Swiss francs).
9. Special Staff Charges (69,000 Swiss francs).
10. Unpaid Liabilities Fund.
11. Supervision of Revenue and Expenditure (12,600 Swiss francs).
12. Enquiries and Investigations (125,000 Swiss francs).
13. Commissions (85,000 Swiss francs).

63. Chapter II, Item 14: Correspondents and Collection of Information (538,400 Swiss francs).

M. TUMEDEI (Italy) noted that the International Labour Office and the Secretariat had branch offices in a certain number of towns. He wondered whether it would not be possible to group the offices of the two organisations together in order to effect economies in the matter of rents, office expenses, etc.

The CHAIRMAN recalled that this question had also been discussed at the same time as the budget of the Secretariat.

M. Albert THOMAS, Director of the International Labour Office, replied that, if it were possible to group the various branch offices of the League of Nations and the International Labour Office together, he would certainly not raise any objection. There had been some discussion of this subject, but the offices in question had been established at different times and it was not always possible to unite the services of the two organisations in the same place, for this would involve breaking off leases on good terms without any benefit. At Paris, for example, when the lease of the branch office of the International Labour Office came to an end, the possibility of housing it with that of the League of Nations in the Rue Vernet had been considered, but the building had been found to be too small.

M. Albert Thomas added that, at any time in the future when it was possible to rent a joint office, he would not fail to see that it was done.

M. OSUSKÝ, (Czechoslovakia), Chairman of the Supervisory Commission, wished to recall in this connection that the Supervisory Commission had already examined the question in previous years and had asked the heads of the two organisations to effect a saving by putting their two offices under one roof, but it had had to give way for the present in view of the situation arising out of the different dates at which these branch offices had been established.

Item 14 was adopted without amendment.

64. Chapter II, Item 15: Unforeseen Expenditure (91,000 Swiss francs).

M. TUMEDEI (Italy) recalled that the item on unforeseen expenditure in the budget of the Secretariat was divided into several parts. He thought that this division offered great advantages in the matter of supervision, particularly as the sum of 91,000 francs on the International Labour Office budget seemed to be a large sum for a single heading. He therefore asked that the next budget should allow for a division of the unforeseen expenditure into several sections.

M. Albert THOMAS, Director of the International Labour Office, thought that the representative of the Supervisory Commission himself would be better able to reply to this question, which had already given rise to lengthy discussion. The Supervisory Commission had thought it preferable to divide unforeseen expenditure into two items.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, stated that the Supervisory Commission, which hoped that in time the budget of the Secretariat and the International Labour Office would be framed according to exactly the same principles, had had this matter under consideration. There was a difference in the work of the Supervisory Commission as regarded the Secretariat and as regarded the International Labour Office; the Supervisory Commission could, in agreement with the Secretary-General, take an immediate decision on matters concerning Secretariat expenditure, but owing to the fact that the International Labour Office was under the direct control of a Governing Body whose meetings did not fit in with those of the Supervisory Commission, delay sometimes ensued before the recommendations of the Commission in regard to the International Labour Office could become effective.

Item 15 was adopted without amendment.

65. Chapter II (a): Work on Behalf of Refugees (331,675 Swiss francs).

M. ZUMETA (Venezuela) wished to recall how much the Venezuelan delegation had always admired the work of Dr. Nansen in his capacity as High Commissioner of the League. At the same time, the Venezuelan delegation maintained that refugee relief work, according to the terms of the Covenant, did not enter the field of activity of the League of Nations but belonged rather to the Red Cross in collaboration with the League. When the Fourth Committee had felt that the situation should be changed and that it was desirable to entrust the completion of this work to the International Labour Office, several delegations had asked that this should be delayed for a certain period, for example, two years.

M. Albert THOMAS, Director of the International Labour Office, said that, under the guise of a modest suggestion, M. Zumeta had referred to an immense problem. If there were only technical difficulties, M. Thomas was sure that they could be overcome, but he recalled that the initial decision had been taken by the Fifth Committee, to which it would be necessary to refer, as well as to the Governing Body of the International Labour Office.

M. Thomas briefly surveyed the situation as regarded refugees. The International Labour Office had been asked to deal with the problem of the settlement and migration of Russian and Armenian refugees. For three years the Fifth Committee of the Assembly, as it had also done

the previous day, had renewed the credits and the mandate under the same terms. A large number of refugees, who had been what might to some extent be considered as finally established, had found their position altered by events, and especially by the economic crisis. It was therefore necessary to try to find outlets in distant countries for these Russian and Armenian refugees. Attention was fixed on South America, and success was being achieved slowly and painfully in the creation of migratory movements which were being developed with some difficulty, owing to the lack of sufficient funds.

If the negotiations entered into with certain States had made it possible to set up a wide system of settlement, M. Albert Thomas would be in a position to state within what period of time the refugees would be finally established, and it would be clear whether or not the work was worth continuing; but the working capital of £20,000 which was at present available was clearly insufficient to sustain a current of migration towards America, and it seemed that the operation would take a considerable time.

In the previous year, Dr. Breitscheid and, two years previously, M. Mensdorff had made the suggestion that the Refugee Service of the International Labour Office might be extended to the unemployed, and particularly to those workers in Europe who were in an uncertain and precarious state. The various Members of the League, however, had not wished to enter into this field, and had insisted that the International Labour Office should limit its action to Russian and Armenian refugees. This service would therefore remain only provisional.

The suggestion made by M. Zumeta was all the more worthy of consideration because it would be regrettable if it were not possible to make use in the future of the experience already acquired. Moreover, as the Washington Conference had decided that the duty of the International Labour Office was to co-ordinate the settlement and migration services, it would be logical to think that this organisation might devote its activities to these matters. But the Governing Body of the International Labour Office had not desired to retain the suggestion, however interesting it might be.

M. DE VASCONCELLOS (Portugal), Vice-Chairman, said that a certain number of delegates, when they reached Geneva, were besieged by representatives of the various refugee groups, who asked them for information which they could not always give. He himself had had to listen to the grievances of a representative of the Armenian and Russian refugees, and he would like to have some information so that he might be able to reply to questions which were asked him.

The CHAIRMAN pointed out that this was rather a question for the Fifth Committee, where it had already been discussed. However, he would ask M. Albert Thomas to reply to M. de Vasconcellos.

M. Albert THOMAS, Director of the International Labour Office, said that he would only give a brief account of the history of the long and sorrowful Armenian question. He recalled that the Treaty of Lausanne included formal promises made to the Armenians for the creation of an Armenian National Home, but in 1923 the victory of Turkey made impossible the establishment of the Armenian nation.

The one essential element, the soil, was wanting. Russian Armenia had entered the Soviet Union, and at the present moment about 250,000 Armenians were still not definitely attached to any soil. Of these, 150,000 were scattered more or less everywhere, and 100,000 were in Syria.

What had the League of Nations done for the Armenians? Individual help had enabled it to settle certain Armenian individuals in certain countries, more or less permanently. But this system of settlement was not an answer to the desire of the majority of the refugees and of their organisations. The Armenian refugees wished to return to their homes. Dr. Nansen had therefore submitted to the League of Nations a proposal which was put before the Financial Committee. It was a question of finding £10,000,000 to make it possible to establish in Soviet Armenia, in the desert country which would have to be irrigated, 20,000 to 30,000 Armenian refugees. In order to obtain the necessary funds guarantees were required, and the Financial Committee had thought that the Soviet guarantees were insufficient. Dr. Nansen had then been asked to endeavour to find among the rich Armenians established in the various countries and among the banks the financial assistance necessary to allow of the commencement of the plan. It would not, however, be possible to obtain appreciable results in the form of subscriptions before the expiration of several years. The Government of the Armenian Republic could decide to begin the work on its own responsibility. This would be an excellent solution, and Dr. Nansen was continuing the negotiations for this purpose.

By the side of this rather far-away work, the League of Nations was attempting a rather nearer task: the establishment of the 90,000 Armenians who were in Syria. Of this number, 40,000 had themselves found a means of livelihood; 50,000 remained in a precarious position and lived in camps near Beirut and Aleppo, which France, the mandatory Power, had made considerably more healthy. In spite of the efforts of France, 50,000 Armenians were still not definitely established in Syria. Of this number 28,000 were workers on the land and 12,000 were city workers. The Government of the Lebanon had voted a credit of 3,000,000 French francs, and a sum of £9,500 had been deducted from the working capital of the High Commissioner for the establishment of refugees. Other sums had been furnished by Phil-Armenian societies. With these funds, it had been possible to establish 5,000 refugees by giving them the advances they needed.

To sum up, 55,000 Armenians out of 500,000 had been settled, and there was still much to be done.

M. Thomas had asked the French Government to make a grant or to guarantee the interest on a loan of £135,000 now under consideration, which would be repaid in ten years by the Armenians themselves. It was hoped, moreover, by the system of Nansen stamps to safeguard the Powers which would guarantee the interest.

Nevertheless, what had so far been done did not realise the heartfelt desire of the Armenians nor the solemn promises made to them by the Great Powers. Still, if it were found possible to establish 50,000 more Armenians in Russia, the solution of this distressing problem would have been begun.

M. Albert Thomas and Dr. Nansen had again the previous evening made an appeal to the Fifth Committee on behalf of the Nansen scheme. The League of Nations did not think that, politically, it could make the promises for which it was asked. As regards the refugees, it had become necessary to ask the Governments for their individual help in the form of grants or guaranteed interest, and the Refugee Service had to use as best it could the 330,000 francs on the budget, together with the help it received from charitable societies and charitably disposed persons.

After all, M. Albert Thomas felt that the League of Nations might be proud that it had in the past two years established 38,000 Russian or Armenian refugees in various countries which had needed workers. To-day certain families began to move towards South America. It was, however, still true that there were in the world tens of thousands of refugees who were not yet able to live with honour and dignity the life which had apparently been guaranteed them by the promises of the Great Powers.

Chapter IIa was adopted without amendment.

66. Chapters III and IV, Items 16 to 21.

The following items were adopted without amendment:

16. Profit on Exchange.
17. Furniture, Fittings and Additional Equipment (15,000 Swiss francs).
18. Typewriters, Calculating Machines, Duplicators and Dictaphones (10,000 Swiss francs).
19. Library: Books, Cards, Periodicals, etc. (45,000 Swiss francs).
20. Premises for Rome Office.
21. Unforeseen Expenses.

The CHAIRMAN stated that *the budget of the International Labour Office was finally adopted*, and thanked M. Albert Thomas for the explanations which he had furnished to the Committee.

67. Examination of the Budgetary Estimates of the Permanent Court of International Justice for the Tenth Financial Period (1928): Chapters I and II, Items 1 to 5.

The CHAIRMAN asked the Committee to examine this budget item by item (Annex 12).

The following items were adopted without amendment:

1. Sessions of the Court (557,900 Dutch florins).
2. General Services of the Court (376,433.13 Dutch florins).
- 3 and 3bis. Travelling Expenses of the Registrar and Officials of the Registry (9,000 Dutch florins).
4. Contribution to the Carnegie Foundation (40,000 Dutch florins).
5. Administrative Expenses (15,600 Dutch florins).

68. Chapter II, Item 6: Printing (30,000 Dutch florins).

M. ZUMETA (Venezuela) asked whether it would not be possible to reduce this credit.

M. RUEGGER, Deputy Registrar of the Permanent Court of International Justice, agreed that this item appeared at first sight to be high. It was, however, difficult to establish a comparison between the printing expenses of the Permanent Court of International Justice and those of other organisations. The authority of the Court depended to a large extent on the fact that the scientific world knew the details not only of the judgments delivered but also of the preparatory documents, petitions and even the pleadings.

Item 6 was adopted without amendment.

69. Chapters II, III, IV and V, Items 7 to 12.

The following items were adopted without amendment:

- 7 (a). Unpaid Liabilities Fund for 1927 (3,000 Dutch florins).
8. Loss on Exchange.
9. Bank Charges (75 Dutch florins).
10. Contribution towards the Constitution of a Fund to defray the Expenses resulting from the Pensions Regulations for the Personnel of the Court (10,000 Dutch florins).
11. Furniture and Instalment of Additional Fittings (5,000 Dutch florins).
12. Library (500 Dutch florins).

70. Chapter I, Item 1, Table 2 annexed to Table A: Salaries of Temporary Staff (27,500 Dutch florins).

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, regretted that he had been absent when the article referring to the salaries of temporary staff was taken.

In Table 2 annexed to Table A of the budget, the sum of 27,500 florins was included for salaries of the temporary staff. The Supervisory Commission proposed that this sum be reduced by 450 florins.

In examining the budget of the Court, the Supervisory Commission had noted that it contained a sum of 450 florins for the services of a liaison officer between the Court and the Press. This post had been suppressed in the month of April by the Supervisory Commission. When it met in July, the Registrar of the Court had asked leave to meet the salary of this official, if necessary, from the credit for the salaries of temporary staff. The Supervisory Commission, having agreed that the post of liaison officer was not necessary, concluded from the Registrar's proposal that this item could be reduced by 450 florins.

M. RUEGGER, Deputy Registrar of the Court, said that, in the absence of the competent official who usually attended the meetings of the Fourth Committee but who was prevented from coming this year, it was usual that his representative should make a reservation if the Committee proposed important alterations in the budget. In such cases the discussion was not declared closed, so as to allow the competent official to return later to the point under discussion. In this connection, M. Ruegger relied on the good will of the Fourth Committee.

M. Ruegger did not attach an exaggerated importance to the formal questions which arose if Article 16, Item 1, of the Financial Regulations were applied to the matter under discussion. This article provided for a period of three months prior to the ordinary session of the Assembly for the notification of alterations proposed by the Supervisory Commission in the budget of the League of Nations.

As regarded the point in question, M. Ruegger observed that, when the Court had been regularly informed of the revised budget, it had unanimously instructed the Registrar to see that the work of liaison with the Press should continue. This concerned particularly the translation into Dutch not only of the Decrees and Conventions of the Court but also of the statements of the differing parties which the members of the Court could, by the terms of the Statute, attach to the decisions.

In this connection, the Court had been prompted by a double motive: first, a matter of courtesy towards the country under whose protection the seat of the Court was placed; and, secondly, the need that the Dutch Press should be able to continue to put before its readers the exact text of the decisions of the Court and the divergent opinions. By virtue of Article 24, paragraph 2, of the revised regulation of July 31st which the Court drew up the previous year, "the Registrar shall furnish, to the Press amongst others, all information concerning the work of the Court, with the reservations imposed by Article 42 of the present regulation as well as his professional duty of discretion". It was then clearly the duty of the Registrar of the Court to make these communications to the Press.

M. Ruegger therefore asked the Committee not to alter the credit laid down for the salaries of temporary staff. In order to satisfy the Supervisory Commission, the Registrar had made a great effort to reduce the budget of the Court. He had therefore asked leave to deduct from the vote for temporary staff the sum which would be necessary for the continuation of work which the Court considered to be important.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, referring to the arguments submitted by M. Ruegger, said that, first, the Commission was unable to see wherein lay the duty of courtesy towards the Dutch Government, which had been put forward as a reason for the maintenance of the sum in question. Secondly, it was said that the liaison officer was specially entrusted with the translation for the Dutch Press of the opinions and decisions of the Court. The Supervisory Commission thought that in the Netherlands, where the journalists generally knew French and English, the Press could itself make the translations it required. If the Court desired to ensure the exact reproduction in the Dutch Press of its decisions and of the opinions of the parties, it would be involved in assuring the exact reproduction of the same decisions in the Press of other countries. It was taking on an immense responsibility. A third argument had been submitted to the Supervisory Commission: that this Press service was an excellent means of propaganda for the Court. M. Osuský thought that the reputation of the Court was now sufficiently well established to make it possible to dispense with this small means of propaganda.

The Supervisory Commission, under these conditions, had concluded that it could not recommend the Fourth Committee to vote the credit in question. The Registrar of the Court, by proposing to take this sum of 450 florins from the credit allowed for the salaries of temporary staff, had shown that this sub-head could be reduced by the figure of 450 florins.

M. Osuský finally stated that the article of the Financial Regulations mentioned by M. Ruegger referred to proposals for new expenditure and not to economies.

M. RUEGGER, Deputy Registrar of the Court, pointed out that, although M. Osuský stated that since the existence of the League of Nations the article of the Financial Regulations quoted by him had been interpreted in the sense he had indicated, that article was at all events open to doubt.

Thanks to the present arrangement, the decisions of the Court and the divergent opinions were published by the Dutch Press on the day following their deliverance, and the correspondents of foreign papers, who generally spoke Dutch, obtained their information from the local Press.

The Registrar had endeavoured without success to find other means of arranging for the service in question. In view of the fact that this matter had been decided by the unanimous opinion of the Court, M. Ruegger asked the Fourth Committee not to alter the credit in question.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, noted that M. Ruegger's supreme argument was that he had behind him the unanimous opinion of the Court.

The Supervisory Commission had always respected to the utmost limits the freedom of the Court, but in budgetary matters the Assembly only could decide what credits should be voted. Unanimity of desire was not sufficient to justify a new credit. This was a question of principle. The Fourth Committee must not create a dangerous precedent by allowing any chief of an organisation of the League of Nations to justify his request for credits by merely stating that he needed them.

Mr. ROWE DUTTON (British Empire) supported the statement of M. Osuský as regarded the question of principle.

The CHAIRMAN, noting the disagreement on a question of principle which had arisen in connection with a comparatively small sum of money, recalled the fact that the Supervisory Commission would meet on the following day. He therefore proposed that the Fourth Committee should consider the present discussion as the first reading of the question, and reserve its decision until the Supervisory Commission had reconsidered the matter in collaboration with M. Ruegger, Deputy Registrar of the Court.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, agreed that the question might be reserved. He recalled, however, that the decision of the Supervisory Commission had been taken after a thorough examination of the question during the two sessions in April and July, in each case in the presence of a representative of the Court.

The CHAIRMAN said that the question might be reserved for the next meeting on Saturday. He considered the three reports of the Supervisory Commission which had been discussed at the end of the previous meeting as adopted by the Committee. A certain number of questions remained to be examined, particularly those concerning salaries. The attention of the Supervisory Commission would be drawn in the first case to this latter question, in order that a decision might be taken with reference to the suggestion made by the British Empire delegate to constitute a Sub-Committee.

FIFTH MEETING.

Held on Saturday, September 17th, 1927, at 10 a.m.

Chairman: Jonkheer W. J. M. VAN EYSINGA (Netherlands).

71. Communications and Transit: Request from the Second Committee for Supplementary Credits required for the Collection of Information.

The CHAIRMAN read two letters from Mr. Dandurand, Chairman of the Second Committee. The first of these referred to a request for supplementary credits made in virtue of part of the draft resolution of the Assembly adopted by the Second Committee, which read as follows:

"The Assembly, attaching special importance to the collection and utilisation of information on communications, urges the Members of the League to facilitate the collection of the information necessary to the Organisation for Communications and Transit, in conformity with the resolutions adopted by the Conference, and trusts that, in undertaking the collection and utilisation of this information, the Advisory and Technical Committee will effect a constant improvement in the co-operation between the Organisation and the experts and administrations of the various countries, particularly of the non-European countries, whether Members of the League or not."

The Chairman added that this credit would amount to about 50,000 francs.

The Committee decided to refer this letter to the Supervisory Commission.

72. Work of the Health Organisation: Development of the League's Technical Work in Latin America: Letter from the Second Committee.

The CHAIRMAN reported receipt of a letter from the Chairman of the Second Committee transmitting a resolution regarding the technical collaboration with the medical and public health authorities in Latin-American countries, which was adopted by the Second Committee at its meeting on September 14th, 1927, the sixth paragraph of which read as follows:

"Requests the Fourth Committee to consider very seriously the importance of the development of the League's technical health work in Latin America and to take the necessary steps to ensure its accomplishment".

The Chairman pointed out that this letter did not mention the financial element involved, but it would nevertheless be well to refer it to the Supervisory Commission, which would decide whether it involved financial questions or merely a vote of approval.

The Committee decided to refer this letter to the Supervisory Commission.

73. Report on the Work of the Information Section of the Secretariat.

The CHAIRMAN said that, at the request of the Committee, the Secretariat had distributed an interesting memorandum on the activities of the Information Section, discussion of which had been adjourned (Annex 10).

Mr. MACWHITE (Irish Free State) recalled that the Irish delegation had, in 1926, proposed that the Information Section should be asked for a general report on its activities. This memorandum had been distributed, and it made it possible to take account of the technical work of this Section. He felt that the Director should be congratulated on the work which was being done under his authority.

M. OLDENBURG (Denmark) wished to add his congratulations to those of the Irish delegate. He noted that it was the first time that the Committee had before it a report from the Information Section. He hoped that each year this Section would be able to attach its report to the general report on the work of the Secretariat.

He was unable, however, to extend his praise to the spirit of economy in the Information Section. He noted that the credits voted for that Section had been 740,000, 845,000 and 898,000 gold francs for the years 1926, 1927 and 1928 respectively. The Information Section was therefore one of the most expensive of all the Sections of the Secretariat of the League of Nations. He wondered, therefore, whether it would not be possible to stabilise its budget as was being done by the other Sections.

He also wondered whether the difference between the figures in Schedule B and Sub-Schedule 1 to Schedule B of the budget was the result of a mistake. It was stated on the one hand that, in 1928, the Section would include forty-seven officials, but the figures in the second case made it appear that there would actually be fifty-four or fifty-five persons employed.

Mr. JACKLIN, Treasurer of the League of Nations, understood that M. Oldenburg wished to have included in the budget information as to the temporary staff employed in the offices in Paris, Rome, Berlin, Tokyo, etc. It was not, however, usual to give this detailed information as to temporary staff. The figure of forty-seven referred to the permanent staff employed at Geneva only.

M. OLDENBURG (Denmark) wanted to know if the increase of the staff in the Information Section was represented by the difference between the figure of forty-three given last year and the Treasurer's figure of forty-seven, or was it the difference between forty-three and fifty-four?

M. JACKLIN, Treasurer of the League of Nations, stated that forty-three was the figure for the permanent staff employed in 1927 by the Information Section, and forty-seven was the figure proposed for 1928. He added that the staff of the offices in the various capitals was not permanent.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, pointed out that the estimated expenditure of the branch offices appeared separately in the budget. The number of forty-seven persons proposed for 1928 represented the staff of the Information Section at Geneva. The personnel of the branch offices remained the same as last year.

M. Osuský added that the general observation made by M. Oldenburg had already been considered by the Supervisory Commission. Thus, paragraph 21 of the report of the Supervisory Commission on the work of its twenty-second and twenty-third sessions read as follows:

" The Commission accepted the proposals of the Secretary-General concerning the creation of a limited number of minor posts in the Information Section. An examination of the personnel of that Section showed that it now contained a considerable number of officials. It was recognised that it was desirable that the membership of the Information Section should correspond to the various geographical and political combinations of the world. But, now that this had been effected, it would not be right — and this observation applied to all other Sections of the Secretariat — that any appointments should be made on the sole ground of nationality ".

The CHAIRMAN associated himself in the name of the Committee with the praise due to the Information Section for its interesting memorandum. He noted that the Committee was desirous to extend to the Information Section, as to the other Sections of the Secretariat, the resolution adopted in 1926 as to the limitation of budgets.

The Chairman said that, as the representative of the Netherlands, he had been struck by the fact that the Government of the Dutch East Indies was not mentioned, in the note to Annex II of the budget, among the Governments which contributed to the expenses of the Bureau of Epidemiological Intelligence in the Far East. The Dutch Indies had contributed in the years 1926 and 1927 the sum of 10,000 Dutch florins, which would be continued. The Chairman had been informed by the Secretariat that this money had been paid after the publication of the budget. He therefore asked that it should be mentioned in the final text.

74. Detailed Examination of the Budgetary Estimates of the Permanent Court of International Justice for the Tenth Financial Period (1928): Chapter I, Item 1, Table 2 annexed to Table A: Salaries of Temporary Staff (27,500 Dutch florins) (*Continuation*).

The CHAIRMAN recalled that, at the previous meeting, the discussion of the item for the salaires of temporary staff had been reserved, as there was a disagreement as to the proposal of the Supervisory Commission for the suppression in the vote for this item of a sum of 450 florins corresponding to the amount of a sum suppressed for a liaison service with the Press. In the name of the Committee, he wished to greet the Registrar of the Court, M. Hammarskjöld, who had come to Geneva, although the Court was at present in session, and he was glad to note that the postponement of this question had led to a satisfactory solution.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, stated that, in conformity with the decision taken by the Fourth Committee at its previous meeting, the Supervisory Commission had again, with the Registrar of the Court, examined the question of the item in the budget referring to the salaries of temporary staff.

The Commission had recalled:

- (1) That a post suppressed by the competent Committee could not be re-established in an indirect manner;
- (2) That all credits demanded must be amply justified;
- (3) That a credit suppressed in the budget could not be re-established either directly or indirectly; it could not therefore be re-established by means of a transfer.

M. Osuský added that the Registrar of the Court entirely agreed with this statement of opinion. The Supervisory Commission, having by this decision succeeded in safeguarding the two essential principles of the financial management of the League of Nations — (1) that credits should not be requested without justification; and (2) that it was impossible to re-establish by means of transfers a credit which had been suppressed — had no reason to insist upon the suppression of this credit of 450 Dutch florins in the salaries of the temporary staff of the Court of The Hague, and it withdrew the proposal it had put forward at the previous meeting.

The CHAIRMAN noted that, Sub-head 1 of Table 2 annexed to Table A being approved, *Item 1 was finally adopted.*

M. HAMMARSKJÖLD, Registrar of the Permanent Court of International Justice, thanked the Chairman for the kind words which he had spoken in reference to the Court. If the Court's respectful action towards the Fourth Committee by allowing its Registrar to leave The Hague while the Court was in plenary session had enabled the Fourth Committee to save time, thanks to the understanding which had been reached, as M. Osuský had just observed, M. Hammarskjöld was extremely glad, and had no doubt that this result would be highly appreciated by the Court.

In confirming the agreement between the Supervisory Commission and himself on the points in question, he desired, however, to say that the Court had accepted the proposal made by the Supervisory Commission to suppress the credit of 450 Dutch florins for "liaison with the Dutch Press", and that no request had ever been made on behalf of the Court to re-establish this item or to provide by means of a transfer for the requirements of the service to which the credit had related.

He noted that the complete agreement between the Supervisory Commission and the competent official of the Court had removed all appearance of misunderstanding. He thanked the Supervisory Commission and the Fourth Committee for their decision.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, did not wish the Fourth Committee to think that the Registrar of the Court had come to Geneva specially to solve the question which had just been settled. Various other important points had to be examined by him, particularly those in connection with the Court building.

The CHAIRMAN noted with pleasure that agreement had been reached and *declared the budget of the Court to be adopted as a whole.*

75. Examination of the Report of the Sub-Committee on Contributions in Arrears.

The CHAIRMAN recalled that it was the custom of the Committee to sit in private session for the examination of this question.

The Committee decided to sit in private for the consideration of the report of the Sub-Committee on Contributions in Arrears¹.

76. Establishment of an Administrative Tribunal.

The CHAIRMAN informed the Committee that, as the state of health of M. Zumeta, Chairman of the Sub-Committee appointed to study the question of the establishment of an Administrative Tribunal and Rapporteur on this question, did not permit him to be present at the meeting, the Indian delegate had agreed to submit the report (Annex 13).

The Chairman recalled that the question of the establishment of an Administrative Tribunal had been on the agenda of the Supervisory Commission for a number of years. He considered it

¹ A copy of the Minutes of the discussion of this question has been filed in the archives of the Secretariat.

an extremely interesting proposal, for the League of Nations, which aimed at improving justice in international relations, must also ensure the reign of justice in the relations between the Secretary-General and the Director of the International Labour Office and their subordinates. It might be possible that this Tribunal would never be called upon to sit, but nevertheless by the simple fact of its existence it would be useful.

The courts of arbitration sat but rarely and exercised, nevertheless, a preventive influence which was considerable. The Administrative Tribunal would probably be called upon to play this preventive rôle, judging from the excellent explanatory statement which accompanied the draft.

Sir Ramaswami AYYAR (India) wished immediately to emphasise that the report of the Sub-Committee was essentially a matter of compromise and adjustment. It could be clearly seen from the report that there were two currents of opinion. It had been suggested that it was possible that a Tribunal of the kind proposed would not be as useful as the pursuit of the idea of conciliation, either by means of special safeguarding clauses in the contracts of the members of the Secretariat or by other means.

The fundamental problem was whether the employees of the League, who had no legal means of enforcing their rights, could best be protected by the establishment of the Tribunal or by some other means. The Sub-Committee had had to decide whether this Tribunal would be useful and expedient.

After reading his report Sir Ramaswami Ayyar said that it was obvious that it was a compromise. One of the principal elements in the decision of the Sub-Committee had been what might be called the psychological aspect of the problem. The League of Nations was an organisation which endeavoured to encourage arbitration in the international field, and it had been pointed out that its own employees had at present no Tribunal where appropriate relief could be claimed regarding matters in controversy between them and the Secretary-General.

The CHAIRMAN said that the report concluded with an amendment insisting upon the provisional character of the Administrative Tribunal.

M. RÉVEILLAUD (France) said that he would make no formal observations. He would not propose the slightest alteration, as he was convinced that the spirit of compromise, as it appeared in the survey of the Indian delegate, must remain intact. He wondered, however, whether it was in Article XII of the Statute (Appendix to Annex 13) that the text proposed by the Sub-Committee should be included. The Statute had a permanent character, while the text in question was rather in the nature of a resolution.

He therefore proposed to add to the first paragraph of the draft resolution the following sentence, which had the same meaning:

“ However, the Assembly of 1931 shall examine, on the basis of the experience obtained, whether there is reason to abrogate or modify the Statute. ”

M. PITAMIC (Kingdom of the Serbs, Croats and Slovenes) supported the proposal of the French delegate, particularly as the Statute before the Committee might give rise to objections. He thought that the text proposed by M. Réveillaud clearly showed that this was a tentative effort and not a final institution, and that it would be possible, after three years of experience, to formulate such observations as were indicated as a result of that experience.

Sir Ramaswami AYYAR (India) said that he understood that the Assembly was to adopt a provisional Statute, and in a separate resolution to decide that this Statute, forming the framework of the Administrative Tribunal, would be subject to revision in 1931. He would have no objection to this.

The amendment submitted by M. Réveillaud was adopted.

M. RÉVEILLAUD (France) referred to the text of paragraph 2 of Article II of the draft Statute for the Administrative Tribunal, and thought that, instead of speaking of “ corresponding articles in the Staff Regulations of the International Labour Office ”, it would be well to indicate the exact numbers of those articles.

Mr. BUTLER, Assistant Director of the International Labour Office, agreed with this suggestion, but said that the Staff Regulations of the International Labour Office were at present being revised. Exact agreement between the numbers of the articles of the two texts would be rather difficult to establish at present.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, said that, owing to a mistake, the numbers of the articles in question had not been quoted. Exact agreement could be established after the Staff Regulations of the International Labour Office had been revised.

The resolution and the draft Statute were adopted.

The CHAIRMAN proposed that the Secretariat should be asked to publish the Statute and the ultimate Rules of Procedure of the Tribunal in the *Official Journal* of the League of Nations.

This proposal was adopted.

77. Examination of Various Questions contained in the Reports of the Supervisory Commission on the Work of its Twenty-second, Twenty-third and Twenty-fourth Sessions.

The CHAIRMAN asked the members of the Committee to make their observations on those points in the reports of the Supervisory Commission which had not yet been discussed (Annexes 3 and 4).

Sir Edward Hilton YOUNG (British Empire) referred to the question of the remuneration of the Deputy Judges of the Permanent Court of International Justice (Annex 4, Section IV). He wondered if any further information could be given as regards the enquiry that had been asked for by the Fourth Committee.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, replied that the results of the enquiry could be found in the report and that the Supervisory Commission had nothing to add. The result of the enquiry had been negative, and the Commission had no new proposal to make in regard to this matter. He asked, however, that the Supervisory Commission might be allowed to continue to deal with the question, in order that it might eventually make proposals before the election of the members of the Permanent Court, which would take place a few years hence.

Sir Edward Hilton YOUNG (British Empire) referred to paragraph 47 in the report on the work of the twenty-third session of the Supervisory Commission (Annex 3), expressing appreciation of the methods and results of the investigation which had been undertaken both by the Secretariat and the Supervisory Commission. An important matter arose in connection with these reports as to the progress made in the matter of the adjustment of the salaries of the staff at Geneva. He felt he might renew his proposal that this matter should be submitted to a small Sub-Committee, as there were questions in reference to it which materially affected the interests of the staff and raised detailed statistical questions which might more conveniently be dealt with in a Sub-Committee.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, replied that it had not yet been possible to distribute the report of the Salaries Adjustment Committee owing to a delay in receiving the statistics. The Salaries Adjustment Committee had only been able to study the statistics the previous evening, and it had adopted a report which would be presented at the next meeting of the Council.

M. Osuský saw no objection to the appointment of a Sub-Committee and thought that this might facilitate the work.

The Marquis PAULUCCI DI CALBOLI BARONE (Under Secretary-General) pointed out that the report of the Salaries Adjustment Committee would not be examined by the Council until the following week, probably on Monday. The Council could not, therefore, refer it to the Fourth Committee until a few days later. He therefore thought that the Sub-Committee which was to be appointed should not meet until it had this report in its possession.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, while sharing this opinion, proposed that the report be communicated semi-officially to the members of the Sub-Committee which was to be appointed.

Sir Edward Hilton YOUNG (British Empire) said that his only point was that the paragraph on the adjustment of salaries in the report now before the Committee might be properly taken into consideration by any Sub-Committee which was set up.

The Committee decided:

- (1) To refer semi-officially the report of the Salaries Adjustment Committee to the Sub-Committee which would be appointed;
- (2) To appoint the following delegates as members of the Sub-Committee:

Sir Edward Hilton YOUNG (British Empire);
M. NECULCEA (Roumania);
M. GUERRERO (Salvador);
M. SATO (Japan);
M. RÉVEILLAUD (France).

The CHAIRMAN proposed to reserve the question of the disposal of the surplus budget for 1926 (Annex 3, paragraph 15) and to examine it at the same time as the proposals referring to the upkeep of the building.

This proposal was adopted as well as the reports of the Supervisory Commission.

78. Thanks to the Marquis Paulucci di Calboli Barone.

The CHAIRMAN noted that the work of the Fourth Committee was at an end, save as regards supplementary credits and the point which had been reserved.

He pointed out that the Committee had had to examine and had fully appreciated the first budget of the new Treasurer. In view of the presence of the Marquis Paulucci di Calboli Barone, also a new member of the Secretariat, he would take the opportunity of saying how much the Committee appreciated the care with which he dealt with the financial matters of the League of Nations and the delicate questions arising from the relations among the officials of the Secretariat. The new Under Secretary-General could be assured of the full support of the Fourth Committee in his difficult task.

The Marquis PAULUCCI DI CALBOLI BARONE, Under Secretary-General, thanked the Chairman for his kind words, and the Committee for the way in which it had received these remarks.

SIXTH MEETING.

Held on Wednesday, September 21st, 1927, at 3 p.m.

Chairman: Jonkheer W. J. M. VAN EYSINGA (Netherlands).

The CHAIRMAN opened the meeting and congratulated on their recovery M. Zumeta and M. Cavazzoni, whose health had kept them away from the work of the Committee for several days.

79. Examination of the Report of the Supervisory Commission on the Work of its Twenty-fifth Session.

The SECRETARY read the report (Annex 14).

I. MISCELLANEOUS QUESTIONS.

1. *Staff Provident Fund: Admission of Officials originally Holders of Temporary Contracts.*

2. *Scale of Journey Allowances for Members of Committees.*

These sections were adopted without discussion.

3. *Publications of the Secretariat and Special Organisations.*

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, said that, at the request of the Fourth Committee made in 1926, the Supervisory Commission had examined, with a view to possible economies, the question of the printing of the Minutes of the Committees and Sub-Committees. The examination of this question had developed into an enquiry involving the whole problem of the publications of the League.

The Technical Committees and the Conferences of the League normally took decisions concerning their publications. The Supervisory Commission had always hesitated to deliver an opinion on these decisions, but it thought that the time had come for the Assembly to decide as regards such publications, unless it was soon to find itself involved in still heavier expenditure.

In order to establish a practical system of publications, M. Osuský asked the Fourth Committee to leave this question with the Supervisory Commission for a little longer. A practical solution was already in sight, and next year the Fourth Committee would be informed of the list of future publications.

This section was adopted.

4. *Enlargement of the Accommodation for the Permanent Court of International Justice.*

The CHAIRMAN pointed out that this proposal would not result in an increase in the budget for 1928. It was rather a statement of principle.

Section 4 was adopted.

5. *Offers for the Purchase of the Hôtel National and Villa Armléder.*

M. ZUMETA (Venezuela) asked whether this sale would be effected before a final estimate of the cost of the buildings for the League of Nations had been established.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, replied that there could be no question of selling the present buildings of the Secretariat until the new building was complete. As the Secretary-General had asked what procedure he should follow in case he should receive substantial offers, the Supervisory Commission proposed the procedure set out in the report. It was understood that the sale could not take effect until after approval by the Assembly or, if it were not sitting, by the Council.

This section was adopted.

6. *Furniture of the Neutral House in Constantinople.*

Sir FAZL-I-HUSSAIN (India) thought that the proposed arrangement might raise difficulties and wondered whether it would not be preferable to say that a lease had been given for a certain number of years with an option to renew.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, explained that the Supervisory Commission had proposed this formula in order to avoid a situation in which the Assembly would have each year to approve the same item concerning a small sum of £20. It had even thought of making a gift in this connection, but a gift by the League of Nations was a rather complicated matter.

This section was adopted.

7. *Gift of Mr. John D. Rockefeller, Junior, for the Establishment of a Special League Library.*

This section was adopted.

8. *Expenses of the Permanent Central Board to be set up in accordance with the Opium Convention of February 1925.*

At the request of the CHAIRMAN, the letter from the Chairman of the Fifth Committee in reference to this question (Appendix 2 of Annex 14) was read.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, explained that, in its report, the Supervisory Commission had confined itself to a consideration of the question of principle. The credit for this Board would be examined together with the other supplementary credits.

M. CAVAZZONI (Italy) remarked that the financial side of this question was so closely connected with its technical side that he could base the observations which he desired to submit on the strictly financial aspect of the problem.

The Italian Government had always been opposed to the establishment of a Permanent Central Board. During the discussion which arose at the Second Geneva Conference, it had clearly stated its opinion on this subject and had made very formal reservations in this connection. For this reason, the Italian Government had refrained from signing the Geneva Convention. It felt that the institution of a Permanent Board, whose functions would be those laid down by this Convention, was in contradiction to Article 23 of the Covenant, which gave to the League of Nations entire competence in the matter of the supervision of the traffic in dangerous drugs. The Italian Government was therefore opposed to the proposal that this competence should be taken from the League of Nations and entrusted to an autonomous body which it would be extremely difficult to control.

M. Cavazzoni explained the reasons for which the Italian Government thought that the Fourth Committee should refuse the credits asked for in the budget. He found that, in the present state of affairs, the proposal to set up a Permanent Central Board was, to say the least, premature.

First of all, the Geneva Convention had not yet entered into force, and everything appeared to predict that it would not obtain the necessary ratifications for a long time. But even if the Convention obtained the minimum number of ratifications necessary for its entry into force, it would still be too early for the establishment of the Central Board. In order for this Board to have an effective field of action, it would not merely be enough for the Convention to come into force — it would have to be ratified by the most important producing, manufacturing and consuming countries. This was not the case, since, in Asia, only India, and, in the two American continents, Cuba, Salvador and Venezuela, had given their adherence to the Convention. It was known, moreover, what a great rôle Asia played in the production and the traffic in dangerous drugs. The position was about the same in Europe. What result could be reached by an international control organisation whose sphere of action would be limited to a restricted number of countries?

The fundamental objection of his Government, however, referred to the method of working of the Permanent Board, and here the information furnished was entirely insufficient. The functions entrusted to the Board by the Geneva Convention were a part of those at present exercised by the Advisory Committee on the Traffic in Opium and Other Dangerous Drugs. The Fourth Committee, however, had always followed the principle of refusing all credits for a double purpose, and the present case was a typical instance. M. Cavazzoni could not agree to the suppression of the Advisory Committee, which functioned in virtue of a clause in the Covenant.

What would be the relation between the Advisory Committee and the Central Board? All the statements of the members of the Fifth Committee who had intervened in the discussion showed the greatest uncertainty in this connection. Most of them had felt that the credit asked for would be insufficient to cover the expenditure of the new body. It had not even been possible to adopt an approximate figure, and the discussion had been held on a very vague proposition. The Fifth Committee had been unable to give a precise answer to the question which it had been asked, and this was a question preliminary to any financial discussion, namely: whether the proposed measures would be sufficient to execute the terms of the Convention.

Lastly, who would bear the expense of the Central Board? The League of Nations had, in financial matters, always followed the principle that expenditure incurred in the interests of certain States should be borne by those States. But the great majority of the Members of the League of Nations had not ratified the Geneva Convention, and there could be no question of burdening the budget of the League with considerable sums to establish an institution to which the greater part of the Members were either indifferent or opposed.

M. Cavazzoni wished, finally, to raise an objection on grounds of procedure. The Geneva Convention provided for the organisation of the Central Board. It was therefore necessary that a mandate should be given to the League of Nations by a formal vote of the Assembly. No such

vote had been given. Moreover, the Geneva Convention entrusted the Council with the delicate task of appointing the members of the Committee and the duty of taking appropriate steps in cases where a country injured by measures taken by the Central Board could appeal against them. The Council had not, however, stated whether or not it proposed to assume these duties. There was therefore no reason why the League of Nations should be asked to pay the expenses of an organisation which, up to the present, had nothing whatever to do with it.

M. Cavazzoni drew the attention of the Committee to the fact that this was a question of principle. It was necessary to state clearly that Conventions drawn up under the auspices of the League of Nations did not bind it except when the Assembly or the Council had so decided. The Members of the League could not allow themselves to be bound either directly or indirectly by a Convention drawn up under the auspices of the League if they had not ratified it.

For the above reasons, the Fourth Committee would show wisdom and prudence in refraining from voting the credits asked for until the situation was considerably changed and until more definite and precise proposals had been put forward.

The CHAIRMAN thanked M. Cavazzoni for his interesting exposé, but said that it was not the duty of the Committee to discuss the merits of the Opium Convention, and, moreover, it was not yet time to begin to discuss the question of credits since no request had yet been made. The Fourth Committee should therefore confine itself at present to a decision on the question of principle and to an examination of the question whether the expenses of the Permanent Central Board should be included or not in the budget of the League. This was the question dealt with in the report of the Supervisory Commission, a question which that Commission had answered in the affirmative.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, said that the question presented four aspects. The first concerned the technical and budgetary side; the second was the political aspect; the third referred to whether it was opportune to include a certain sum in the budget of 1928; and the fourth referred to the determination of that sum. The Supervisory Commission had answered the first two questions, and proposed to submit to the Fourth Committee a further report on the last two points in connection with the general question of supplementary credits.

M. PITAMIC (Kingdom of the Serbs, Croats and Slovenes) proposed the establishment of a Mixed Sub-Committee, consisting of members of the Fourth and Fifth Committees, to study the question of principle which had been raised by M. Cavazzoni.

Sir Edward Hilton YOUNG (British Empire) said that he felt that the Committee was discussing what was in substance a new credit. In a previous section of the report it had also passed a new credit for the Permanent Court of International Justice. At the outset of its work, however, the Committee had decided not to deal with any new credits until they had all been presented, in order that it might co-ordinate their respective merits. He felt that the discussion of a new credit which had been proposed was a breach of this principle, and hoped it would not be considered as a precedent. While appreciating the Chairman's ruling, which would relieve the Committee of the necessity of discussing the merits of the case, he was not quite able to see what the Committee could discuss in common with the Fifth Committee now that it had the advice of that Committee.

As regarded the question whether the League should at any time agree to have imposed upon its budget a burden connected with what might be considered in substance as an outside organisation, the League would have to be very much on its guard. The present case, however, appeared to concern expenditure incurred on behalf of an organisation arising, so to speak, out of the specific activities of the League. The question of opium was a specific activity of the League under Article 23 of the Covenant, and Article 24 of the Convention laid down that any country which felt dissatisfied with the decisions of the Board could have recourse to the Council. The whole proposed organisation was to be in the hands of officials appointed by the Secretary-General, and he thought that general control was to be exercised over the life of the organisation by the Council of the League. In taking this responsibility, the League would be accepting something which was strictly relevant to and which arose from within and not outside its work.

The question whether the Committee was being asked to vote prematurely certain expenditure needed careful consideration, as this would be a financial irregularity against which the members of the Committee should always be on their guard. M. Cavazzoni had thought that the ratifications would not be effected in time for the problem to arise before the next ordinary session of the Assembly, but it must be remembered that it was not improbable that the necessary ratifications would be obtained within the next few months. If this were done within the next six months, the Convention would come into operation by June 30th, 1928, and the Central Board would be appointed before the end of September. It did not therefore seem premature to vote the credit now.

The British delegation therefore agreed, in principle, with the report of the Supervisory Commission that the expense was one that could be borne by the budget of the League.

In conclusion, he would like to ask the Chairman whether it was the moment to raise a question of detail on the estimate or whether this could be done on a later occasion.

The CHAIRMAN said that he thought it would be preferable to wait for the proposals of the Supervisory Commission on this subject.

M. SATO (Japan) said that the question under discussion was of interest to his Government, since the Japanese delegate on the Fifth Committee had stated that his Government intended

to ratify the Convention of Geneva; hence the interest that his Government took in the question at present under discussion. As regarded the question of principle, M. Sato associated himself with the arguments put forward by the Supervisory Commission and with the conclusions which it had reached.

The question might be discussed whether the expenditure involved in the creation of a Permanent Central Board should be borne by the budget of the League or not, but precedent must not be forgotten. There was a certain analogy between the proposed Permanent Central Board and the Mandates Commission. The expenses of the Mandates Commission were borne by all the Members of the League. Certainly the mandates were held in the name of the League of Nations, but it was clear that the question of mandates was of particular interest to the mandatory Powers. It therefore appeared that the expenses of the Permanent Central Board for Opium should likewise be supported by all the Members of the League.

Even though the Mandates Commission was provided for in the Covenant, its functions alone were defined there, and it was an Assembly of the League which had settled the question of the expenses. It might be the same in the case of the Permanent Central Board, and the Assembly might at its present session decide this point.

M. Sato could not agree with the proposal of M. Pitamic. It was certainly for the Fourth Committee to decide on the question of principle and not for a Mixed Sub-Committee.

M. Sato asked the Chairman of the Supervisory Commission when the latter would be able to submit its proposals as to the relative merits of the supplementary credits. He recalled that it had been suggested to the Fifth Committee to recommend that the Council choose a certain number of unpaid members for the Permanent Central Board. M. Sato thought that such a division of the members of the same Board into two categories could not but have unfortunate results.

Though not unaware that this particular point was specially a question for the Fifth Committee, he felt that, in view of the effect which it might have in drawing up the supplementary credit budget, it would be desirable to draw the attention of the Supervisory Commission to the matter.

M. RÉVEILLAUD (France) made a statement in the name of his Government. He recalled that, in the struggle against opium, France had done her best, together with the majority of the States represented on the League of Nations, and had collaborated in all the work which had led to the signature of the Convention. Nevertheless, the French Government had to examine the question of principle very seriously. The Assembly, at its eighth ordinary session, was asked to vote a budget which would make it possible to subsidise a Permanent Board which was not, properly speaking, an institution of the League, being provided for by a Convention which did not directly bind the League. This dual position had given rise to doubts on the part of several States.

After having thoroughly studied the question, the French Government came to the conclusion that there was no danger for the League in voting the necessary funds for the operation of the Board in question.

In the first place, the struggle against opium was an essential task of the League of Nations, being laid down in Article 23 of the Covenant. Secondly, even if this Board were an organisation separate from the League of Nations, its working nevertheless involved close collaboration with the latter, in view of the fact that: (a) the members of the staff would be supplied by the Secretary-General; (b) the Central Board, like the Mandates Commission, would have to report yearly to the Council; (c) if instructions given by the Permanent Board to a State or to individuals were disputed, recourse to the Council was provided; and (d) in order that the system should work, the Council's approval was necessary. This approval, which had so far been given by implication, would become formal on the day that the Assembly voted the credits and when the necessary ratifications had been obtained. In voting the necessary credits, the Assembly would clearly incorporate the work in question in its own activities.

For all these reasons, the French Government was in agreement on the question of principle.

M. CAVAZZONI (Italy) opposed the arguments of the delegates of France and the British Empire that the new credit was asked for a body already existing within the framework of the League and dependent upon it. He referred to the reply which he had made the previous year to Viscount Cecil, who claimed that, in view of the terms of the Geneva Convention of 1925, the Permanent Central Board would be under the control of the Council. From this reply the following arguments could be deduced: that the safeguards were insufficient; that the control of a political body over the activities of a technical organisation was always difficult, superficial and limited; that the only guarantee consisted in the activity of the technical organisation itself. Consequently, the Italian delegation had always insisted that the proposed body should be the Secretariat, which could be strengthened and completed, and which was under the continual supervision of all the Members of the League.

If the League of Nations had done nothing in the struggle against opium, perhaps a new organisation might have been considered. There already existed, however, the Advisory Committee, which had done excellent work for six years. What would be the relations between the Advisory Committee and the Permanent Central Board? The Social Section of the Secretariat had always done its work to the general satisfaction. M. Cavazzoni was glad to say how much he appreciated the work done by that Section in collaboration with the Advisory Committee. The League of Nations already possessed these two bodies. Why should its budget be burdened with new expenditure amounting to 150,000 francs?

M. Cavazzoni could not admit the comparison between the Mandates Commission and the Central Board. The former was provided for in the Covenant, and the latter was not. The Board could only receive instructions from the small number of States which had ratified the Convention, whereas the Advisory Committee was already in contact with all the States Members of the League.

In conclusion, the right time for the discussion of this question could only be when the Council had decided both to accept the expenditure incurred under the terms of the Geneva Convention of 1925 and to propose that the Assembly should give its approval. M. Cavazzoni would therefore vote against the organisation of the Central Board and against the credit requested.

The CHAIRMAN, in order to avoid any misunderstanding, read the resolution of June 13th, 1927, in which the Council definitely asked for a decision by the Assembly on the question of principle.

M. DE VASCONCELLOS (Portugal), Vice-Chairman, associated himself with the statements made by the delegates of the British Empire and France. It was not for the Fourth Committee to discuss the possibility of overlapping. It could only follow the action of the Assembly and put any resulting credits on the budget. But it was probable that the Assembly would accept this Convention, for the ratifications were becoming more and more numerous. As Portugal had ratified the Convention, M. de Vasconcellos would vote in favour of the credit.

Sir FAZL-I-HUSSAIN (India) pointed out that the sole question before the Committee was whether or not it should include this credit in the budget of the League. He associated himself with the statements made by the delegates of France, the British Empire, Japan and Portugal.

M. PITAMIC (Kingdom of the Serbs, Croats and Slovenes) repeated his proposal that there should be a meeting of a Mixed Sub-Committee composed of members of the two Committees interested, since the question of substance had been raised before the Fourth Committee, which did not feel competent to decide the matter.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, said that it was not for the Supervisory Commission to pass judgment on the contents of the Convention. He was not at the moment speaking as a delegate of Czechoslovakia, for in that capacity he would have a personal opinion to express, but in the name of the Supervisory Commission. It had been confronted with a situation of fact, a Convention concluded by the majority of the Members of the League of Nations. The Supervisory Commission had been asked whether a corresponding credit could be included in the budget of the League — that was to say whether the expenses arising out of the Convention could be divided among all the States Members of the League.

The Supervisory Commission had given its opinion. It had been compelled to deal with the question in the most general way, as the problem might have considerable repercussions. Supposing that certain States Members of the League concluded a Convention between themselves and decided that the charges arising out of this Convention should be included in the budget of the League, to what extent could they impose these charges on the other Members of the League? The Supervisory Commission had clearly stated that it was taking a decision on a concrete case, and insisted that this special case should not in any way constitute a precedent. Each new request for the introduction of a fresh item in the budget would have to be examined separately on its merits.

As regarded the report on the supplementary credits, the Supervisory Commission had not as yet wished to submit the question to the Fourth Committee, as it desired, in the first instance, to consult the Committee as to the expediency of the new activities which it was proposed to undertake. Moreover, the Fourth Committee had instructed it not to deal with supplementary credits separately but to report upon them as a whole.

In dealing with the question of the Permanent Court of International Justice, the Supervisory Commission had confined itself to an expression of its opinion as to the conclusion of a contract which the Secretary-General had been asked to sign with the Carnegie Foundation. It had said that, if this contract were signed, the contribution to the Carnegie Foundation would in 1929 rise to 50,000 Dutch florins instead of 40,000 Dutch florins, but it had proposed no new credit in the budget of 1928.

As regards the comparison which had been made between the Mandates Commission and the Central Board, M. Osuský pointed out that the Mandates Commission was provided for in the Covenant, while the Central Board was established by a Convention concluded between States Members of the League. It was owing to this difference that the question of principle arose.

The CHAIRMAN referred to the proposal submitted by the delegate of the Kingdom of the Serbs, Croats and Slovenes for the nomination of a Mixed Sub-Committee, and recalled the terms of a letter which he had sent on this subject to the Chairman of the Fifth Committee. He concluded that the appointment of the Mixed Sub-Committee did not seem desirable, and pointed out, moreover, that the question was before the Fourth Committee in virtue of a resolution of the Council. He would be glad if the delegate of the Kingdom of the Serbs, Croats and Slovenes would not insist upon his proposal.

M. PITAMIC (Kingdom of the Serbs, Croats and Slovenes) replied that he did not insist on his proposal. He would merely point out that the Fifth Committee had discussed the question and would have been quite prepared to take part in this Mixed Sub-Committee.

The CHAIRMAN thanked M. Pitamic and put the proposal of the Supervisory Commission to the vote.

The proposal of the Supervisory Commission concerning the Central Board was adopted by seventeen votes to two.

9. *Adjustment of the Salaries of the Staff at Geneva.*

The Committee agreed to postpone the consideration of this Section to a later meeting.

II. SUPPLEMENTARY CREDITS.

Statement by M. Osuský, Chairman of the Supervisory Commission.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, informed the Committee of the problems with which the Commission had been confronted. It had considered the supplementary credits for which request had been made and had divided them into two general classes.

In the first class there were the requests for credits by the Secretariat of the League of Nations and the International Labour Office in order to carry out the work which had been entrusted to these two administrations. These supplementary credits amounted to about 200,000 francs. They arose from the fact that the budgets had been prepared five months ago — that was to say, nine months before the beginning of the year to which they related.

The second class included requests from the various Conferences and Committees, and referred to undertakings or new work which they proposed to begin in 1928.

M. Osuský said that the Supervisory Commission had not felt itself in a position to reject what specialists sitting in Conferences and Committees had voted. It might have examined, from a technical standpoint, all these requests, and then have reduced them to a strict minimum. But, even then, this figure of expenditure would remain an important one. The requests made to the Supervisory Commission for credits of the second class amounted to 700,000 francs.

M. Osuský added that if, even after the reductions proposed by the Supervisory Commission, the Fourth Committee voted the credits for these new undertakings, it would be involved in expenditure which would apply not only to 1928 but also to the future. This expenditure would remain on the budget and in many cases would go on increasing, and the Supervisory Commission considered that it was its duty to draw attention to this situation.

It was for the Fourth Committee to decide whether the work voted in the Committees and Conferences should be undertaken and whether it was expedient to incur the expenditure in 1928, in view of the situation of the League's budget for that year.

M. Osuský emphasised the delicacy of the situation confronting the Supervisory Commission. In order to conclude its work and to submit its report, it needed to know the decision of the Fourth Committee.

The CHAIRMAN noted that this was an extremely important problem and that it could not be solved without full consideration. He proposed that the Committee should adjourn it and ask the Supervisory Commission to submit, for the information of the Fourth Committee, a report in the supplementary credits requested.

Sir Edward Hilton YOUNG (British Empire) agreed with the view of the Chairman and supported his proposal, adding that the Supervisory Commission would be giving considerable assistance to the Fourth Committee in its work if it would submit the supplementary credits requested in order of importance.

M. ZUMETA (Venezuela) thought that it would be interesting if additional information could be given as to the value of the unit of contribution which would result from the adoption of the new credits requested.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, read the list of requests for supplementary credits for the following purposes: Economic Section; Codification of International Law; Liaison between the Health Section and various States of Latin America; Communications and Transit; Opium; and Disarmament.

The adoption of all the proposals submitted to the Commission would involve the addition of considerable sums to the budget for 1928, sums which, in many cases, would recur in the budgets of succeeding years.

The Supervisory Commission was ready to reply to any question which it might be asked, but it did not wish to incur the reproach that it had itself decided on the request forwarded by Committees and Conferences.

The SECRETARY-GENERAL asked that, if the Committee was to discuss the relative merits of supplementary credits, the discussion might take place in private session.

This proposal was adopted.

SEVENTH MEETING (PRIVATE).

Held on Friday, September 23rd, 1927, at 9 a.m.

Chairman: Jonkheer W. J. M. VAN EYSINGA (Netherlands).

80. Tribute to the Memory of the Late M. Luis Waddington.

The CHAIRMAN informed the Committee of the death of M. Luis Waddington, an original member of the Supervisory Commission and delegate of Chile. He asked the members of the Committee to stand for a few moments in silent tribute.

The Chairman declared the meeting private.

81. Examination of the Report of the Supervisory Commission on the Work of its Twenty-fifth Session (*Continuation*).

II. SUPPLEMENTARY CREDITS (*Continuation*).

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, briefly commented upon the proposals of the Commission regarding supplementary credits (Annex 14). These credits amounted to 641,329 francs, of which 100,500 francs were asked for by the Secretary-General and 54,195 francs by the Director of the International Labour Office.

Dr. KAAS (Germany) regretted that the report on this question had not been distributed until that morning. The time allowed to the members of the Fourth Committee for a conscientious examination of this document appeared to him too short.

The proportion of supplementary credits to the general budget of the League of Nations was quite high. Dr. Kaas therefore expressed the wish that, on principle, the members of the Fourth Committee should in future be given the opportunity to make a preliminary study of the questions submitted for their approval and to obtain a clear idea as to the necessity of the credits for which they were asked.

The responsibility of the Fourth Committee was, without doubt, appreciably reduced owing to the very careful work of the Supervisory Commission. Dr. Kaas expressed his gratitude to that Commission and to its Chairman, M. Osuský. The Rules of Procedure of the League, however, did not authorise the Fourth Committee to discharge its responsibilities upon the Supervisory Commission.

Dr. Kaas would be extremely glad if the Secretary-General could find means to give the members of the Fourth Committee a little sooner the opportunity of examining the documents on which they had to base their decisions. It would perhaps be equally interesting to arrange to give them facilities for taking note of the records of the Supervisory Commission.

In making this declaration, Dr. Kaas was animated solely by the desire to make the work of the Fourth Committee as fruitful and, at the same time, as satisfactory as possible for all those who had the honour to represent their countries on it.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, pointed out, in reply to Dr. Kaas, that the Supervisory Commission had not finished its work until after midnight the night before, and it had not been possible to put the report before the Fourth Committee earlier. In passing, he would like to pay a tribute to the Secretariat for the rapidity with which it had caused the report to be distributed.

The CHAIRMAN said that the criticism of Dr. Kaas, in the name of a certain number of his colleagues, had been made previously. He thought that it would be well to establish a better system, though it was not an easy matter.

General TÁNCZOS (Hungary) associated himself fully with the declaration of Dr. Kaas.

M. CAVAZZONI (Italy) reminded the Committee that the budget of last year had been considered as a maximum one, and that it had then been stated to have reached its extreme limit. The budget for supplementary credits, however, though reduced by the Supervisory Commission from nearly 1,000,000 to 600,000 francs, would make it necessary for the Members of the League to make an increased contribution. This would be unfortunate, in view of the universal opinion that the present contributions were already too high. He would mention two eloquent facts in this connection: on the one hand, the high figure of contributions in arrears and, on the other, the very frequent requests for a decrease in the contributions. The financial charges for States Members of the League could not therefore be increased. Moreover, the contributions of Spain and Brazil were still on the budget of this year, but this would not be the case next year, and it would be necessary to foresee an increase in the contributions of the States.

Apart from the financial reasons just mentioned, there was also a question of principle; the work of the League of Nations must be stabilised. During the last ordinary session of the Assembly, Viscount Cecil had explained to the First Committee his anxiety at the excessive tendency to increase the sphere of action of the League. The Italian delegation shared this anxiety. The increased credits

requested were not due to occasional causes, like the meeting of a great Conference, but to a tendency which forced certain Sections to extend unduly the field of their activities.

The critics of the League accused it of suffering from a kind of elephantiasis, of becoming bureaucratic and crystallised. There did not seem to be any fear of creating bodies which would duplicate work. Lastly, the number of Committees and Sub-Committees tended to become excessive and it was only necessary to scan the general programme of the work of the League to see that its meetings followed each other incessantly. Was there not the danger that this enormous machine would sometimes revolve uselessly?

Its documentation, in particular, was enormous. There were veritable mountains of paper, and all the archives of the Ministries were full. Several delegates had already urgently demanded a reduction in this enormous amount of paper.

It must be freely admitted that the state of the budget was bad, and extremely unfortunate consequences might result. Perhaps they had not always a clear idea of what the League of Nations ought to be. The Italian delegation maintained that this institution should be an extremely flexible and active organisation and that it should refrain from doing work which might be left to others.

Further, in conformity with the principles of wise administration, the greatest flexibility should be given to the various Sections of the Secretariat. Transfers of officials from one Section to another should be effected with the greatest freedom, according to the demands of the work.

M. Cavazzoni insisted upon the necessity for reducing the number of Committees and, particularly, for holding their meetings at longer intervals. The League of Nations would have to understand that it would be dangerous to do, in a few years, work that could usefully be done in a longer time. By wishing to force the normal trend of things and to aim at immediate results, it would happen, as had already been noticed, that the same work would be begun two or three times. Certainly no one could deny the great value of the work done by the League, but this value would be infinitely greater if all that was excessive were removed from the League's activities. M. Cavazzoni recalled the large number of Conventions which had not yet been ratified, adding that this fact proved once more that, before a Convention could become the law of a country and could enter the life and hearts of a nation, there must be a certain lapse of time.

M. Cavazzoni said that, apart from the excessive documentation of which he had already spoken, he would mention the inequality existing in the work undertaken by certain Sections of the League. Some of them accomplished work part of which was of the greatest value, while the value of that of other Sections was doubtful.

The League of Nations was not a publishing house, nor an institute of social or economic science. Its publications must not become an unbearable burden upon the budget. They must be paid for out of a special account, which would be replenished automatically by the sale of publications. They must be kept within the limits of this Working Fund — which was equivalent to saying that they must have a commercial value.

M. Cavazzoni thought that the limit fixed by the budget of the previous year should not be exceeded at any cost. He was unable to approve of the tendency to present to the Assembly an extremely heavy budget, which left no margin for the addition of supplementary credits. If it were desired to meet the expenditure for which the ultimate initiative of the Assembly might call, the only way was to reduce the credits in the different chapters in order to keep within the desired limits.

M. Cavazzoni did not wish M. Osuský and M. Réveillaud to consider his remarks as a criticism of themselves. No one realised more than he the difficulties which they had had to overcome in order to reduce to their present proportions the credits for which requests had been made. But a still greater reduction might be considered, for, as Government representatives, the members of the Fourth Committee could exercise stronger pressure than the members of the Supervisory Commission. The task of the Fourth Committee would become extremely difficult if it merely confined itself to an approval of the decisions of the Supervisory Commission, for the latter would no longer know upon what authority it could rely. The position of the Supervisory Commission was similar to that of an opposition party which was dominated by the constant desire to make the budget suffice.

Up to the present time, the financial situation of the League of Nations had been brilliant, but the economic crisis, with its almost universal repercussions, compelled the States to make economies.

The SECRETARY-GENERAL, in reply to the extremely delicate question which had been raised by Dr. Kaas, wished to state that the Secretariat had always done its best to see that the demands for supplementary credits were submitted as soon as possible to the Fourth Committee by the other Committees. He had himself instructed the Secretaries of Committees to ask the Chairmen to put those questions which involved requests for supplementary credits at the beginning of the agenda. Unfortunately, the efforts made in this direction were not always crowned with success; thus one request for a supplementary credit had not yet arrived, and the Fourth Committee would only be able to examine it semi-officially at the present meeting.

In his opinion, the only remedy might prove to be the prolongation, by a few days, of the session of the Assembly so as to enable the Committee to examine the supplementary credits together, as it rightly did, without allowing the work of the last few days of the session to be hampered, as so often happened, by excessive haste. Each year he had studied the possibility of adopting a more rapid method of procedure. He hoped that a solution of this problem might be found by next year.

Without dwelling on the statement of the Italian delegate, he wished to make two observations, the first of which referred to the transfer of officials from one Section of the Secretariat to another.

Such a transfer became more and more difficult as the work of the Sections became increasingly technical and required the presence of specialists. A specialist in health matters, for example, could hardly be transferred to the Legal Section, and vice versa.

The second observation concerned publications. In this field the principle had already been adopted that documents were not published by the Secretariat until it was certain that at least the publishing expenses could be covered by the money received from sales. Moreover, the Secretariat had practically no control over certain publications which were authorised by the Assembly and by the Council. The Supervisory Commission would, however, re-examine the whole question of publications, and he hoped that the proposals made in 1928 would be satisfactory.

The CHAIRMAN recognised the interest of the question raised by Dr. Kaas, but, in view of the late hour, proposed to reserve the discussion of this question, which would be mentioned in the general report. He suggested that the Committee should consider in detail the conclusions of the report of the Supervisory Commission on supplementary credits.

The proposal was adopted.

A. *Supplementary Credits requested by the Secretary-General.*

B. *Supplementary Credits requested by the Director of the International Labour Office.*

The Committee agreed to postpone the consideration of these credits until the following meeting.

C. *Supplementary Credits following on Resolutions adopted by the Committees of the Assembly.*

I. *Reduction of Armaments.*

The CHAIRMAN observed that the two alterations proposed by the Supervisory Commission raised the budget of the Disarmament Section from 982,523 francs to 1,097,523 francs — an increase of 115,000 francs.

Sir Edward Hilton YOUNG, (British Empire) asked whether it was possible to reduce the figure of the first estimate in order to reduce the net amount of the supplementary credit and to avoid confusion of supplementary credits with new but unused credits.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, replied that the Supervisory Commission had examined the budget of the Disarmament Section and, to its great regret, had not found a single item which could be reduced.

Section 1 was adopted.

2. *Advisory Work arising out of the Resolutions of the Conference of Press Experts.*

Section 2 was adopted without observation.

3. *Economic and Financial Organisation.*

The CHAIRMAN noted that the total amount of supplementary credits required was 174,000 francs, or an increase of 74,000 francs over the amount already allocated under the heading "Provision for the Development of the Economic and Financial Organisation following the General Economic Conference" (Chapter III, Item 20, of the Budget).

Section 3 was adopted.

4. *Liaison with Latin America.*

M. ZUMETA (Venezuela) said that he had always been a sincere friend of the Health Organisation of the League of Nations, and had supported the maintenance of close relations with Latin-American countries represented on the League, which in his opinion formed a complete whole. He was, however, compelled to mention that the reference to the liaison with Latin-American countries was made in far too vague terms. No one would think of speaking of liaison with Europe or with Asia, and in the present case the countries involved should be clearly specified; it should also be remembered that work accomplished by the Health Organisation in South America had no immediate effect, for example, on Central America. Moreover, work which only interested certain countries should be carried on with the financial assistance of those countries, which, he was convinced, would be enthusiastic in giving financial co-operation. Finally, liaison work could not be undertaken without the preliminary agreement of the Governments concerned.

For these reasons, and in view of the critical situation of the budget, M. Zumeta thought that the question might be better considered in 1928, and proposed that this section be reserved for next year. He was therefore in favour of suppressing the supplementary credit requested.

Sir Ramaswami AYYAR (India) said that, both before the Assembly and in several Committees, he had always supported the idea of close collaboration between the League of Nations and Eastern countries. Under these conditions, he would be the last to protest against justified requests for supplementary credits destined to support the liaison with distant countries. On the other hand, it could not be denied that there was a growing feeling against any increase in the contributions of States to the budget of the League. Moreover, the proposal submitted was extraordinarily vague. It was said that the Council would be free to decide as to the use of the credit voted. It was

proposed, in particular, to use the money to send health officials to the Argentine, to Brazil and to Uruguay. The Argentine, however, had not sent a representative to the present session of the Assembly and appeared to be rather disinterested in the League of Nations; Brazil had also kept itself apart. The Committee must not forget the principle it had adopted; that the expenditure on work undertaken in the particular interest of certain States should be borne in part by those States.

The Indian delegate did not dispute the expediency of the proposed undertaking. He merely wondered if it would not be possible to reduce or even to omit this credit until more detailed proposals could be submitted regarding its use and regarding the contributions which would be made by the States concerned.

The budget was rapidly increasing, and, if the Committee did not immediately effect the strictest economies, it would run the risk of being shortly faced with insurmountable difficulties.

The SECRETARY-GENERAL desired to remove a misunderstanding which appeared to have arisen in the statements which had been made.

Though the Argentine had sent no delegation to the present session of the Assembly, it had nevertheless contributed to the expenses of the League since its foundation and, its contribution had been very important. It was therefore quite natural that this country should benefit from the advantages which the League had to offer.

The vague character of the proposals submitted had been emphasised. The Secretary-General pointed out that these proposals had been made as a result of a long discussion in the Second Committee, which had drawn up practical suggestions for the continued co-operation with the health authorities of the Argentine, Brazil and Uruguay. With the approval of the Assembly, a mission had been sent, during 1927, to certain countries of South America, and it had been extremely successful. Clear proposals had been made concerning the work which was to follow these first efforts. The Argentine, Brazil, Uruguay and Chile had generously offered to contribute an important part of the necessary expenditure, and would even bear the greater part of it. The League of Nations would have to bear the expenditure of sending out an expert to co-ordinate the work, particularly in reference to infantile mortality. The principle invoked by the Indian delegate would therefore be fully respected.

As regards the right of the Council to make ultimate arrangements for the use of this credit, he wished to say that it had been thought desirable to give the Council the power to devote the credit to another object should one of the interested Governments make another proposal of a more urgent character. It would then be for the Council to say whether such a request should have priority over health questions. M. Zumeta might be assured that no technical work of any kind would be undertaken without a special request on the part of the country interested or, at any rate, without the consent of its Government.

M. GUERRERO (Salvador) regretted that he was unable to agree with M. Zumeta. In Latin America the lack of interest which the League of Nations appeared to take in distant countries had often been deplored. Those countries were certainly attached to the League of Nations unconditionally, and they had shown this many times by assisting in the study of, and voting credits for, problems which did not interest Latin America. Now, perhaps, for the first time, the League of Nations proposed to extend its activity to Latin America, and it would appear difficult to oppose the credits requested for this purpose. They should certainly not rest content with action taken only in the States mentioned, and M. Guerrero here agreed with M. Zumeta. The usefulness of the credit, however, appeared to him undoubted.

M. DE MODZELEWSKI (Poland) recalled that attention had often been drawn to the numerous cases in which Latin America had participated in the activity of the League of Nations by giving its moral and material help. The League had very few occasions to show its devotion to these countries and to work for their direct benefit. Consequently the Polish delegate thought that the credit requested should be voted without modification. If, as had been observed, certain States of Latin America did seem to hold themselves aloof from the League, it would be desirable to show them that the League wished to give them its full help and sympathy.

M. DE AGÜERO Y BETHANCOURT (Cuba) also supported the proposal of the Supervisory Commission. Its report showed clearly that the credit requested was not necessarily confined to certain countries in Latin America but extended to all Latin-American States. Moreover, whatever benefited certain countries in Latin America was to the advantage of all. Liaison was begun with some countries and would extend to others, and, finally, the freedom given to the Council allowed any Government in Latin America to make a request for help, if it felt that any particular matter was urgent.

M. de Agüero y Bethancourt therefore supported the request for the credit, adding that the action taken would benefit all the States of Latin America.

M. ZUMETA (Venezuela), after having heard the explanations of the Secretary-General, saw that the proposal was not as vague as it had appeared. He was glad to learn that, according to their custom, the South American Governments would support the proposals of the League and had said that they would contribute to the expenses incurred.

Moreover, M. Zumeta wished to say that he had desired to make no distinction between the countries of Latin America. From his earliest youth he had always insisted that these countries were as one and that they were firmly bound together. What was undertaken in the interest of one benefited the others, and action taken against one was action against all.

From the strictly budgetary standpoint, M. Zumeta wished to ask the Secretary-General whether, in his opinion, these credits were absolutely indispensable for 1928 or whether it would not be sufficient that they should be shown in the budget for 1929.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, said that the League of Nations must take into account public opinion among the States Members. The Press in numerous countries, particularly in Latin America, had frequently asked what the League could do for these distant countries, and had frequently hinted that this great international organisation was so busy with the interests of Europe that its action towards distant countries was confined to asking for their contributions. The Fourth Committee had considered this question from the beginning. Two years previously, when endeavouring to find means by which the League of Nations could show its interest in these countries, the Fourth Committee had decided that it could make contact with them through its Technical Organisations, and to-day the Supervisory Commission proposed to continue the work which had been begun.

The interests of the League of Nations were at stake. A certain number of countries felt that they were neglected, and it was in the interests of the League to show them that this was not so. There could certainly be no question of immediate action in all the countries of the great South American continent, and a beginning was therefore being made with two or three, and, in spite of financial difficulties, the Supervisory Commission had felt it its duty to support the necessary credit for the continuation of this work.

M. DE VASCONCELLOS (Portugal), Vice-Chairman, said that he understood the scruples of M. Zumeta, who had felt that the credits would not really be spent for an international purpose. He hoped that these scruples had been removed by the explanations which had just been given. The League of Nations had an opportunity of showing in a practical way its sympathy for the South American republics, and it should not fail to do so, for these opportunities were very limited in number.

In view of the fact that Spain was not represented at this Assembly, M. de Vasconcellos, speaking as the delegate of Portugal, a country which might be considered as the father of the Latin-American republics, would vote in favour of the credit proposed.

Sir Edward Hilton YOUNG (British Empire) entirely supported the proposal and accepted the principle defended by M. Osuský.

He wished, however, to make one observation. In Schedule D of the budget, under the heading "Liaison with Latin America", was to be found a credit of 80,000 francs and one of 30,000 francs. Further, in Schedule O, "International Health Organisation", a new credit of 150,000 francs was also inscribed for a system of liaison between the various public health services. Were these sums already earmarked for special purposes, and would it not be possible to take a part of them to help pay for the proposed expenditure?

Dr. RIDDELL (Canada) entirely agreed with the remarks of M. Osuský. The League of Nations was supported by all the countries of the world, and it should therefore extend its activity to all parts of the world. Every attempt to put this principle into practice should be warmly encouraged. The Canadian delegation would therefore approve the grant of this credit.

The SECRETARY-GENERAL thought that perhaps the British delegate had founded his remarks on a former budget. No credit of 30,000 francs for technical investigations was included in the budget for 1928.

As regards the 80,000 francs, he recalled that the Committee had agreed to the appointment of special correspondents in South America in order to spread knowledge of the League. These correspondents had already been appointed, and the results which they had obtained were extremely valuable; for this reason, it was proposed to double their number. In these circumstances, the Secretary-General hoped that the Fourth Committee would see its way to voting the 80,000 francs.

Moreover, in view of the mission which had been entrusted to the Health Organisation, the budget of the latter should certainly not be reduced. The South American Governments had already made preparations to receive the experts which might be sent by the League of Nations, and the assistance of these experts would be extremely valuable in the preparatory stages of the enquiries to be undertaken. It therefore appeared difficult to postpone to a later budget the insertion of the new credit.

M. SATO (Japan) supported the request for this credit.

M. ZUMETA (Venezuela) withdrew his proposal.

Section 4 was adopted without amendment.

5. Codification of International Law.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, said that the Supervisory Commission had two proposals to submit to the Fourth Committee:

(1) The adoption of the credit of 80,000 francs for the Committee entrusted with the preparation of a Conference on the codification of the three questions of international law which the Committee of Experts considered ripe for consideration;

(2) Suppression of the credit of 75,000 francs in Item 29 of the budget for the continuation of the work of the Committee of Experts.

The Supervisory Commission thought that it would be preferable to wait for the results of the work of the proposed Conference on the three questions which were considered ready for codification before new subjects were considered by the Committee of Experts.

The CHAIRMAN noted that the increase which would result from this operation would amount to 5,000 francs. If the Fourth Committee adopted the proposal of the Supervisory Commission, would it be desirable to refer the question to the First Committee and to ask for its approval of the suppression of the credit of 75,000 francs ?

M. GUERRERO (Salvador) thought that it was useless to emphasise the importance for the work of peace of the codification of international law. The First Committee had studied the two points of view put forward by M. Osuský, and the Committee of Experts itself had felt that the work should not be continued until it knew the results of the proposed Conference. He thought, however, that the Committee of Experts should meet again in 1928 in order to finish its work and, in particular, to examine the replies from the Governments to the questionnaires which had been addressed to them.

Moreover, the Preparatory Committee of the Conference which should meet in 1928 would probably need the help of the Committee of Experts. In consequence, M. Guerrero thought that the Fourth Committee should make an effort to maintain the two credits of 75,000 and 80,000 francs.

The CHAIRMAN asked the Committee to vote first of all upon the question of the credit of 80,000 francs.

The Committee decided to vote the credit of 80,000 francs.

The CHAIRMAN opened the debate on the credit of 75,000 francs for the continuation of the work of the Committee of Experts.

Sir Edward Hilton YOUNG (British Empire) said that he would like very much to agree with the proposal of the Supervisory Commission, but he thought that, before deciding finally to suppress this credit, the Fourth Committee ought to wait for a reply from the First Committee to its communication.

M. GUERRERO (Salvador) explained that the First Committee had already considered this question, which had been referred to a Sub-Committee of Jurists, whose report was at the present moment being submitted by M. Politis to the full Committee. The Sub-Committee thought that the meeting of the Committee of Experts was necessary in 1928 in order not to leave unfinished the work which had been begun.

Sir Edward Hilton YOUNG (British Empire) proposed that a Mixed Sub-Committee should meet to find a basis for agreement with the First Committee.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, pointed out that the procedure was the same for all the Committees of the Assembly. They passed resolutions and communicated them to the Fourth Committee, which examined them from the budgetary standpoint.

He thought that the shortest method would be to take a decision on the resolution of the First Committee and to inform the Committee of the result.

The CHAIRMAN explained that the First Committee only asked for this credit for 1928. He would like to know, however, whether M. Guerrero thought that the whole credit of 75,000 francs was necessary.

M. GUERRERO (Salvador) thought that this credit might be reduced, particularly as it had been calculated on the basis of a Committee of Experts of seventeen members, whereas only about ten would attend the meetings. He thought that the credit might be reduced to 50,000 or 60,000 francs.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, pointed out that the study of the three questions: (a) nationality; (b) territorial waters; (c) responsibility of States for damage done in their territories to the person or property of foreigners, had been concluded by the Committee of Experts. The Supervisory Commission fully realised the capital importance of the codification of international law, because it knew that upon it might depend the future of arbitration. It was indispensable to establish rules of a higher authority for the guidance of States, but it was in the interests of the League of Nations, before entering into this field, to consider whether it was possible to reach international agreement on the very simple questions proposed. It would be clearly useless for the experts to study the codification of more complicated questions if it were known that they could not agree on more simple matters.

The Supervisory Commission would only consider the proposal for a possible reduction if the simple proposal for the suppression of the credit were rejected.

M. PITAMIC (Kingdom of the Serbs, Croats and Slovenes) thought that it would be difficult to take any decision without the advice of the First Committee, and he proposed to adjourn the question to the following meeting. He would support the proposal of Sir Edward Hilton Young for the appointment of a Liaison Sub-Committee with the First Committee.

The CHAIRMAN said that the quickest method would be to get into immediate touch with the First Committee, which was at the moment dealing with this question. He proposed that the delegates who had expressed their opinion on the matter, namely, M. Pitamic, M. Osuský, M. Guerrero and Sir Edward Hilton Young, should meet as a Sub-Committee and get into touch with the First Committee before the next meeting.

M. OSUSKÝ, (Czechoslovakia), Chairman of the Supervisory Commission, said that he had no doubt that the League of Nations would be called upon to undertake new tasks, and he paid full tribute to the enthusiasm and energy of the Committees of experts and specialists in the study of certain questions. He agreed that it was indispensable to entrust a body with the special duty

of deciding whether the League of Nations could bear the expenditure which was put upon it by each of these Committees. In the meantime, it was the duty of the Fourth Committee to safeguard the financial interests of the League. If it neglected this vital duty and bowed before the decisions of the other Committees, the Assembly would soon find itself obliged to entrust this task of co-ordinating the work of the League to a new body.

The CHAIRMAN recognised the value of the arguments of M. Osuský and hoped that the Fourth Committee would take a decision. His own suggestion of another procedure had been solely due to a desire to speed up the discussion and to avoid the necessity of taking the question before the Assembly.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, said that he in no way desired to criticise the suggestion of the Chairman. He had merely wished to say a word of warning and to show the Committee the danger which was before it.

The CHAIRMAN put to the vote the proposal of the Supervisory Commission for the suppression of Item 29 of the budget.

By seventeen votes to eleven, the Committee decided to suppress Item 29 of the budget.

The CHAIRMAN, on the proposal of M. Osuský, suggested that the Liaison Sub-Committee, which it had been decided should inform the First Committee of the decision just taken, should be maintained.

The Sub-Committee might consist of M. OSUSKÝ (Czechoslovakia), M. GUERRERO (Salvador), Sir Edward Hilton YOUNG (British Empire), and M. PITAMIC (Kingdom of the Serbs, Croats and Slovenes).

M. RÉVEILLAUD (France) asked what would be the duties of the liaison Sub-Committee. If it were to be entrusted with taking a decision on the question, it would be desirable that the party in favour of the credit and that against it should be represented on the Sub-Committee. If the duty of the latter were merely to draw up a report, his remark was of no further interest, but in that case it should be understood that the Sub-Committee was not appointed for the purpose of reaching a compromise.

The CHAIRMAN replied that he understood that the Liaison Sub-Committee would not be given power to take a decision on the question but would merely submit a report.

M. VENNERSTEN (Sweden) hoped that the fact that he had voted against the suppression of Item 29 of the Budget would not give the impression that he was not in favour of economy. All the members of the Committee were in favour of economy, but he would like to know, before deciding, what was the opinion of the First Committee.

M. RÉVEILLAUD (France) explained his view of the situation. He had merely wished those in favour of and those against the credit to be equally represented on the Liaison Sub-Committee if it might be called upon to take a decision on the question by a vote.

On the proposal of M. Réveillaud (France), it was agreed that Sir Ramaswami AYYAR (India) should be a member of the Sub-Committee if it were decided to appoint it.

Sir Edward Hilton YOUNG (British Empire) said that, as the Sub-Committee should be as small as possible, he would ask that his name be removed from the list of members and that he might be replaced by the Indian delegate. He added that, in the absence of definite reasons to the contrary, his delegation always felt that it should support the views of the Supervisory Commission. The arguments put forward by M. Guerrero had made him feel that he would like to be further enlightened upon the question, and he had therefore proposed the appointment of a Liaison Sub-Committee. As, however, the question had been decided by a vote, he would follow the traditions of the British delegation and vote in support of the proposal of the Supervisory Commission.

M. GUERRERO (Salvador) thought that a Liaison Sub-Committee was justifiable before but not after the vote. What could the First Committee do after the Fourth Committee had formally refused its credits? It could only bow to this decision. A Committee of Experts had been appointed, resulting from a resolution of the Assembly in 1924. It had begun important work which it was in the interests of the League to finish. The First Committee had asked for a credit for this Committee of Experts because it had noted the necessity for a session of the Committee, a necessity which had been stated by M. Zaleski in his report to the Council.

If, in spite of these explanations, the Committee desired to form a Liaison Sub-Committee, M. Guerrero would prefer not to be a member of it.

The CHAIRMAN explained that the suppression of Item 29 in the budget had been decided, and the Liaison Sub-Committee had only been proposed in order to cover the possibility that the First Committee might wish to raise objections and to get into touch with the Fourth Committee on this subject.

Being convinced that all the points of view should be represented on the Liaison Sub-Committee, he asked M. Guerrero and Sir Edward Hilton Young, in spite of their observations, to take part in it.

The Liaison Sub-Committee would be entrusted with the duty of communicating to the First Committee the decision of the Fourth Committee relative to the suppression of Item 29.

M. GUERRERO (Salvador) felt that his presence on this Sub-Committee would be useless. It would be sufficient for the Chairman of the Supervisory Commission to put before this Mixed Sub-Committee the reasons for which the Fourth Committee had refused to grant the credit in question.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, said that the Czechoslovak delegation had been in favour of this credit when the question was discussed by the First Committee, of which he was himself a member. But as a member of the Fourth Committee and as Chairman of the Supervisory Commission, he must now say that that Commission, after due consideration, had decided to ask for the suppression of this credit.

M. RÉVEILLAUD (France) said that he was anxious about the precedent which the Committee was about to establish. Disputes arose each year, and an endeavour should be made to keep them from the Assembly and to settle them beforehand. For this reason the Committee had tried to find a common ground between the conflicting views, and it was therefore indispensable that the two trends of opinion should be represented with perfect equality in the Sub-Committee. M. Réveillaud therefore proposed that in all such cases the Fourth Committee should begin by stating its opinion by means of a vote. If this vote were in favour of granting the credit, the question did not arise. If the vote were in the contrary sense, the Fourth Committee might then appoint a delegation composed solely of the members of the majority — that was to say those who represented in this case the opposition to the credit. This delegation would sit with an equal number of members of the technical committee in question, those members being the delegates who had supported the demand for the credit. It would be the duty of the members of this Mixed Sub-Committee to find a compromise which would be acceptable to both Committees.

The CHAIRMAN read the draft letter by means of which he proposed to inform the First Committee of the Fourth Committee's decision. It read as follows:

" I have the honour to inform you that, at its seventh meeting held this morning, the Fourth Committee, after having voted a supplementary credit of 80,000 francs for the appointment of a Committee entrusted with the preparation of a Conference on the codification of three questions of international law, has decided by seventeen votes to eleven to suppress the credit of 75,000 francs included in Item 29 of the budget of 1928 for the work of the Committee of Experts for the Progressive Codification of International Law. In taking this decision, the Fourth Committee was inspired by the following passage in the report which had been submitted to it by the Supervisory Commission (document A. IV/14. 1927):

" ' The Commission would suggest that the work of the Committee may now with advantage be temporarily suspended. Three of the questions which it considered seem to have reached a stage at which a Conference should be convened to deal with them specifically. It would seem desirable to await the concrete results of the Conference on the three specific questions before renewing the sittings of the Experts' Committee. ' "

The Chairman thought that the question of the composition of the Liaison Sub-Committee could not be settled until the First Committee had replied to the letter which he had just read. He had had in mind a Sub-Committee entrusted with the sole duty of submitting a report on which the Fourth Committee would take a decision. M. Réveillaud had submitted another proposal, and the Committee would be able to decide on this matter if the First Committee maintained its request. The question might be discussed again at a later meeting.

The Committee approved the despatch of the letter submitted by the Chairman.

6. Collection of Information necessary to the Organisation for Communications and Transit.

M. DE MODZELEWSKI (Poland) regretted that he could not follow his usual course and support the Supervisory Commission in its proposal for the suppression of this credit.

The sum in question was quite small. Though it was true that there was no such thing as an unimportant economy, the Fourth Committee should not suppress a credit on the grounds that it was not a large one. In the present case, the Technical Organisation in question had itself reduced its request because the work to be undertaken was at present only a beginning.

The present request arose out of the work of the Third General Conference on Communications and Transit, which had been called by the Council. If the refusal of a credit of some 40,000 francs would prevent any effect being given to the work of this Third Conference, the money which had been spent on the Conference would have been wasted.

M. de Modzelewski drew the Committee's attention to the following resolution of the Conference:

" It trusts, therefore, that the Assembly of the League, at its next ordinary session, will put at the disposal of the Transit Organisation the necessary means."

The Second Committee, moreover, had stated that " it attached particular importance to the collection and dissemination of information on communications and transit ".

The Fourth Committee had before it a request for a very small credit, already reduced by the Supervisory Commission, which was supported by the formal wish of the Conference on Communications and Transit and the favourable opinion of the Second Committee, the latter having emphasised the importance of the credit in question. The Fourth Committee had therefore no reason for refusing a credit which was indispensable if effect were to be given to the decisions of an important Conference.

M. SATO (Japan) entirely agreed with M. de Modzelewski. A refusal of this credit would be in direct opposition to the International Conference which had requested it.

He added that the question of communications and transit was of particular interest to his country. The Far Eastern countries did not get many opportunities to benefit from the work of the League, except in matters such as transit. The Japanese delegation would therefore vote for the maintenance of the credit in question.

Sir Edward Hilton YOUNG (British Empire) supported the proposal of the Supervisory Commission. He did so with regret, since his Government had been a firm supporter of the Conference on Communications and Transit, which had been a marked success. But, looking at it from the point of view of the budget of the League of Nations, whose difficult situation was well known, he felt that the League could not undertake all the work which was desirable. The charges which fell upon the shoulders of the various States were continually increasing, and sooner or later a powerful mechanism would have to be set up to regulate the indefinite increase of expenditure and to limit initiative. The Supervisory Commission already existed, and to its invaluable services tribute must be paid; when, therefore, the Commission said that it would perhaps be wise not to vote certain credits, the Fourth Committee could but support this proposal.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, noted once more how difficult it was to effect economies.

In order to respond to the wishes which had been generally expressed, the Supervisory Commission had proposed the suppression of credits which were not of fundamental importance or which did not relate to one of the chief activities of the League of Nations.

As regards the Transit Organisation, the Supervisory Commission wished to point out that the credits necessary for the work of collecting and disseminating information on transit questions would increase from year to year. It had already been estimated that, in 1930, 100,000 francs would be needed for the purpose.

M. Osuský drew the attention of the Committee to the ultimate consequences of its decision.

Dr. KAAS (Germany) supported the proposal of the delegate of Poland and the delegate of Japan.

He wondered whether it would be desirable to suppress the whole of a credit which had been requested by the unanimous vote of the Third General Conference on Communications and Transit. The experts at this Conference had been unanimous in feeling that it was impossible adequately to undertake the work they had before them without certain information at their disposal. The report drafted in the name of the Second Committee by M. de Brouckère expressed the same opinion.

As the credits in question had already been reduced by the Supervisory Commission, the German delegation would vote in favour of their maintenance.

M. DE AGÜERO Y BETHANCOURT (Cuba), speaking as President of the Third General Conference on Communications and Transit, recalled that the question of the collection of information for the Transit Organisation had been put on the agenda of the Conference as a result of the report and resolutions adopted by the Assembly during its last session; the Assembly had seen in this proposal a means of rendering the Transit Organisation more universal and of establishing closer contact between the technical services of the League and the experts of non-European countries.

The Council had asked States Members and States non-Members of the League to participate in a discussion of this question. The United States of America and Turkey had taken part in it. The decisions of the Conference had been unanimous, and it seemed impossible not to give effect to the resolutions of a Conference which had been called to deal with a question at the wish of the Assembly itself, and one at which forty-three States, including non-Members of the League, had been represented.

The Third Conference on Communications and Transit had endeavoured to remove a misunderstanding. There was no question of leading the Transit Organisation into new fields of work. The idea of a special information office had been rejected, and it had, moreover, never been considered. It was merely a question of giving to the Transit Organisation an instrument of work which the Organisation and the Conference itself felt to be indispensable for the proper accomplishment of its task. All that was asked was that the same facilities should be given to the Transit Organisation as to the other Technical Organisations of the League.

It might perhaps be useful to add that the programme for the collection of information had been arranged so that it would be useful not only to the Transit Organisation but to all the other organisations of the League. This was also the wish of the last session of the Assembly — an aim to which not only the Third Transit Conference but also the International Economic Conference had agreed; the latter had rightly considered that transport was an essential element of economic activity and had approved of the suggestion and plan for the collection of information.

Mr. MACWHITE (Irish Free State) recalled that, at the Communications and Transit Conference, his delegation had voted in favour of the proposal. In consequence, he could not now vote in favour of the suppression of the credit. He was also prepared to support the remarks of the Japanese delegate.

M. DI PAULI (Austria) said that he was in favour of the maintenance of this supplementary credit.

M. DE VASCONCELLOS (Portugal), Vice-Chairman, pointed out that each year the Fourth Committee found itself faced with requests for supplementary credits. Before voting them the delegates must bear in mind the instructions which they had received from their Governments as regards the stabilisation of the budget of the League. The fact that these credits were not voted did not mean that the decisions of the Third Conference would not be realised; the matter

was merely being postponed, and the Portuguese delegation would therefore vote for the suppression of this sum.

M. ZUMETA (Venezuela) thought that the discussion which had just taken place raised an important question of principle which the Committee might decide. Was the Fourth Committee obliged to execute the decisions of Technical Conferences even if they overstepped the bounds of budgetary possibility ?

The SECRETARY-GENERAL said that he did not wish to influence the Fourth Committee, but thought that the Chairman of the Supervisory Commission took rather a dismal view when he said that the supplementary credits for the Transit Organisation would increase from year to year. He would recall that the Transit Organisation itself had provided that the normal limit should be 80,000 francs, which might perhaps be reduced to 70,000 francs; in any case the expenses would not exceed 100,000 francs, including expenditure on publications and staff. He felt it would be difficult to refuse the Transit Organisation the documentation which was at the disposal of all the other organisations.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, said that he, in common with the members of the Supervisory Commission, had often wondered whether their work was really useful, and whether they could not be better employed in other work where they would not have to live in continual opposition to the various organisations of the League on the one hand and the delegates on the other. The Assembly had, however, entrusted them with a task which they must perform. How often had they heard that credits would not exceed a certain limit and yet those limits were always exceeded ! As regards statistics on transit questions, the Supervisory Commission after long discussion had not been able to appreciate their entire utility. M. Osuský said that, in submitting these observations, he put forward solely the opinion of the Supervisory Commission expressed in the fulfilment of its task. The Fourth Committee remained entirely free to decide the question.

Sir Ramaswami AYYAR (India) said that he had taken part in the discussions of the Conference on Communications and Transit. It was true that distant countries attached a great importance to the work of the League which drew it closer to them. However, the Fourth Committee had to make a choice between the proposals before it, and, without sharing M. Osuský's opinion as regards statistics, which Sir Ramaswami Ayyar thought were extremely useful, he felt bound, in view of the situation of the budget, to vote against the credit requested.

M. DE MODZELEWSKI (Poland) felt that he would interpret the feeling of all the members of the Committee in saying to M. Osuský how much the Fourth Committee appreciated and valued the work of the Supervisory Commission. He added, however, that it was very seldom that the League of Nations was able to come to the assistance of distant countries. He therefore felt that it would be desirable to take the present opportunity and to vote the credit requested.

The CHAIRMAN asked the Committee to decide by a vote on the request for supplementary credits for the Transit Organisation.

The Committee voted twelve in favour and twelve against the credits, and the Chairman said that he would at the following meeting explain the statutory interpretation of this vote.

EIGHTH MEETING (PRIVATE, THEN PUBLIC).

Held on Friday, September 23rd, 1927, at 3 p.m.

Chairman: Jonkheer W. J. M. VAN EYSINGA (Netherlands).

82. Examination of the Report of the Supervisory Commission on the Work of its Twenty-fifth Session (Continuation).

II. SUPPLEMENTARY CREDITS (Continuation).

- C. *Supplementary Credits following on Resolutions adopted by the Committees of the Assembly (Continuation).*
- 6. *Collection of Information necessary to the Organisation for Communications and Transit (Continuation): Voting Procedure.*

The CHAIRMAN, referring to the equal vote which had been taken at the morning meeting, read Rule 22 of the Rules of Procedure of the Assembly, which was as follows:

“ In case of equality in any voting other than that referred to in Rule 21, in which a majority is required, a second vote shall be taken in the course of the next meeting; this

meeting shall be held within forty-eight hours from the date on which the first vote was taken, and it shall be expressly mentioned on the agenda that a second vote will be taken on the matter in question. Unless there is at this subsequent meeting a majority in favour of the proposal, it shall be considered as lost."

In conformity with this rule, a second vote would be taken during the present meeting.

7. *Permanent Central Board to be set up under the Opium Convention of February 1925*
(Continuation).

M. PITAMIC (Kingdom of the Serbs, Croats and Slovenes) said that the fact that he had voted against this credit at a previous meeting was because a question of principle had been raised and he felt that the Fourth Committee was not solely competent in the matter.

He considered that this question should be discussed again, the basis of the deliberations being the letter from the Chairman of the Fifth Committee to the Chairman of the Fourth Committee which contained certain points that might be taken into consideration. The letter read as follows:

" I have the honour to acknowledge the receipt of your letter of September 6th, 1927, and to inform you that the Fifth Committee, having fully discussed the questions relating to the expenses of the Permanent Central Board, expresses the opinion that it would be well if the Council could secure the gratuitous services of persons possessing the qualifications contemplated in the report submitted to the Geneva Conference and thus carry on the fine tradition of gratuitous service within the League. In case this should prove impossible, as was apprehended by several members, the Fifth Committee is not prepared to say that the provisional estimate will be sufficient.

" The Geneva Conference desired that the members of the Board should be persons of experience in matters of the kind with which they will have to deal. This implies that, in the main, they must be persons possessing business, administrative or technical knowledge. They will have to give a considerable amount of time to the work of the Board — and the time of such persons is valuable. Therefore, if their services are to be given on a basis of remuneration it seems that the remuneration suggested in the provisional estimate may be insufficient to attract the class of person contemplated by the Conference.

" The Committee feels that, with regard to subsistence allowances, the members of the Central Board should be put on the same footing as members of other League Committees.

" With regard to the budget submitted in Annex 2, Travelling Expenses of Members, the Fifth Committee has no comment to make on the figures given. Travelling expenses must depend on whether the Council, in order to secure continuity in the work, finds it possible to appoint members living within easy reach of the seat of the League.

" As for the salaries of the staff, these should be considered in the light of the qualifications and responsibilities attaching to the work. It was the opinion of the Opium Conference that the Secretary should occupy a confidential position of importance and responsibility. The Fifth Committee trusts that, in considering the remuneration of the Secretary, the Fourth Committee will not overlook the view expressed by the Conference."

It would be seen that the letter presumed, first, that it would be possible to find persons who would serve as unpaid members of the Board; and, secondly, that it would be impossible to find a Secretary under the same conditions.

M. Pitamic felt personally that a remuneration should be paid to the members of the Central Board. Article 19 of the Opium Convention read in its last paragraph as follows:

" Members of the Central Board shall not hold any office which puts them in a position of direct dependence on their Governments ".

He felt that remuneration alone could put the members of the Board in an independent position.

The speaker felt, therefore, that the second hypothesis of the letter in question should be taken into account and that Item A in the list of expenses of the Board, "Fees of the Members" (Annex 2), should not be suppressed. He felt that the Committee should act in accordance with the terms of the letter of the Chairman of the Fifth Committee in which it was said that, should it be impossible to find persons able to place their time and experience without remuneration at the service of the League, the Fifth Committee would be compelled to state that the estimates were insufficient. In view of the proposals in the letter of the Chairman of the Fifth Committee, the salaries of the members should be considerably increased, perhaps even doubled.

In conclusion, M. Pitamic felt that the Permanent Central Board should meet at least quarterly, and more often if necessary. He thought that the sixty days allowed for meetings in the estimate would be insufficient, but he did not press this point.

The CHAIRMAN said that the Committee had first to decide whether this estimate should figure in the 1928 budget at all.

M. CAVAZZONI (Italy) said that it would be well to discuss first of all the question of principle, and, if the proposal of the Supervisory Commission were rejected, the Committee might then discuss the figures involved.

It appeared from the report of the Supervisory Commission that the latter had to some extent accepted the observation which he had made on the Wednesday previous as to the constitution of the Central Board. The report said that the Opium Convention might be ratified within six months. That was, he felt, an optimistic estimate. As a further six months would be necessary, however, before the Central Board could be set up, it could not be established before a year hence at the very earliest, in which case it might be included in a later budget. Time, moreover, might lead to certain changes and wise alterations, and might perhaps even inspire the Italian Government to support the establishment of the organisation in question.

M. Cavazzoni wondered whether it was really desirable to add to a budget already overburdened the expenses of a new organisation, when the Advisory Committee still existed to carry on the work. In any case he felt that the Council should be asked to define the relations between the Permanent Board and the Advisory Committee, and, in doing this, the Council might take the advice of the latter organisation.

If this item were postponed till the next budget, the League would still have an adequate technical organisation, and M. Cavazzoni concluded with the suggestion that it would be well to allow this lapse of time in order that there might be an opportunity to convince those who were at present opposed to the Board.

M. DE VASCONCELLOS (Portugal), Vice-Chairman, agreed with the conclusions of M. Cavazzoni and said that, though a moral obligation to give effect to the provisions of the Opium Convention existed, the matter was not urgent and he felt that it might wait a year.

M. SATO (Japan) agreed that the matter might be adjourned, but asked that, when the question came up in 1928, the letter from the Chairman of the Fifth Committee might again be taken into consideration.

The Committee decided not to include the credit for the Permanent Central Board in the budget for 1928. It took note of the chapter referring to the Board in the report of the Supervisory Commission and referred its examination to the session of the Assembly to be held in 1928.

6. *Collection of Information necessary to the Organisation for Communications and Transit (Continuation): Second Vote.*

The CHAIRMAN asked the members of the Committee to vote again on this credit.

The Committee decided, by fifteen votes in favour to nine against, to reject this credit and to inform the Second Committee of this decision.

A. *Supplementary Credits requested by the Secretary-General.*

The SECRETARY read this part of the report of the Supervisory Commission, and the Committee discussed it paragraph by paragraph.

Item 1 (a).

This item was adopted without discussion.

Item 1 (b).

M. OLDENBURG (Denmark) said that the budget of the Information Section had increased by 200,000 francs since 1926. He would not raise any opposition to the present credit, but he hoped that the Secretary-General would give an assurance that this budget would be stabilised.

M. ZUMETA (Venezuela) observed that, each time there was a question of credits for the establishment of liaison with Latin America, the Committee had received the proposal with favour. He thanked it for this goodwill and hoped that this particular credit would be accepted.

The SECRETARY-GENERAL said that he would do his best to stabilise the budget of the Information Section. He would certainly not add to the membership of the Section unless there existed reasons such as would convince this Committee and the Supervisory Commission that such action was essential.

This item was adopted.

Items 2, 3, 4, 5.

These items were adopted without discussion.

Item 6.

M. DI PAULI (Austria) drew the attention of the Committee to the fact that it would be very desirable that certain publications should be printed more rapidly than had hitherto been the case. Assembly documents were sometimes distributed only a few days before the opening of the

Assembly, and his Government had not had time to study them sufficiently before giving its instructions to the delegation.

This observation also applied to the Minutes of the Committees, which this year had not been printed or, at any rate, distributed until a year after the last session of the Assembly. It was very desirable that new delegates should have an opportunity to study them beforehand, and he hoped that the Secretary-General would be able to arrange that they should be distributed at least two or three months before the Assembly.

General TÁNCZOS (Hungary) supported the observations of the Austrian delegate. He also suggested that, though purely technical publications could hardly be sent to all the Government services, at least one copy of every publication issued by the League should be sent to the Government service responsible for liaison with the League of Nations.

The SECRETARY-GENERAL recognised the value of the remarks of the delegate of Austria. The distribution of documents had certainly been late this Assembly, but it had been due to the meeting of the Economic Conference, which had put great pressure on the printing and other services.

In reply to the Hungarian delegate, he said that in certain cases, in order to avoid undue expense, the Secretariat sent publications only to the Government technical service interested. If it were the general wish that every publication should be forwarded to the department responsible for liaison with the League, the Secretariat would certainly act accordingly. He would suggest that any Government which would like to receive all documents should send a request for them.

Item 6 was adopted.

The item relating to the Assembly Hall was adopted without discussion.

B. Supplementary Credits requested by the Director of the International Labour Office.

These credits were adopted without discussion.

The report of the Supervisory Commission to the Fourth Committee on the subject of supplementary credits (Annex 14, Part II) was adopted as a whole.

83. Construction of an Assembly Hall and of New Buildings for the Use of the Secretariat.

The Committee decided to go into private session for the consideration of the report which had been submitted to it by the Secretary-General¹.

The Committee went into public session.

84. Adjustment of the Salaries of the Staff at Geneva: Reports of the Supervisory Commission and of the Sub-Committee appointed by the Fourth Committee (Annex 14, Section I, 9, and Annex 15).

M. CAVAZZONI (Italy) said that he had followed this question with the greatest interest and that he would repeat the views he had put forward on previous occasions.

In the statistics on the cost of living at Geneva established by the Statistical Section of the International Labour Office, it was shown that the index number for the twelve months from August 1st, 1926, to July 31st, 1927, showed an increase of 6.9 points, or 8 per cent on that which formed the basis of the last change in salaries. The question arose whether there were reasons which would justify an increase in the salaries of officials of the League of Nations.

The elements on which the Salaries Adjustment Committee had fixed the variations in the cost of living were more numerous than those which it had had at its disposal in 1923, when it was decided to reduce the salaries. In other words, the system at present in force was nearer perfection than that adopted in 1923.

The report submitted last year by the Salaries Adjustment Committee stated that, if the cost of living could have been calculated on the present basis in 1923, the reduction in the salaries would have been smaller. This indicated that, during the four years which had elapsed, the staff had suffered a financial loss at the very time when it had a greater amount of work before it.

Last year M. Cavazzoni had supported the proposal to allow the Supervisory Commission to study the whole problem in order to take a decision this year. He now ventured to suggest that the movable scale of salaries was not desirable in an institution like the League of Nations, and in a country where the money was on a gold basis. It involved almost yearly a minute study of numerous indices which were nearly always of doubtful accuracy.

The Italian delegate therefore insisted that it was essential to revise the present system, and he agreed with M. de Vasconcellos that the movable scale should be abandoned and that

¹ The Minutes of the discussion on this question at the private meeting are printed separately and are available if requested by a Member of the League.

fixed salaries should be reinstated. When the figure for salaries had once been fixed, it would only be revised if an important change took place in the cost of living at Geneva.

The question of principle was all the more urgent as the present system did not yet make it possible to obtain impartial and reliable information. The same complaints and criticisms were made each year, and the Committee was still looking for a perfect system of index figures.

Pending the examination by the Supervisory Commission of this question of fixed salaries, the Italian delegate stated that he supported the proposal of the members of the Committee representing the staff of the League of Nations and of the International Labour Office calling for a provisional readjustment of salaries for next year. He therefore proposed that the reduction in the salaries for the staff should be 1.3 per cent less from January 1st, 1928, it being understood that this arrangement would not prejudice the question of principle to which reference had already been made.

The Fourth Committee had always recognised the admirable work of the Secretariat, and M. Cavazzoni thought that the increase requested might be accorded as a tangible proof of its satisfaction.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, said that the Supervisory Commission had wanted to correct the mistake made in reducing the salaries in 1923. It had studied the problem together with the staff, whose objections to the present system referred, first, to the factor of rent and, secondly, to that of domestic service.

As regarded rent, an index number had been established on the basis of apartments of three or four rooms, but it appeared that this was not exact, and that another index was reached on the price of flats of five or more rooms.

As regarded domestic service, owing to objections made by the staff, the Supervisory Commission had decided to suppress this element in the present system.

After working on this basis, the Supervisory Commission found that, instead of an increase of 8 per cent in the cost of living at Geneva, the increase was only 1 per cent. The new system appeared to give still less satisfaction to the staff than the old one, and the Commission had endeavoured to see if it were possible to submit to the Assembly a new solution for the whole question. It had not, however, been able to determine the real increase in the cost of living since 1923, and any conclusions which it could reach at present would be hasty and haphazard. It therefore proposed that the present system be continued for the year 1928 and that the Supervisory Commission should make a final effort to produce a definite and suitable system before the next session of the Assembly.

Sir Edward Hilton YOUNG (British Empire) hoped that the Committee would support the report of the Sub-Committee on Cost of Living and Salaries Adjustment, which had been prepared with the utmost consideration for the interests of the staff and the contributors to the expenses of the League. He shared the concern of the delegate of Italy that there should be any possible injustice to the staff as regards salaries during the last two years. It was, however, practically impossible to deal finally with this matter, as it had been discovered that the Committee had not yet a scientific means of judging whether, as a matter of fact, any substantial injustice had been done, and, if so, what was the arithmetical measure of that injustice.

The members of the Sub-Committee had had to conclude that a scientific basis had not yet been found, and he regretted that it would be necessary to study the question for another year in order to eliminate the causes of error, in the hope of finally reaching a satisfactory basis.

The SECRETARY-GENERAL said that, at all events, he wished to express the earnest hope of the staff that this search for perfection would not compel the Committee to reach the same conclusions next year. He hoped that next year the Assembly would take a final decision, so as to remove from the staff a certain sense of injustice.

M. DE MODZELEWSKI (Poland) asked whether any decision taken might have a retrospective effect.

The CHAIRMAN said that this question would be examined by the Supervisory Commission.

He put to the vote the Italian proposal, observing that it would increase by about 135,000 francs the credit for the salaries of the staff of the League and of the International Labour Office.

The Committee rejected the Italian proposal and adopted the report of the Sub-Committee on Cost of Living and Salaries Adjustment.

85. Construction of an Assembly Hall and New Buildings for the Use of the Secretariat (Continuation).

The CHAIRMAN said that, as delegate of the Netherlands, he would have preferred that the report of the Special Committee of Five appointed by the Assembly to deal with this matter (see Assembly Records, Annex 29) should not have limited the choice to the first nine plans, but should have included the next ten plans. However, as this aspect of the problem did not come within the scope of the Fourth Committee, he reserved the right of the Netherlands delegation to return to it, if necessary, at a meeting of the Assembly.

He suggested that the Fourth Committee should propose to the Assembly that the body to be set up for the purpose of choosing a plan should be made up of the same persons as the Special Committee which had been so ably presided over by M. Adatci, whose work the Committee much appreciated. If his proposal were approved, the new Committee would consist of the following members:

M. ADATCI (Japan); M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission; M. POLITIS (Greece); M. URRUTIA (Colombia); and Sir Edward Hilton YOUNG (British Empire).

M. CAVAZZONI (Italy) seconded this proposal.

The proposal of the Chairman was adopted.

86. Consideration of the Draft General Report of the Fourth Committee to the Assembly.

The CHAIRMAN invited the Rapporteur, M. de Modzelewski, to submit his report (Annex 16). He added that it would have to be altered slightly to include the decisions which had recently been taken.

Sir Edward Hilton YOUNG (British Empire) said that, on a point of procedure, he wished to emphasise the observations of the German delegate and to draw the attention of the Committee to the fact that for the second time it had had to consider most important documents at extremely short notice. In moving that the Committee should adjourn for a time in order to study this report, he wished to attach no blame whatever to the officials of the League, who did their best to bring these documents before the Committee as soon as possible. He thought, however, that the occasion should be taken to impress upon the other Committees that the Fourth Committee must have time to consider its most important documents.

The CHAIRMAN fully sympathised with the delegate of the British Empire, but said that it would be extremely difficult to find time for another meeting of the Committee unless it were desired to hold a night sitting.

M. RÉVEILLAUD (France) agreed that it was essential to allow time to consider important documents, but he felt that the present case was quite exceptional and that the Committee might proceed with the consideration of the report.

Sir Edward Hilton YOUNG (British Empire) said that he would agree to do what the majority of the Committee desired. He still felt, however, that it was impossible to give the report the attention which it deserved.

After a vote had been taken, the Committee decided to proceed immediately with the discussion of the report.

M. DE MODZELEWSKI (Poland), Rapporteur, wished first of all to congratulate the Chairman on the way in which he had directed the work of the Fourth Committee. It was due to his learning, to his clearness of vision and to his energy that the Committee had succeeded in obtaining results with such exceptional rapidity.

M. de Modzelewski also felt sure that he was interpreting the feelings of the Committee in thanking M. de Vasconcellos, Vice-Chairman of the Committee.

The SECRETARY read the report section by section.

Section I. — Audited Accounts for 1926.

This section was adopted.

Section II. — Budget for 1928.

(a) General Discussion.

At the request of Sir Edward Hilton YOUNG (British Empire), the Committee agreed to postpone consideration of the last three paragraphs of this section.

Subject to the above reservation, Subsection II (a) was adopted with minor amendments.

(b) Question of Publications.

(c) Branch Offices.

These subsections were adopted.

(d) Budget of the Secretariat and of the Special Organisations.

M. DI PAULI (Austria) suggested that the word "arbitrarily", in the second paragraph of this subsection, might be suppressed. He proposed that it should be said that several delegates thought, "that there could be no question of reducing these credits, but that, on the contrary, it might be contemplated to increase them in view of the great importance of the services rendered by the Section, particularly in regard to minorities. The Secretary-General, however, undertook to consider the question in all its aspects when the 1929 budget was drawn up".

This proposal and the amendment were adopted.

(e) *Budget of the International Labour Organisation.*

Dr. RIDDELL (Canada) said that the last paragraph might give the impression that the suggestions had come from various quarters and that there had been no opposition to them, whereas they had been voted down by the Fifth Committee of the sixth and seventh sessions of the Assembly. He suggested that, after the words "Labour Office" in the last sentence, there should be inserted the words "and had indeed been rejected by the Assembly in 1925 and 1926".

Mr. KNOWLES (New Zealand) supported the proposal of Dr. Riddell.

M. CAVAZZONI (Italy) suggested that the words "important and valuable as they might be", in the same paragraph, might be struck out.

This Subsection was adopted with the above amendments.

(f) *Budget of the Permanent Court of International Justice.*

M. VENNERSTEN (Sweden) wondered whether it was necessary to emphasise in the report the disagreement between the Registrar and the Supervisory Commission. He felt that the impression given by the paragraph was that it had been necessary to draw the attention of the Assembly to the matter, and he would have preferred not to insist upon the point.

The CHAIRMAN said that there had been an exchange of views between the Registrar and the Supervisory Commission over a subject on which they had not at first agreed. After this exchange of views, they had reached agreement, the terms of which were to be found in the report.

M. RÉVEILLAUD (France) did not think that the reference was necessary. It was already included in the Minutes, and he proposed that it be omitted.

It was decided to suppress Subsection (f).

(g) *Allocation of the Expenses of the League.*

Sir FAZL-I-HUSSAIN (India) suggested that, before the words "is alone qualified to take a decision on the substance of the question", in the third paragraph, there should be inserted the words "as pointed out by the Indian delegate".

The Subsection as amended was adopted.

Section III. — Reports of the Supervisory Commission.

M. CAVAZZONI (Italy) said that in the second paragraph the words "One member of the Fourth Committee" occurred. He proposed that this phrase should be altered to read "The Italian delegate".

This proposal was adopted, and Section III was adopted as amended.

The CHAIRMAN, speaking on his own behalf and on behalf of the Vice-Chairman, asked for the suppression of the expression of thanks to the Chairman and Vice-Chairman.

M. DE MODZELEWSKI (Poland), Rapporteur, insisted that this paragraph should be maintained.

The Committee agreed to this proposal.

The draft resolution was adopted.

Section II. Budget for 1928.

(a) *General Discussion (Continuation).*

Sir Edward Hilton YOUNG (British Empire) said that he desired to remark on some interesting activities which had occurred that year in regard to the conduct of the business of the Fourth Committee, and proposed the insertion of the following paragraphs before the last paragraph of the present draft:

"The Committee, having special regard to the effect of supplementary credits in increasing the total expenditure of the League, and the necessity for co-ordinating proposals for fresh expenditure, decided that all supplementary credits should be considered together on the report of the Supervisory Commission towards the end of the proceedings of the Fourth Committee, and that, in the meanwhile, the budget credits should be voted only provisionally. This procedure was followed, with advantage to the deliberations of the Committee.

"It further confided to the Supervisory Commission the task of assisting it as to the comparative urgency of the various proposals for supplementary credits."

He also suggested that the paragraph beginning "In order to facilitate" be strengthened so as to read as follows:

"In order to facilitate the application of the above resolution, some members of the Committee expressed the opinion that the League should impose limits on requests for further expenditure. In order to obtain this result, the Assembly might be invited to delegate authority in the matter of proposals for further expenditure to some smaller body, and this body might examine the order in which new tasks entrusted to the League should be undertaken."

M. RÉVEILLAUD (France) proposed to emphasise the fact that no decision had been taken by the Committee by the addition of words such as "no formal decision, however, was taken by the Committee on this point".

The SECRETARY-GENERAL, in reply to a question by Sir Fazl-i-Hussain (India), said that the contribution unit of States had been 24,472.79 francs in 1926; 22,360.69 francs in 1927, and 23,368.48 francs in 1928.

The draft report was adopted as a whole, and M. DE MODZELEWSKI (Poland) was requested to act as Rapporteur to the Assembly.

The Committee decided that the Rapporteur and the officers of the Committee should agree on the final text, and that, unless disagreement arose, the Committee would not meet again.

87. **Construction of an Assembly Hall and of New Buildings for the Use of the Secretariat Appointment of a Rapporteur to the Assembly.**

On the proposal of the CHAIRMAN, M. DE VASCONCELLOS (Portugal) was appointed Rapporteur on this question.

88. **Examination of the Report of the Supervisory Commission on the Work of its Twenty-fifth Session (Continuation).**

II. SUPPLEMENTARY CREDITS (Continuation).

C. *Supplementary Credits following on Resolutions adopted by the Committee of the Assembly (Continuation).*

5. *Codification of International Law (Continuation).*

The CHAIRMAN read a letter which he had just received from the First Committee in reply to the communication from the Fourth Committee. The letter asked whether the title of the item in question might be altered so that, if any surplus were left over from the supplementary credit of 80,000 francs, it might be used for a meeting of the Committee of Experts in 1928, the credit for which had been suppressed.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, said that the Supervisory Commission would not object to this proposal.

The SECRETARY-GENERAL suggested that the intention of the First Committee would be carried out if the heading of Item 29 of the budget were altered to read as follows:

"Codification (Preparation for the Codification Conference and, if funds permit, meeting of the Committee of Experts for the Progressive Codification of International Law)."

He expected that the meeting of the jurists to prepare for the Conference on the three special questions would be held early in 1928, and it would then be possible to estimate the exact expenses for that year and to see whether funds would be available for the other purpose.

The proposal of the Secretary-General was adopted.

The CHAIRMAN said that a similar proposal might come from the Fifth Committee with regard to the communication concerning the Permanent Central Board which it had received from the Fourth Committee. In this case he hoped the Committee would authorise its officers to deal with the matter and that it would not be necessary to call the Committee together again.

This proposal was adopted.

89. Close of the Session.

The CHAIRMAN said that the Committee had now exhausted its agenda. It had had the great privilege of the presence of the Secretary-General of the League, and it had again had an opportunity to admire the deep devotion of Sir Eric Drummond and his complete knowledge of all that concerned either internal administrative questions or the political questions of the League. The Committee had been able again to appreciate his tact and friendliness and his spirit of justice and conciliation. Having had the honour to co-operate with the Secretariat since the first session of the Assembly, the Chairman could only say that his admiration for Sir Eric Drummond had increased every year.

In the name of the Committee, he wished also to thank the Marquis Paulucci di Calboli Barone, who, in a very short time, had put himself *au courant* with his difficult task. He also thanked the Treasurer and the other members of the Secretariat who had given the Committee such valuable help.

He would also thank the Director of the International Labour Office, the Registrar of the Permanent Court of International Justice at The Hague and their assistants, and also M. Ceresa, who dealt with the rather tiresome question of the accounts of the League.

He must refer also to the difficult work done by the Supervisory Commission. He recalled that, during the debates, the Committee had discussed the question whether the numerous Committees of the League of Nations should continue to work in an honorary capacity or whether their members should be indemnified. The Supervisory Commission had expressed the opinion that the present state of affairs should continue. It was characteristic of modern national democracies that no work should be unpaid, and it was unfortunately difficult for it to be otherwise, but the League of Nations enjoyed the great privilege of gathering at its meetings the intelligence of the world and of finding that work on its behalf was given on an honorary basis. This was a great moral acquisition, which must be remembered next year when it would be necessary to re-examine this question.

In the name of the Committee, the Chairman warmly thanked M. Osuský and M. Réveillaud and their colleagues on the Supervisory Commission for their valuable collaboration. In conclusion, he expressed his gratitude to the Vice-Chairman, the Rapporteur and all the members of the Committee for the interest which they had shown in the debates.

NINTH MEETING.

Held on Monday, September 26th, 1927, at 10 p.m.

Chairman: Jonkheer W. J. M. VAN EYSINGA (Netherlands).

The Committee decided that the meeting would be public.

90. Membership of the Meeting.

The CHAIRMAN asked the Secretariat to compile an exact list of the delegates present, as some of the usual members of the Fourth Committee had had to leave Geneva and had been compelled to send substitutes.

91. Examination of the Report of the Supervisory Commission on the Work of its Twenty-fifth Session (Continuation).

II. SUPPLEMENTARY CREDITS (Continuation).

C. Supplementary Credits following on Resolutions adopted by the Committees of the Assembly (Continuation).

7. Permanent Central Board set up under the Opium Convention of February 1925 (Continuation).

The CHAIRMAN said that he desired to explain why the Committee had been convened and the manner in which he had made use of the full powers of action which had been entrusted to him. He recalled that the Committee had rejected the credit for the Permanent Central Board, and that, as a result of this vote, he had written to the Chairman of the Fifth Committee informing him of this decision. As he had received no reply and as no amendment had been put forward, he considered this question as settled.

6. *Collection of Information necessary to the Organisation for Communications and Transit* (Continuation).

The CHAIRMAN recalled that, as regards the question of transit, the Committee had given its officers the fullest freedom of action vis-à-vis the Second Committee. He had received a letter from Mr. Dandurand, Chairman of the Second Committee, which he read. In it Mr. Dandurand proposed a meeting of a Mixed Sub-Committee of the two Committees. After an exchange of views in the Mixed Sub-Committee, it had been decided, in view of the financial situation, to express the hope that the credits referring to the resolutions of the Transit Conference might appear in the budget of 1929, and the Secretariat was at the same time requested to continue the work begun.

5. *Codification of International Law* (Continuation).

The CHAIRMAN reminded the Committee that, in accordance with the decision taken by the Assembly on September 26th, 1927, the Committee was called upon to discuss the following amendment to Item 29 of the budget, proposed by the Swedish delegation:

“Codification (Preparation for the Codification Conference and Meeting of the Committee of Experts for the Progressive Codification of International Law): 120,000 francs”.

The Chairman also recalled that he had previously read to the Fourth Committee a letter from the Chairman of the First Committee accepting the Fourth Committee's decision but proposing that any surplus from the credit allotted for the preparation of the Conference on the Codification of International Law might be used to continue the work of the Committee of Experts. The Fourth Committee had unanimously accepted the proposal of the First Committee.

The Chairman then put forward his reasons for speaking at the meeting of the Assembly. He would certainly have preferred to have remained silent, but, after consulting a certain number of the members of the Fourth Committee, he had felt that, as that Committee had taken up a very clear attitude, its Chairman should maintain its point of view before the Assembly.

The Assembly was therefore faced with an extremely clear question of principle which had been put forward by the Fourth Committee. As the Swedish delegation had not judged fit to withdraw its amendment — and it had the right to maintain it — the Assembly had also exercised its right to put into force to the full extent its Rules of Procedure. It might be asked what were now the rights of the Fourth Committee in the present situation. He here recalled that the Rules of Procedure of the Assembly also governed the discussions in the Committees (Rule 27). Moreover, Rule 19, which allowed the Assembly the right to demand unanimity on a proposal, also gave the Committees this right. There was, moreover, a custom that the minority should bow to the wishes of the majority in order to avoid a dispute, but a delegation only had to maintain its vote for the rule of unanimity to be applied. The Chairman added that he had before him the *Records of the Assembly* of 1924 dealing with this question. He thought, however, that it would be useless to read them. It would only be necessary for one delegation to say that it maintained its point of view for all discussion to be useless, as the Rule of Procedure required unanimity.

The Fourth Committee was therefore faced with the legal position which he had just explained. It appeared that a careful examination of the item of the budget in question had been made during the discussion, and all that could be done was to repeat what had already been said. Other proposals might, it was true, be submitted, but the Committee would always be working with the need for unanimity suspended above its head like the sword of Damocles.

Dr. LANGE (Norway) said that he had been asked to represent at this meeting the Norwegian delegate, who had hitherto followed the work of the Fourth Committee. He had been instructed to vote in favour of the Swedish proposal, as the Norwegian delegate had done at the Assembly.

Dr. Lange wished to explain the attitude of the First Committee, the work of which he had followed. He did not think that it was quite exact to say that the First Committee had accepted the proposal of the Fourth Committee as regards Item 29. The Fourth Committee had taken a decision without asking for the preliminary advice of the First Committee. The First Committee had actually been discussing the important question of the progressive codification of international law when a letter from the Chairman of the Fourth Committee had arrived informing it that the credit allotted to the work of the Committee of Experts had been suppressed. Sir Cecil Hurst had then stated that he deplored this decision, but that, as the vote had been taken, it was impossible to return to the point save by an appeal to the Assembly and a change in the wording of the proposal. The First Committee had unanimously deplored the decision of the Fourth Committee and had just approved the report of M. Politis, which warmly praised the Committee of Experts. This report stated, moreover, that it was desirable that the Committee of Experts should finish its work.

Finally, the First Committee had recently adopted a proposal of the delegate of Paraguay entrusting a new task to this Committee of Experts. The First Committee had therefore expressed, on the one hand, its desire to establish a small Committee to prepare for the Diplomatic Conference for the codification of the three questions which were considered ready and, on the other, its wish that the work of the Committee of Experts might be continued and completed.

Dr. Lange wondered what would be the situation of the Assembly if, as was possible, it approved on the following day the report of the First Committee praising the work of the Committee of Experts, asking it to finish its work and entrusting to it new duties, and if it also voted the report

of the Fourth Committee and refused the experts any means of working during the coming year. If there were any question of finishing the work, it would be desirable that this should be done as soon as possible and that it should certainly not be put off until 1929.

Dr. Lange recalled that the members of the Committee of Experts had generously put their ability and their time at the disposal of the League. He wondered whether these experts would agree without considerable displeasure to a break of one year in their work. The credit requested was, moreover, solely destined to cover their expenses. Dr. Lange therefore begged the members of the minority not to insist on their right of veto. No one would dream of disputing the important rôle of the Supervisory Commission and of the Fourth Committee, but it would surely be an exaggeration of this duty to consider that the Fourth Committee exercised a sort of supervision over the whole Assembly and the other Committees. He would mention a precedent: in 1923, in reference to an amendment submitted by the Roumanian delegation dealing with the work for the refugees, though the Fourth Committee had refused the credit requested, a majority of the Assembly had decided in favour of the amendment, and the minority had then given way.

Dr. Lange added that the sum in question was quite insignificant, representing about 1.6 per cent of the budget of the League of Nations for 1928. Moreover, there was no question of new work which would involve the League in later expenditure. The question was merely that of the conclusion of work already undertaken, work which had been done to the general satisfaction and which did honour to the League. He hoped that the conclusion of this work might be effected in a manner worthy both of the League and of the Committee of Experts.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, wished to give certain explanations as to the procedure followed by the Fourth Committee. It had, after discussion, passed a resolution, and ever since the League of Nations had existed it had been admitted that, in the Fourth Committee, the minority give way before the majority. It was difficult for the Fourth Committee to ask the advice of the First Committee before deciding the matter by a vote. This vote might have been favourable, and in that case all preliminary communication with the First Committee would have been useless. It was only after the rejection of the proposed credit that the Fourth Committee had to get into touch with the First Committee. They could then appoint a Mixed Sub-Committee and endeavour to reach a compromise. The First Committee, however, had accepted the view of the Fourth Committee, and when the letter of the Chairman of the First Committee was read at the meeting no objection had been raised in the Fourth Committee. It might therefore be considered that unanimity had been reached in this decision, and for these reasons he was extremely surprised to find the question again raised before the Assembly.

M. Osuský recalled once more that, in the Fourth Committee, the minority had always given way to the vote of the majority and that this was the sole means of accomplishing useful work. He himself had last year made a proposal which was rejected by eight votes to seven. He was strongly urged to bring the question before the Assembly, but he nevertheless thought it better to bow before the opinion of the majority, even though the majority would have been actually defeated if all the members of the Committee had been present. Certainly, as regards a serious question, a delegation in the minority was free to appeal to the Assembly. The Swedish delegation had considered it desirable to make use of this right, though no objection had been raised to the proposal made by the Chairman of the First Committee in reply to the Chairman of the Fourth Committee. M. Osuský did not wish to make reproaches: he merely stated facts. In order, however, to maintain the tradition and to protect the rule of practical procedure which he felt was indispensable to the proper working of the Fourth Committee, namely, the "gentlemen's agreement" in virtue of which the minority would give way to the opinion of the majority, he would state now that he had decided to vote against the proposal of the Swedish delegation.

M. GUERRERO (Salvador) pointed out that, when the decision of the Fourth Committee was communicated to the First Committee, it was not discussed. It was certain that the First Committee would not readily have agreed to it.

M. Guerrero found it rather difficult to intervene, as he himself was a member of the Committee of Experts. He would, however, draw the attention of the Fourth Committee to the effect upon the whole world, and particularly upon America, of the decision taken as regards the Committee of Experts for the Codification of International Law. In North and South America considerable interest was shown in the work of codification, and he believed that public opinion throughout the New World would be extremely disappointed if this work were interrupted by the League, even temporarily. M. Guerrero added, moreover, that it was impossible not to admit the good will with which the experts had come to work for the benefit of the League. One had come from Buenos Aires, another from New York, and all had left their business in order to devote their time to this work of codification because they considered it was important. He recalled also that the American States never refused to vote credits for questions which did not interest them directly, such as opium, refugees, and even disarmament, for the necessity for disarmament did not arise in America. He would therefore remark that, from the point of view of courtesy alone towards the American States, which were particularly interested in the codification of international law, the insignificant sum requested should not be refused.

M. VANNERSTEN (Sweden) said that this was only the second time that he had attended the Assembly of the League of Nations. He was sure that he had done his best not to offend against the Rules of Procedure. He did not think that hitherto he could be reproached for not having observed the "gentlemen's agreement" to which M. Osuský had referred. However, though aware of the importance of procedure, he also attached particular interest to the fundamental importance of the question before the Committee.

After the remarks of M. Guerrero, he wondered if it would not be preferable to follow the advice and warnings of an expert and to give the Committee of Experts means to continue its work. He

had taken into account the fact that it was possible to do this without undue expense for the League. After having taken the advice of certain of his colleagues on the First Committee — an unusual step in the procedure of the League of Nations, it seemed, but one which he would none the less continue to use, having learnt, in his long parliamentary experience, not to allow a desire for formality to prevent a body from accomplishing its useful purpose — he realised that the First Committee was faced with a difficult situation in view of the decision of the Fourth Committee. He had concluded that this new state of affairs gave him the right and the duty to submit his point of view to the Assembly. It had, moreover, been claimed that the credit required would amount to 75,000 francs or more. He had, however, learnt that 30,000 to 40,000 francs would be sufficient, and this constituted another new fact. After having consulted his colleagues on the Swedish delegation and the members of the First Committee, he had felt it his duty to correct what he considered a mistake.

M. Rolin had put before the Assembly the reasons why the credit should be granted. Dr. Lange had clearly explained the position. M. Vennersten concluded that, if the proposal of Dr. Lange were considered to be inadmissible, he would submit to the vote of the majority.

M. DENDRAMIS (Greece) said that he was sure that no one wished to create a dispute between the Fourth Committee and the majority of the Assembly. He fully supported the appeal of the delegate of Norway to the minority, and he had no doubt that M. Osuský, once again a supporter of the "gentlemen's agreement", would bow to the wishes of the majority. He therefore proposed that the Committee should take a new vote and, if the majority were in favour of the Swedish proposal, the minority would raise no opposition.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, hoped that he had not been misunderstood when he spoke of a "gentlemen's agreement", meaning a certain rule of the game. He had referred to the vote taken when the Fourth Committee discussed this matter for the first time. It was this decision that he wished to uphold, and he would repeat that he would vote against the Swedish proposal.

M. DENDRAMIS (Greece) said that, if the Greek delegation had been present when this matter was first discussed, it would certainly have voted against the proposal of the Supervisory Commission.

The Earl of ONSLOW (British Empire) desired to say that, in spite of a great sympathy for the opinion expressed by the Swedish delegation, the British delegation had felt that it was bound to follow precedent and to vote according to the conclusions of the Fourth Committee.

As he was that day representing his colleague who had served on the Fourth Committee, he would like to be enlightened on the question. He concluded from the discussion that the Fourth Committee had decided that it had taken due note of the facts. He therefore wondered whether any new facts had been raised which were sufficiently important to render it possible for the Committee to go back on its decision.

The CHAIRMAN said that he would merely repeat what he said at the Assembly. In his opinion no new fact had been raised, and he concluded that it would be extremely difficult for the Committee to go back on its decision.

Dr. RIDDELL (Canada) thought that the vote of the Assembly, with a clear majority against the proposal of the Fourth Committee, constituted a new fact. This accounted for the reopening of the discussion on the question. His delegation, like many others, had loyally supported the report of the Fourth Committee in the Assembly. He was, however, authorised by his delegation, if a unanimous decision could be reached, to reconsider the vote which it had registered in the Assembly. He considered that it would be difficult, after the rejection of the report, for the Committee to run counter to the opinion expressed by the majority of the Assembly.

Sir FAZL-I-HUSSAIN (India) said that the speeches delivered were founded on two main arguments. Some stated that, as the Fourth Committee had rejected the request submitted, its decision must be maintained, while others held that, as the Assembly had cast a majority vote in favour of the credit, the minority ought to give way. If the minority decided not to give way, there was reason to believe that the unanimity desired would never be reached.

Sir Fazl-i-Hussain was present for the first time at the Assembly of the League. He had been struck by the spirit of agreement which existed there, but it appeared that, at the end of its work, this speciality of Geneva was somewhat exhausted. He therefore proposed to give his own view of the question.

A Committee of unpaid experts had devoted its time and ability to the study of certain problems of international law which particularly interested Europe and South America. Its work was of great value to the League, and this had not been disputed. After the Fourth Committee had rejected the credit for the continuation of the work of the Committee of Experts, the First Committee had asked whether, in order not to interrupt its work, it would be possible to allow the Committee of Experts any sum remaining over from the credit allotted for the preparation of the Conference on the Codification of International Law. It therefore appeared that the work of the Committee of Experts did not run the risk of interruption and that the question merely referred to the pace at which the work would proceed. It did not seem indispensable that this work should be completed in 1929 or 1930.

In view of the assurance that the admirable work of the Committee of Experts could continue, Sir Fazl-i-Hussain wondered if some of the members could not take an interest also in the position of certain countries which paid their annual contribution but did not derive much benefit from the League. The countries to which he referred did not benefit as much as South American countries, but they nevertheless readily voted various credits which did not affect them — for example, credits

for Bulgarian refugees, etc. Did not their position deserve consideration when credits were being voted which were not obviously urgent? Certainly these countries, particularly India, were always ready to vote in favour of humanitarian work. But it was surely equally important to watch with interest the continual increase in the unit of contribution which might ultimately run the risk of being the last straw on the camel's back?

The SECRETARY-GENERAL pointed out first of all that the credit voted for the Committee for the Preparation of a Conference for the Codification of International Law amounted to 80,000 francs. It had been proposed that anything remaining from this sum might be devoted to the meeting of the Committee of Experts. It was impossible to know at present what would be the necessary expenditure of the Preparatory Committee, and it could not therefore be known whether there would be any balance or, if there was, to what it would amount. He begged, however, to propose a solution which, without increasing the figures in the budget, and without affecting the principle laid down, might still prove satisfactory. The Committee might pass a resolution, to be adopted later by the Assembly, asking the Council to make a transfer from one of the thirteen articles in Chapter III to meet the expenses of the meeting of experts if the balance of the credit of 80,000 francs should prove insufficient for the purpose.

The Earl of ONSLOW (British Empire) said that he accepted this suggestion.

The CHAIRMAN recalled that in such cases the Fourth Committee followed the excellent custom of asking the advice of the Chairman of the Supervisory Commission.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, recalled that, from the technical standpoint, a sum of 80,000 francs had been provided in the budget to cover the expenses of the Committee entrusted with the preparation of a Diplomatic Conference for the codification of certain questions of international law. It had been thought that two sessions of this Committee would be necessary, but, as a result of conversations with certain members of the First Committee, he felt he could say that the work of this Committee could be concluded in a single session. One session would not cost much more than 40,000 francs, and there would therefore remain 40,000 francs at the disposal of the Committee of Experts for the continuation of its work. This Committee, working to its full capacity, had expended 47,297 francs in 1926. It therefore appeared that, if the Preparatory Committee could accomplish its work in a single session, there would be a sufficient balance to allow the Committee of Experts to hold a session also.

Though the Supervisory Commission was not, generally speaking, very favourable to transfers, it would not this time oppose the authorisation given to the Council by the Assembly to take the sums necessary for the meeting of the Committee of Experts from the credits in Chapter III. M. Osuský was, moreover, convinced that, if the work of the two Committees were done economically, the transfer would either be unnecessary or would only involve a very small sum. M. Osuský would therefore accept the proposal in a spirit of conciliation.

Dr. LANGE (Norway) said, in reply to the Earl of Onslow, that there existed four new facts. He would say that he did not particularly like the proposed solution, but, provided agreement could be reached on the proposal, he would accept it. He therefore asked that the text be read again.

M. GUERRERO (Salvador) said, in reply to M. Osuský, that it was absolutely impossible for the Preparatory Committee to accomplish its work in a single session. It had first of all to establish its procedure and then to draft a questionnaire to be addressed to the Governments by the Secretary-General. In reply to this questionnaire, the Governments would submit their observations on the three questions to be dealt with by the Conference. Six or eight months after the despatch of the questionnaire, the Committee would have to meet again to examine the replies from Governments and to do the preparatory work for the Conference. It therefore seemed impossible for the Committee to meet less than twice; even then it would have to do an enormous amount of work in order to complete its work in only two sessions.

M. Guerrero wished to point out, moreover, that the public opinion of the world would never believe that, for a saving of 40,000 francs, the League of Nations had left unaccomplished work as important as the codification of international law. Public opinion would not fail to interpret the decision taken by the League as a desire to prevent the conclusion of international agreements on questions of law. All the members of the Committee were certainly in favour of arbitration. How could arbitration be practised if the judges were unable to base their decisions on the higher rules of international law? Public opinion would never believe that this was merely a question of saving a few thousand francs. M. Guerrero asked the Committee to reflect on the consequences of this decision.

As the discussion referred at present to a compromise, M. Guerrero was prepared to accept the figure of 100,000 francs as a middle figure between 80,000 francs fixed by the Committee and 120,000 francs asked for in the Swedish proposal. If, however, it were impossible to reach agreement on these figures, he would accept the proposal of the Secretary-General.

The SECRETARY-GENERAL said that his proposal led him to the suppression in the budget of the words "and, if funds permit". The paragraph would then conclude with the words "should the proposed amount prove insufficient for both these purposes, the Assembly requests the Council to provide the required margin by means of a transfer from among the other items of Chapter III of the budget".

Dr. KAAS (Germany) thought that the members of the Assembly had wondered whether, in view of the vote of the Fourth Committee, it would not be wise to vote against

the credit requested. At the present time, the vote of the Assembly had created a new position in which the majority was in favour of the credit. The whole discussion was therefore reopened. Dr. Kaas wondered whether it was not advisable to take into account the reasons which had led certain members of the Assembly to reopen the discussion. He personally had been extremely impressed with the remarks of M. Guerrero and certain other speakers, and wondered how the Assembly could refuse the credit in question when an entire continent attached fundamental importance to the work for the codification of international law. Such an action would appear still more misplaced if the contributions paid to the League of Nations by America were borne in mind and also the sympathy which increased daily in North America for certain activities of the League.

Dr. Kaas concluded that it would be both unjust and inopportune to refuse these credits and thereby to give the impression that the League of Nations was not interested in questions of an international character to which certain countries attached fundamental importance. He had therefore been authorised by his delegation to vote for a solution which would enable the work of the Committee of Experts to continue. He would support the proposal of the Secretary-General, and, if this were rejected, he would vote in favour of the credit requested.

Dr. GHADIMY (Persia) said that, in order to remove any scruples in reference to the observation of the Rules of Procedure, he would mention a precedent. In 1925, at the Conference on the Traffic in Arms, the Committee on Geography reconsidered a vote which it had taken two hours before.

Though personally a convinced supporter of the principle that a vote already taken should not be reconsidered, he felt that it would be possible, in view of the importance of the present question and the interest which all the countries had in it, for the Fourth Committee this time to take a decision different from that which it had taken a few days ago.

M. RÉVEILLAUD (France) said that he had expected the proposal of the Secretary-General to be voted with enthusiasm. As, however, he noted that it encountered some opposition, he wished to explain why, in his view, this proposal should be unanimously adopted by the Committee. It was the first time that M. Réveillaud had been present at an incident of this kind, which was acceptable to some people who hastened to compare the Assembly to a Parliament. It did not appear possible, however, to accept with pleasure the impression produced. The proposal of the Secretary-General was a guarantee that a similar incident would not occur.

An atmosphere of dispute was not calculated to add to the spirit of conciliation which was and must be that of the League of Nations. In Parliaments, a majority vote was taken, but the League of Nations always endeavoured to find unanimity. How was this to be done? The special procedure which had been adopted, and which was now hallowed by experience, laid down that, when a difference arose between two Committees of which the Fourth Committee was one, the final word lay always with the Fourth Committee, though there was a right of appeal. If the Fourth Committee refused a credit, the other Committee interested in the question could demand the meeting of a Mixed Sub-Committee to endeavour to find agreement. This had been done as regards the question of transit. It was thought that agreement had also been reached on the question of the codification of international law, but this did not appear to have been so, as the matter had been referred to the Assembly.

M. Réveillaud wished to draw attention to the consequences of this fact. All the members had been present at the discussion which had then arisen. Many of them had thought that it was a dispute on a question of principle and not on one of procedure. They thought that, if the Assembly had refused the credit, it would have come to a decision contrary to the very principle of the codification of international law.

M. Réveillaud therefore asked those delegates who insisted on the grant of this credit whether they did not think it necessary to follow the procedure hitherto observed, and to settle the differences between the Committees by the use of Mixed Sub-Committees, without taking their disputes before the public meetings of the Assembly.

The suggestion of the Secretary-General would give satisfaction to those delegates who wished to grant credits for the continuation of the work of the Committee of Experts for the codification of international law. The others, who were anxious to safeguard a procedure which experience had proved to be extremely practical, would be equally satisfied. It might therefore be hoped that this procedure would remain intact, and there would be no risk of seeing active minorities or majorities, each of which was not aware of the existence of the other, making an appeal to the Assembly on a proposal rejected in the Committee, thus throwing open to the world the domestic differences of the League.

M. VENNERSTEN (Sweden) felt that the proposal of the Secretary-General would satisfy everyone. He accepted it in the name of the Swedish delegation, and congratulated and thanked the Secretary-General for having found a solution which would maintain the spirit of agreement between the members of the Committee.

The CHAIRMAN, speaking on behalf of the Committee, warmly thanked the Secretary-General.

The proposal of the Secretary-General was adopted.

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ANNEX 1.

PROVISIONAL AGENDA.

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 2. Publicity of Meetings.
 3. Approval of Provisional Agenda.
 4. Expenses of the Permanent Central Board to be set up after the Coming into Force of the Opium Convention of February 19th, 1925.
 5. Appointment of the Sub-Committees on Contributions in Arrears and on the Administrative Tribunal.
 6. Reports of the Supervisory Commission.
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 10. Appointment of Rapporteur.
 11. Budget for 1928:
 - (a) Secretariat and Special Organisations of the League;
 - (b) International Labour Organisation;
 - (c) Permanent Court of International Justice.
 12. Consideration of the Reports of the Sub-Committees on Contributions in Arrears and on the Administrative Tribunal.
 13. Supplementary Credits.
 14. Adjustment of Salaries at Geneva: Report by the Supervisory Commission.
 15. Miscellaneous Questions.
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 14. Adjustment of Salaries at Geneva: Report by the Supervisory Commission.
 15. Miscellaneous Questions.
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ANNEX 2.

A.22.1927.XI.

EXPENSES OF THE PERMANENT CENTRAL BOARD

TO BE SET UP AFTER THE COMING INTO FORCE OF THE OPIUM CONVENTION OF
FEBRUARY 19TH, 1925.

Note by the Secretary-General:

In conformity with the resolution adopted by the Council at its meeting of June 13th, 1927, the Secretary-General has the honour to communicate to the delegates to the eighth ordinary session of the Assembly and the States Members of the League the following documents:

1. Extract from the Minutes of the Council Meeting dated June 13th, 1927.
2. Document submitted to the Council by the Secretary-General (C.240.1927.XI).

I. EXTRACT FROM THE MINUTES OF THE COUNCIL MEETING
DATED JUNE 13TH, 1927.

1940. Expenses of the Permanent Central Board to be set up after the Coming into Force of the Opium Convention of February 19th, 1925.

M. TITULESCO read the following report and draft resolution:

" My colleagues will have received the note by the Secretary-General on the expenses of the Permanent Central Board to be set up after the coming into force of the Opium Convention of February 19th, 1925. To this document is annexed a provisional estimate regarding the expenses in connection with the setting-up of this Board. I have thought it better not to study these estimates in detail but to ask the Council to refer this question, which is one which involves an adjustment of the League's budget, to the Assembly for consideration of the request contained in the Final Act of the Second Opium Conference.

" I have therefore the honour to propose the adoption of the following resolution:

" ' The Council,

" ' Having considered the request contained in Article 7 of the Final Act of the Second Opium Conference, dated February 19th, 1925, to the effect that the expenses of the Central Board and its administrative services should be included in the expenses of the Secretariat of the League of Nations:

" ' Refers the request to the Assembly for decision.

" ' The Council instructs the Secretary-General to communicate document C.240.1927.XI, the present report, and the Minutes of this meeting of the Council to the Governments of all States Members of the League.' "

The draft resolution was adopted.

C.240.1927.XI.

Geneva, May 14th, 1927.

2. NOTE BY THE SECRETARY-GENERAL.

In a report on the Second Opium Conference adopted by the Council on March 14th, 1925, during its thirty-third session, the Secretary-General was instructed to bring to the attention of the Council certain provisions of the Convention implying action by the League so soon as the Convention should have come into force.

The Convention is not yet in force, but, as the attached statement shows (Appendix I), the number of ratifications is increasing and the Council will remember that it has on two occasions urged on the States the advisability of ratifying this Convention. In these circumstances, it would seem right that the Council's attention should be drawn to certain stipulations and proposals contained in the Convention and in the Final Act of the Conference.

Articles 19 and 20 of the Convention provide for the setting up of a Permanent Central Board, as follows:

" *Article 19.*

" A Permanent Central Board shall be appointed within three months from the coming into force of the present Convention.

" The Central Board shall consist of eight persons who, by their technical competence, impartiality and disinterestedness, will command general confidence.

" The members of the Central Board shall be appointed by the Council of the League of Nations.

" The United States of America and Germany shall be invited each to nominate one person to participate in these appointments.

"In making the appointments, consideration shall be given to the importance of including on the Central Board, in equitable proportion, persons possessing a knowledge of the drug situation, both in the producing and manufacturing countries on the one hand and in the consuming countries on the other hand, and connected with such countries.

"The members of the Central Board shall not hold any office which puts them in a position of direct dependence on their Governments.

"The members shall be appointed for a term of five years, and they will be eligible for reappointment.

"The Central Board shall elect its own President and shall settle its Rules of Procedure.

"At meetings of the Board, four members shall form a quorum.

"The decisions of the Board relative to Articles 24 and 26 shall be taken by an absolute majority of the whole number of the Board."

"Article 20.

"The Council of the League of Nations shall, in consultation with the Board, make the necessary arrangements for the organisation and working of the Board, with the object of assuring the full technical independence of the Board in carrying out its duties under the present Convention, while providing for the control of the staff in administrative matters by the Secretary-General.

"The Secretary-General shall appoint the secretary and staff of the Board on the nomination of the Board and subject to the approval of the Council."

Paragraph VII of the Final Act of the Conference is as follows:

"The Conference requests the Council of the League of Nations to decide to include in the expenses of the Secretariat the expenses of the Central Board and its administrative services.

"It is understood that those Contracting Parties which are not Members of the League will bear their share of the expenses in accordance with a scale to be drawn up by agreement with the Council."

It would be premature to raise here questions regarding the part which the Council, if it agrees, will later take in the appointment and organisation of the Permanent Central Board, in accordance with Articles 19 and 20 of the Convention. On the other hand, the budgetary question raised in paragraph VII of the Final Act is one on which the Council may think it right to consult the Assembly at its forthcoming session.

The Secretary-General would suggest that the Council might decide whether it is on principle prepared to recommend the Assembly to act in accordance with the request contained in the Final Act of the Conference. If so, it may wish to submit for the consideration of the Assembly detailed estimates of the expenses involved. A provisional estimate by the Secretary-General of such expenses is attached (Appendix II).

Appendix I.

SECOND OPIUM CONFERENCE OF THE LEAGUE OF NATIONS.

CONVENTION¹.

(Geneva, February 19th, 1925.)

Signatures.	Ratifications.	Adhesions.
ALBANIA		
AUSTRIA		
BELGIUM		
—	—	BOLIVIA (January 19th, 1927) (<i>ad referendum</i>).
BRAZIL		State of SARAWAK (March 11th, 1926).
BRITISH EMPIRE	BRITISH EMPIRE (February 17th, 1926).	
CANADA		
AUSTRALIA	AUSTRALIA (February 17th, 1926).	BAHAMAS (October 22nd, 1926).
UNION OF SOUTH AFRICA	UNION OF SOUTH AFRICA (February 17th, 1926).	
NEW ZEALAND	NEW ZEALAND (February 17th, 1926).	
INDIA	INDIA (February 17th, 1926).	
IRISH FREE STATE		
BULGARIA	BULGARIA (March 9th, 1927).	

¹ "The present Convention shall not come into force until it has been ratified by ten Powers, including seven of the States by which the Central Board is to be appointed in pursuance of Article 19, of which at least two must be permanent Members of the Council of the League. The date of its coming into force shall be the ninetieth day after the receipt by the Secretary-General of the League of Nations of the last of the necessary ratifications." — Article 36.

CHILE		
CUBA		
CZECHOSLOVAKIA	CZECHOSLOVAKIA (April 11th, 1927).	
—	—	FREE CITY OF DANZIG (August 7th, 1926).
DENMARK		
—	—	DOMINICAN REPUBLIC (<i>ad referendum</i>).
—	—	EGYPT (March 16th, 1926).
FRANCE	FRANCE (July 2nd, 1927).	
GERMANY		
GREECE		
HUNGARY		
JAPAN		
LATVIA		
LUXEMBURG		
—	—	MONACO (February 9th, 1927).
THE NETHERLANDS		
NICARAGUA		
PERSIA		
POLAND		
PORTUGAL	PORTUGAL (September 13th, 1926).	
—	—	ROUMANIA (March 26th, 1926).
—	—	SAN MARINO (April 21st, 1926).
—	SALVADOR (December 2nd, 1926).	SALVADOR (March 11th, 1926).
KINGDOM OF THE SERBS, CROATS AND SLOVENES		
SIAM		
SPAIN		
SUDAN	SUDAN (February 20th, 1926).	
SWITZERLAND		
URUGUAY		

Appendix II.

EXPENSES OF THE PERMANENT CENTRAL BOARD.

I. EXPENSES OF THE BOARD.

	Swiss Francs
(a) <i>Fees of the Members:</i>	
Eight members of the Board.	
The Board to meet for some sixty days in the year, each member to receive the annual fee of 5,000 francs	40,000
(b) <i>Subsistence allowance</i> for the sixty days at the rate of 40 francs per day	19,200
(c) <i>Travelling Expenses of the Members:</i>	
Six members from countries near the seat of the League at an average cost of 500 francs per journey for four meetings a year	12,000
One member will probably come from America. His travelling expenses will amount approximately to	9,000
One member will probably come from the Far East. His travelling expenses, probably two journeys a year, will amount approximately to	12,000
	<hr/> 33,000

II. EXPENSES FOR THE STAFF OF THE BOARD.

1 Member of Section, Category A, say at	20,000
1 stenographer or secretary shorthand-typist at	10,000
1 copying typist at	7,000
1 statistician at	8,000
Printing and general expenses	10,000
	<hr/> 55,000
Total	<hr/> 147,200

ANNEX 3.

A.5.1927.X.

REPORT OF THE SUPERVISORY COMMISSION ON THE WORK OF ITS
TWENTY-SECOND AND TWENTY-THIRD SESSIONS.

A. REPORT ON THE WORK OF THE TWENTY-THIRD SESSION¹.

1. The Supervisory Commission, consisting of:

- M. Stefan OSUSKÝ, Minister of Czechoslovakia in Paris (Chairman);
- Lord MESTON OF AGRA, India (Vice-Chairman);
- Dr. J. A. NEDERBRAGT, Head of the Economic Section of the Netherlands Ministry for Foreign Affairs (Rapporteur);
- M. Jean RÉVEILLAUD, President of Section, Prefectural Council of the Seine; and
- M. C. PARRA-PÉREZ, Minister of Venezuela in Rome,

met, in ordinary session, from April 27th to April 30th, 1927, to consider:

- (a) The accounts of the various organisations of the League for 1926, together with the report of the Auditor thereon;
- (b) The estimates for 1928;
- (c) Certain budgetary and administrative questions.

I. AUDITED ACCOUNTS FOR THE FINANCIAL YEAR 1926.

SECRETARIAT AND SPECIAL ORGANISATIONS, INTERNATIONAL LABOUR ORGANISATION, PERMANENT
COURT OF INTERNATIONAL JUSTICE.

2. In accordance with the procedure instituted by Article 49 of the Financial Regulations the Rapporteur drew the attention of the Commission to the various points in the report of the Auditor (Annex 5) and in the accounts themselves on which a decision was required.

3. With reference to the observations shown on page 61 of the Auditor's report (Annex 5, page 148), the Commission recommended that, in order to ensure punctual repayment of advances made to States out of the Working Capital Fund, interest should be charged at the rate of 4 per cent after the expiry of six months from the date on which the advance had been made.

4. In connection with M. Ceresa's remarks on the Building Fund, the Commission noted that the Assembly itself had decided on March 16th, 1926, that the cost of the Annexe to the Secretariat should be met from the Fund, which, on the completion of the new buildings, would be credited with the proceeds of the re-sale of the Annexe.

5. The Treasurer, explaining his objection to the adoption of the Auditor's proposal regarding the addition, on December 31st, 1926, to the Building Fund of the amount of 1,375,000 francs entered in the budget for 1926 under Part IV, "Buildings at Geneva" (see Annex 5, page 150), suggested that the procedure proposed would have resulted in an inflation of the Fund and given a wrong impression, as the amount would have been taken out of the Fund on January 1st following. In view of the explanation given, the Commission approved the method which had been followed at the end of 1926.

6. After discussion of the Auditor's proposal, the Commission recommended that, as from 1927, the balance of the Income and Expenditure account should indicate the contributions in arrears separately from the other items.

7. In view of certain practical difficulties, the Commission agreed that the conversion into gold francs of the separate accounts of the International Labour Organisation and of the Permanent

¹ For the report on the work of the twenty-second session, see page 81.

Court of International Justice for the purpose of preparing the general balance-sheet of the League should continue to be made by the Secretariat.

8. The Director of the International Labour Office agreed to the creation of a Depreciation Reserve Fund in the accounts of the Organisation so as to bring his accounts in line with those of the Secretariat and of the Court.

9. The Commission noted that the Treasurer would arrange for the accounts to be prepared one week earlier than heretofore in order to expedite their examination by the Auditor.

10. The Commission agreed in principle with the observation of the Auditor that it would be desirable for all the appropriations in aid to be grouped together under the heading of "Receipts" in the general Statement of Receipts and Expenditure at the beginning of the budget. It recognised, however, that such a modification was at present not possible; since the contributions received from certain outside organisations were given on the express understanding that they should be spent for particular purposes. In the circumstances, no change appeared for the moment possible in the presentation of the budget in this respect.

11. In connection with the general conclusions of the Auditor's report the Secretary-General informed the Commission that, in accordance with a decision already taken by the Council and the Assembly, a small Committee had been set up to consider beforehand and closely to follow the progress of the proposed building operations.

12. The Rapporteur drew the attention of the Commission to the fact that it might seem that unnecessary transfers had been approved in respect of Item 4 (a) of the budget, "Salaries, wages and allowances of the Secretariat". It should be borne in mind, however, that the first two columns of the schedule in respect of this item contained *gross* figures, while the sums included in the last column represented the net amount spent, *i.e.*, after taking account of the cost-of-living deduction.

As regards the general question of internal transfers, the Commission was assured by the Secretary-General that before giving his approval he carefully investigated each proposal.

13. The Commission noted that a small over-expenditure in respect of the salaries of the house staff at Geneva had not previously been covered by a transfer. It accepted the Secretary-General's explanation of the mistake.

14. In reply to a question, the Secretary-General gave the Commission additional information regarding the decision, taken by the Council at its fortieth session, charging to the Unforeseen vote certain expenditure in respect of the protection of Moslems of Albanian origin in Greece. The mission which had been entrusted to the assistant of the Mandatories' agent in Epirus was purely temporary and had in fact terminated before the end of 1926.

II. DISPOSAL OF THE SURPLUS FOR 1926.

15. The Commission noted that the surplus of the League budget for 1926 amounted to 1,590,471.47 gold francs, from which, in accordance with the decision which it had taken at its previous session (*see* page 84), there was to be deducted a sum of 8,314.71 gold francs returnable to the Rockefeller Foundation.

Furthermore, it seemed improbable that the International Labour Office would be in a position to repay in 1927 the sum of 208,530.51 gold francs advanced out of the Working Capital Fund in order to make up its deficit in respect of 1926. Following a precedent created in 1923, when the Permanent Court of International Justice found itself in similar difficulties, the Commission recommended that the repayment to the Working Capital Fund of this sum of 208,530.51 gold francs be considered as a fit charge on the 1926 surplus.

Finally, the Commission noted that no provision had been made for furnishing in the credits voted for the new buildings by the Assembly at its extraordinary session. The Commission was of opinion that the time had come to rectify this omission and it proposed that a sum of 500,000 francs be withdrawn from the surplus and paid into a special account of the Building Fund for this purpose, to constitute the nucleus of a furnishing Fund.

As regards the balance, amounting to 873,626.25 gold francs, the Commission recommended that it should be returned to the Members of the League in accordance with the provisions of Article 38 (a) of the Financial Regulations, that is to say by treating it as a contribution to the revenues of 1928.

16. The proposals of the Commission may be summarised as follows:

	Gold francs	Gold francs
Surplus for 1926, as shown in the audited accounts		1,590,471.47
<i>Deduct:</i>		
Sums repayable to Rockefeller Foundation	8,314.71	
Repayment to the Working Capital Fund of the advance made to the International Labour Organisation	208,530.51	
Payment to the Building Fund for the Furnishing of the new Hall	500,000.00	
	<hr/>	716,845.22
Net amount of surplus to be returned to the Members of the League		<hr/> 873,626.25

III. ESTIMATES FOR 1928.

I. SECRETARIAT AND SPECIAL ORGANISATIONS OF THE LEAGUE.

17. As an introduction to the discussion of the estimates, the Rapporteur read a report dealing with a certain number of general questions together with the comments thereon made by the Secretary-General.

The Commission agreed with the Rapporteur and the Secretary-General that any proposal tending to a "lump sum" reduction was productive of difficulties in practice. It therefore decided to follow the system practised heretofore and examine the estimates item by item. In this connection, the Secretary-General pointed out that the principle followed had always been to reduce all items in the budget to the strict minimum necessary; he explained that the budget of the Secretariat could legitimately be divided into two categories:

(a) The larger part; the expenditure of which can be fairly accurately foreseen, and is based closely on past experience.

(b) A part consisting of items which will probably be required if account is taken of the fact that the budget is prepared a year and a-half in advance. Having regard to the early preparation of the budget necessitated by the Financial Regulations and the fact that supplementary estimates have been recognised as impracticable, it is necessary to foresee in the budget of the Secretariat an amount sufficient to cover every reasonable probability. It is in the second half of the budget that, in the past, economies have been made sufficient to counterbalance the non-payment in full of contributions. The savings on this part of the budget, however, are liable to diminution every year and are dependent on circumstances over which the Secretariat has no control.

18. The Rapporteur, comparing the estimates approved by the Assembly for 1927 with those submitted to the Commission in respect of 1928, pointed out that, out of a total increase of 307,902 francs in respect of salaries, a sum of 135,219 francs was accounted for by the regular increments, and a sum of 171,873 francs by new posts and by promotion to higher posts. The great majority of the new posts provided were for subordinate officials.

The Secretary-General stated that the increase in the posts of subordinate officials was necessitated by the increase in the work of the Secretariat itself. This work had grown in a far greater proportion than the staff. He had prepared statistics at the request of the Council, which would show the growth in question. The work of the Central Services simply reflected that of the Sections as a whole.

19. In conclusion, the Rapporteur drew attention to the question of printing. A special internal Committee had been set up by the Secretary-General to consider all aspects of the question. The Rapporteur proposed to study the question again during one of his forthcoming visits at Geneva in the light of reports which would be prepared by the Committee and distributed to the Supervisory Commission. The Commission would thus be in a position to examine the question at its September session. In the meantime, the Rapporteur suggested that strict supervision should continue to be exercised over printing in order that documents should not be needlessly printed or be unduly long, that authors' corrections should be severely restricted, and that as much printing as possible be done in places where prices were lower than at Geneva. The Secretary-General having pointed out that he was taking all possible steps to see that printing was confined within its narrowest limits and having emphasised that the promotion of international co-operation, in all its various spheres, must ultimately depend very largely on printing, the Commission approved its Rapporteur's proposals and passed to the detailed discussion of the estimates.

Chapter I. — Assembly and Council.

20. The Commission agreed with the Secretary-General that the credit for the session of the Assembly should be based on the assumption that the session would last four weeks. Being of opinion, that, subject to such slight adjustments as experience proved from year to year desirable, the total figure should be stabilised at the amount provided in the budget for 1927, it reduced from 200,000 to 192,050 francs the amount provided in the draft budget for Assembly printing.

Chapter II. — General Services of the Secretariat.

21. The Commission accepted the proposals of the Secretary-General concerning the creation of a limited number of minor posts in the Information Section. An examination of the personnel of that Section showed that it now contained a considerable number of officials. It was recognised that it was desirable that the membership of the Information Section should correspond to the various geographical and political combinations of the world. But, now that this had been effected,

it would not be right — and this observation applied to all other Sections of the Secretariat — that any appointments should be made on the sole ground of nationality. The Commission also agreed, in view of the Secretary-General's explanation as to the increasing work of the Secretariat, to the creation of a few additional posts in the Internal Services. It was pointed out that if new tasks were, as was the case, continually being given to the League by the Council and the Assembly, it could not be expected that the staff should be maintained at its present figure.

The Commission approved the creation of a new post of Member of Section, Class B, in the Legal Adviser's Branch. It noted that this new appointment would not increase the budget of the Branch since the Secretary-General had not included in the budget for 1928 the sum of 27,500 francs which was shown in the estimates for 1927 for the development of the Branch in case new duties were assigned to the Secretariat under the Locarno Agreement. While there had been no further developments in this respect since last year, the Secretary-General felt that the staff of the Legal Adviser's Branch, as increased by the creation of the new post, would be able to handle any such additional work with which it might be entrusted. Emphasis was also laid on the necessity for a member of the Legal Branch to attend the meetings of the various Committees and Conferences in order that the resolutions should be adequately drafted.

22. The Commission noted that the provision made for correspondents in the credit for "Liaison with Latin America" would, it was hoped, enable the Secretary-General to appoint at least four new correspondents in certain countries of Latin America; the experience already gained in this connection conclusively proved the usefulness of such nominations.

23. The Secretary-General agreed to make a number of small reductions in the estimates put forward for the Branch Offices. In addition, he accepted, for the purpose of the 1928 budget, the proposal to reckon the French franc at 0.21 Swiss franc, as had been done at the International Labour Office. On the other hand, the amount provided for the Rome Office of the Information Section (item 4 (a)) was increased from 20,000 to 25,000 francs in view of the appreciation of the Italian currency.

The Commission, after having heard the explanations given by the Secretary-General and its French member, agreed that it was wise to provide for further possible increases in the salaries of the Paris Office.

24. Reductions amounting in all to 15,000 francs were made in Item 10 (a) "Maintenance, Headquarters at Geneva". The Commission was at first inclined further to reduce the sub-head providing for the repairs of the Secretariat building, but it agreed that such a step would be undesirable in view of the guarantee given by the Swiss authorities for the eventual re-sale of the building at 4,000,000 francs.

25. After a long discussion, the Commission adopted, in the form in which they had been submitted, the estimates for the Publication Department. In order not in any way to hamper or delay the publication of treaties, which is entrusted to the League by the Covenant, it agreed to leave for one more year the provision made for the *Treaty Series* at 140,000 francs. Should, however, the experience of the present year show that the number of treaties had not materially increased, the Commission will consider next year whether the amount provided could not be slightly reduced.

In view of the very full explanations which were given by the Director of the Information Section, the Commission approved the credit of 40,000 francs entered for "Other Publications of the Information Section". A methodical programme has been drawn up for the reprinting and the keeping up to date of the various pamphlets published by the Section, some of which have met with a very considerable measure of success. Having considered certain figures concerning the sale of these pamphlets, and having regard to the recent reorganisation of the Publication Department, the Commission agreed that it would not be unduly optimistic to increase to 220,000 francs the amount entered under "Appropriations in Aid" for the sale of publications.

26. The Secretary-General agreed to reduce to 165,000 francs the credit included under "General office expenses" for "Stationery and stationery stores". The Commission thought that a margin of 25 per cent over the expenditure actually incurred in 1926 would be sufficient, even if account was taken of the very marked increase in the work since last year. It agreed, however, that it would be unsafe to cut down to a figure lower than 165,000 francs the amount provided for postage; since this sum represented rather less than the amount which would be expended in 1927 on the basis of the first three months' experience.

Small reductions were also made in Item 13, "Special staff charges" and Item 18, "Administrative Commissions".

Chapter III. — Special Organisations of the League.

27. After a prolonged discussion, the Commission reduced to 1,217,291 francs the estimates proposed for the Economic and Financial Organisation. It considers that this sum — which, if account is taken of the suppression of the subvention of 20,000 francs which was heretofore paid to the Economic and Financial Organisation by the Section for Reduction of Armaments, closely approximates to the credit voted for 1927 — might be regarded as a normal maximum; that is to say, that ordinary items of the budget of the Organisation might be stabilised at approximately the present figure, any new duties which may be entrusted to it as a result of the Economic Conference being excluded from the above provisions.

Certain members of the Commission were inclined to believe that the work of the Organisation was decreasing rather than increasing, and that a still lower sum might have been sufficient. The Director of the Section pointed out, however, that if it were true that two of the most important tasks entrusted to the Organisation — Financial Reconstruction of Austria and Hungary — were practically terminated, new duties were being continually given to it, and the old tasks almost invariably left a residue of work behind them. In these circumstances, the tendency was for the work to increase rather than the contrary.

The Commission, being strongly of opinion that it was desirable, as a general principle, that no organisation of the League should hold more than one conference in any given year, the Secretary-General, though pointing out that the Economic and Financial Organisation consisted in reality of two distinct organs of the League, agreed to reduce from two to one the number of conferences to be held in 1928 under the auspices of the Economic and Financial Organisation.

The amount estimated for the subsistence and travelling expenses of the members of the Economic and Financial Committee was fixed at 155,000 francs. The margin thus allowed over the actual 1926 expenditure corresponds to the increased membership of the Committee.

On the understanding that its Rapporteur would report on the question, the Commission approved the estimates put forward for the staff of the Section. Reductions amounting altogether to 65,000 francs were made in the other sub-heads of the "Administrative expenses" and the "Miscellaneous and unforeseen expenses". The Commission recognised that the amount estimated for "Printing and publishing" would not suffice to carry out the programme which had been submitted to it. It was of opinion, however, that the expenses of the whole programme probably would not all fall within the year 1928, and that the Assembly should itself decide whether or not a volume on Banks of Issue should be printed.

28. Realising that it was to be expected that new tasks would be entrusted to the Section as the result of the Economic Conference, the Commission approved the inclusion of 100,000 francs under the heading of "Provision to meet the development of the Economic and Financial Organisation as the result of the General Economic Conference". It was understood, of course, that full justification would be given to the next Assembly concerning the expenditure which might come under this head.

29. Acting on a resolution of the 1926 Assembly, the Advisory and Technical Committee for Communications and Transit decided, at its last session, to insert in the agenda of the next General Conference on Communications and Transit the question of the setting up at Geneva of a centre of information concerning transit questions, especially in their international aspects. The Committee for Communications and Transit was of opinion that the total expenditure to be borne by the budget of the League should, even in the future, in no case exceed 70,000 francs. In accordance with this resolution, the Secretary-General included in the budget of this organisation a new credit of 60,000 francs (the estimated expenditure for the first year) under the heading of "Methodical collection and circulation of general information on communications and transit".

Without going into the details of the figures, the Commission discussed the question of principle at some length. It came to the conclusion—which was shared by the Secretary-General—that it could not approve the insertion of this new credit until the Assembly, acting on the report of the Conference, had decided whether this new work should be undertaken by the League. After a decision of principle had been taken, the matter would be referred again to the Supervisory Commission in accordance with the provisions of the Rules of Procedure of the Assembly.

30. The Commission noted that the estimates for the International Health Organisation amounted to a sum slightly less than those for 1927 and were therefore within the limit of 1,000,000 francs fixed by the sixth Assembly. A slight economy was made by reducing the grade of one of the two new posts and it was decided that the subvention to the Singapore Bureau should be shown separately from the sub-head "Sanitary notifications". It was also agreed that indications of the probable sources of revenue for 1928 of the Singapore Bureau should be given in a separate note.

No reduction was made in the credit provided for "Interchange of Public Health Personnel". It is true that only two-thirds of the League's appropriation were spent in 1926, but attention must be drawn to the very marked reduction in the amount of the grant in aid of the Rockefeller Foundation as compared with 1926. This raises the general question (which is perhaps not yet ripe for full consideration) of the extent to which the League budget will have to or should assume fresh burdens by undertaking the continuation of work the initial stages of which have been made possible by the generosity of outside donors.

31. After the explanations given by the Secretary-General, the Commission did not desire to insist on reduction in the various printing sub-heads of the Section for Social Questions, the amount having been in each case calculated with great care on the basis of past experience and present requirements.

32. The Commission was informed that there was now considerable doubt concerning the date of meeting of the International Conference for the Control of the Private Manufacture of Arms, Munitions and Implements of War. When the estimates were prepared it was understood that it would meet in November of the present year; so that the sum of 25,000 francs was therefore included in the estimates of the Section for the Reduction of Armaments for next year to provide for the printing in 1928 of the Records of the Conference. On a proposal of the Secretary-General, the Commission agreed to make no change in the estimates for the present; the exact position would doubtless be clearer in September, when the Assembly could make such modification in the budget as circumstances warranted.

33. The creation in the budget for "Intellectual Co-operation" of a new post of Member of Section, Class B, was approved. The new official will be particularly responsible for liaison work with the Paris Institute.

The Commission wishes to draw the special attention of the Assembly to the new sub-head "Congress on Popular Arts", for which a credit of 25,000 francs is shown. The Commission, though perhaps with a certain degree of reluctance, accepted the amount proposed in view of the fact that the convocation of this Congress had been authorised by the Assembly. It appears, however, that approval was given in general terms without the question of expenditure having been previously gone into.

The Commission, taking note of the fact that all proposals involving expenditure for the future must, in accordance with the Financial Regulations, be submitted to the Finance Committee of the Assembly, strongly recommended that steps should be taken to enforce this provision, which is essential to proper budgetary control.

34. In connection with Item 30, "Experts' Committee for the Progressive Codification of International Law", the Commission was informed that it was not unlikely that the whole question would be submitted to the Assembly.

Chapter V. — Permanent Equipment, etc.

35. The Commission agreed to the insertion of a reduced amount of 80,000 francs for further purchases of furniture, equipment, etc.

2. INTERNATIONAL LABOUR ORGANISATION.

36. In the general discussion which preceded the examination of the budget, the Rapporteur drew the attention of the Commission to the figures shown in M. Ceresa's report on the accounts for 1926. It appeared from these figures that, while the Secretariat and the Permanent Court of International Justice had been able to effect savings amounting respectively to 16.71 and 13.51 per cent on their budgets for 1926, the corresponding economy made by the International Labour Office amounted to only 1.25 per cent. The Commission recognised that this state of affairs was in no way due to extravagance on the part of the Director of the International Labour Office, but to the fact that, contrary to the system followed in the case of the Secretariat and of the Court the budget of the Office did not include any credit in respect of expenditure of a conjectural character and that the competent authorities of the International Labour Organisation were in the habit of exercising a very close control over the budget proposals. In these circumstances, as the Office spent up to 98.75 per cent of its budget and the contributions received during the year represented only 86 per cent of the amount voted, an advance of 208,000 francs had had to be made out of the Working Capital Fund to make up the deficit.

The Commission did not think that the time had come to make any recommendations in this matter. Should similar difficulties arise over a series of years, it would become necessary to reconsider the situation.

37. In introducing his budget, the Director of the Office explained that it represented an increase of 183,195 francs over the estimate for 1927. Of this increase, 80 per cent was due to the statutory rise in salaries and expenses connected with salaries such as the Provident Fund. The remainder of the increase was due to missions, committees, enquiries and research, and to the Indian Bureau the establishment of which had been decided at a previous date. The budget of the Office had now reached the irreducible minimum. It required, for instance, the services of an actuary, but budgetary consideration had made it impossible to engage one, the total increases of staff amounting to the very modest figure of 30,200 francs.

38. As a result of the recommendations made by the Rapporteur (see "Miscellaneous Questions"), the Commission increased from 20,000 to 35,000 francs the item for travelling and advertising of the Sales Branch (Schedule F); this increase was compensated by increasing from 115,000 to 130,000 francs the amount entered under "Appropriations in aid" for the sale of publications.

39. In accordance with the recommendations made in the report on the institution of the Administrative Tribunal, the sum of 7,000 francs was added to Item 9, "Special staff charges", to provide for the expenses of the Tribunal and the indemnities which it might have to grant. Moreover, in order to apply to the Director of the Rome Office the increase in salary recently granted to Italian officials of the same rank, and to cover the recent appreciation of the Italian currency, Item 14, "Correspondents' Offices", was increased from 524,660 to 538,400 francs.

40. Item 11 (a) "Expenditure of the Supervisory Commission", was reduced from 10,000 to 7,500 francs; a reduction having been made in the budget of the Secretariat, the amounts included in the two budgets will continue to bear the ratio previously agreed, *i.e.*, Secretariat two-thirds and International Labour Office one-third.

41. The Commission noted that the budget for 1928 made provision for two new Committees. The Committee on Article 408 of the Treaty of Versailles would examine, compare and report to the Conference on the information given by countries as to the manner in which they applied the labour conventions they had ratified, and the Committee on Intellectual Work, which would assist the Office in dealing with the difficult question of the economic conditions of intellectual workers in full agreement with the Institute for Intellectual Co-operation.

42. The Director of the International Labour Office reminded the Commission that the Governing Body of the Office had in previous years refrained from discussing the credits for the work on behalf of refugees, as it was of the opinion that this work had been extended to the Labour Organisation by the Assembly, which, in the circumstances, was alone competent to deal with the matter. On the proposal of one of its members, however, the Governing Body, at its last session, had requested M. Thomas to draw up a report and detailed estimates on the subject, to be submitted to the Governing Body in May. The estimates for this work as approved by the Governing Body, will therefore be laid before the Supervisory Commission at its next session.

43. Finally, the Director of the International Labour Office was directed by the Governing Body to ask the Commission whether it would not allow the various unforeseen items to be lumped into one sum, from which transfers could be made to items included under the various chapters of the budget. Alternately, could the whole budget of the International Labour Organisation be treated as one chapter?

The Commission, being of opinion that these proposed modifications would conflict with Articles 9 and 29 of the Financial Regulations, was unable to approve M. Thomas' proposal, and asked him to convey to the Governing Body the reasons on which its decision was based. The Director of the International Labour Office agreed, however, to delete from the estimates the sum of 1,000 francs which was entered in respect of unforeseen expenditure for Chapter IV.

3. PERMANENT COURT OF INTERNATIONAL JUSTICE.

44. The Commission recommends the maintenance of the estimate of 7,600 florins under "Sums recoverable, subscriptions from non-members". The exact amount to be received can of course not be foreseen, but the same applies to any figure in a budget; it would therefore appear inadvisable to give effect to the suggestion which had been made merely to enter a nominal figure under this head in this and future budgets.

As an indication of the desirability of Deputy-Judges being called upon to replace Judges as little as possible, the credit included for the travelling expenses of Deputy-Judges was reduced from 9,000 to 7,000 florins; Item 1 was thus reduced to 557,900 francs.

As regards Item 2 (a), "Annual salaries", the Commission approved the creation of a new post of Editing Secretary at a salary of 12,000 florins. The new official, who will, of course, be conversant in the French and English languages, will, in view of present requirements, be of Slav tongue. It was, on the other hand, agreed to suppress the post of liaison agent with the Dutch Press.

Other minor rearrangements and reductions resulting altogether in an economy of 2,700¹ florins were made in Items 2 (a)—"Annual salaries", 3 (a)—"Travelling expenses of the Registrar" etc., 5—"Administration expenses" and 11—"Furniture and installation of additional fittings".

45. Referring to the credit of 30,000 florins included for "Printing", the opinion was expressed in the Commission that the prices charged to the public for the publications of the Court were excessive. The Registrar reminded the Commission of the method followed by the Court, which had been approved by the Commission some years ago: a leading Dutch publishing firm has undertaken the printing of all the documents, reports and publications of the Court; it sells to the Court, at prices below cost, the number of copies it requires for distribution and makes its profit, if any, on sales to the general public. After discussion, the Commission asked M. Hammarskjöld to make a study of the whole system with a view to its possible improvement from the point of view of economy and of the dissemination of the Court's publications.

* * *

46. The budget as now submitted to the Members of the League amounts to 24,873,272 gold francs, a *net* reduction of 355,664 gold francs having been made by the Supervisory Commission in agreement with the competent officials of the Secretariat and the various organisations of the League in the estimates submitted to it. When reckoning the contribution to be borne by each Member of the League for 1928, account must be taken of the reimbursement of 1,400,000 francs to those Members who provided the Building Fund, and the proposed reimbursement on account of surplus for 1926.

IV. MISCELLANEOUS QUESTIONS.

47. The last Assembly agreed that the Commission should re-examine the present system of varying the salaries of the staff with reference to the cost of living at Geneva. After considering the question at its twenty-second session, the Commission referred certain points to the competent Sections of the Secretariat and of the International Labour Office for further study and report, in the first instance, to the Salaries Adjustment Committee. This Committee was unable to submit its report to the Supervisory Commission before the beginning of the present

¹ The exact amount is 2,703.44 florins.

session; in the circumstances, the Commission decided to examine the question, together with two other outstanding matters, at a special session to be held on July 1st.

48. In one of his periodical reports the Deputy-Auditor had drawn the attention of the Commission to the question whether an official was entitled to go on leave, at the expense of the League, before he had terminated the period of one, two or three years stipulated in Article 56 of the Staff Regulations of the Secretariat. The Commission, endorsing the interpretation given to the article by the Legal Service of the Secretariat and its Rapporteur, agreed that the Secretary-General was entitled to allow officials to proceed on leave before the period had actually terminated. Moreover, it did not think it necessary for the moment to go into the question, which was not likely to arise, of the steps which might be taken to recover the sums advanced by way of salary and travelling expenses to an official who did not return to the service of the League at the expiration of his leave of absence.

49. The Commission noted with satisfaction that, as a result of two enquiries, the Rapporteur was entirely satisfied with the work of the Internal Control Office of the Secretariat. It approved various suggestions of detail made by the Rapporteur on this subject. Emphasis was especially laid on the necessity for reducing still further expenditure on authors' corrections. The amount paid in authors' corrections in 1926 could probably not be held to be excessive, but still better results will perhaps be achieved by experience.

50. On the report of its Rapporteur, the Commission agreed with the Deputy-Auditor that the practice of meeting expenditure incurred in connection with propaganda, and advertising, for the sale of the publications of the International Labour Organisation from the proceeds of such sales was not in accordance with sound State budgetary principles.

It recommended therefore that the Labour Office should provide for such expenditure by a suitable credit in its budget, this credit being compensated by a larger estimate under the heading of "Appropriations in aid", "Sale of publications".

51. The Commission endorsed its Rapporteur's proposal (which was based on a recommendation of the Deputy-Auditor) that, as a general principle, the travelling expenses of the officials of the Secretariat should be charged to the item of the budget covering the object of the journey. Thus, the travelling expenses of a member of the Information Section attending a meeting of the Financial Committee should be charged to the budget of the Economic and Financial Organisation rather than that of the General Services of the Secretariat.

52. The Commission agreed to the introduction in the Staff Regulations of the Secretariat of a new grade, "Intermediate Category for locally recruited staff". The salary provided for the new grade would begin at 7,500 francs and go up to a maximum of 11,500 francs by annual increments of 250 francs.

It was pointed out by the Secretary-General that all other subordinate grades were divided into two groups, one for international staff and the other for locally recruited personnel, the difference between the salaries paid to the two groups representing an expatriation allowance. It was against the policy of the Secretariat, except in very exceptional cases, to promote officials from the locally recruited to the international group; it was desirable therefore for administrative reasons to make the division of the staff into two groups, "international" and "locally recruited" apply to the Intermediate Category. The creation of this new grade would, moreover, often result in an economy.

53. The Commission agreed that in future the Heads of the French and English Sections of the Interpreters and Translators' Department should be treated on the same footing as Members of Section, Class A. The duties of these officials have increased fourfold in the last six years and they are now responsible for twelve officials ranking as Member of Section, Category B. In view, therefore, of these considerations and of the very high intellectual attainments required for this work, it appeared to the Commission that the proposal made by the Secretary-General was entirely reasonable.

54. The Commission recommended that the sum to be returned in 1928 to the Members of the League who provided the Building Fund should amount to the same figure as in 1927, *i.e.*, 1,400,000 francs.

B. REPORT ON THE WORK OF THE TWENTY-SECOND SESSION.

55. The Supervisory Commission met at Geneva on February 16th and 17th, 1927, to elect its officers for 1927 and to consider the various questions which had been referred to it by the Assembly at its seventh ordinary session.

(1) ELECTION OF OFFICERS.

56. By acclamation, the Commission re-elected M. OSUSKÝ Chairman, Lord MESTON OF AGRA, Vice-Chairman and Dr. J. A. NEDERBRAGT Rapporteur for the year 1927.

(2) RATES OF SUBSISTENCE ALLOWANCE.

57. The seventh Assembly had requested the Secretary-General to examine with the Supervisory Commission:

"Whether it would be expedient to alter the rates at present laid down for the subsistence allowances of members of committees and of officials of the League of Nations travelling on League business, taking into account the variation of prices since 1921."

58. The allowances for League officials were fixed in 1921 by the second Assembly on the report of the Experts Committee and the scale was modified in June 1923 as follows:

	Swiss francs per diem.	
	September 1921	June 1923
Class I	60	{ 60 for first 10 days, 45 subsequently.
Class II	40	{ 40 for first 10 days, 30 subsequently.
Class III	{ 30 for first week, 25 subsequently.	{ 30 for first 10 days, 25 subsequently.

59. Gold wholesale-prices index numbers (which afford as reliable an indication of the variations of the purchasing power of the currencies concerned as is available) have since 1921 fluctuated as follows:

	1921 December	1923 December	1925 December	1926 September
Austria	85	126	125	123
Belgium	143	129	133	121
Canada	140	150	164	153
Czechoslovakia	102	140	142	142
Denmark	133	140	163	161
Finland	128	141	147	143
France	132	123	120	115
Germany	76	126	121	127
Italy	136	129	149	140
Japan	203	199	169	170
Netherlands	151	146	155	140
Norway	156	137	167	158
Peru	139	159	165	162
Poland	75	95	82	100
Spain	139	119	138	141
Sweden	172	157	155	146
Switzerland	177	165	156	146
United Kingdom	143	146	152	150
United States of America	140	151	156	151

This statement indicates that by September 1926 gold prices were higher than in December 1921 in thirteen countries and lower in six. The average increase, taking the group of countries as a whole, somewhat exceeds the average fall — in other words, the purchasing power of gold appears to be slightly less at the present moment than it was in 1921.

60. The Commission had also before it a statement showing the rates of subsistence allowance paid by a number of States Members of the League to its officials when called upon to travel outside their own countries. An inspection of the figures showed that the rates allowed for senior officials in the majority of the countries given were higher than those granted to League officials, while those for the junior officials and clerks were in some cases higher and in some cases lower.

61. The Commission came to the conclusion that it might well prove ultimately desirable to revise the system of subsistence allowances applicable to the officials of the League of Nations but that, until a general stabilisation of prices had been achieved, such a revision would necessarily be imperfect and might, in some cases, give rise to injustices. In the circumstances, the

Commission recommended to the Assembly that the present system be maintained until general stabilisation of prices makes it possible to establish a basis of really scientific data.

62. As regards the subsistence allowances paid to the members of committees, it was strongly felt by the Secretary-General that no useful purpose would be served by a change in the rate of 70 Swiss francs *per diem* approved by the second Assembly. After considering the matter, the Commission agreed that it was desirable to maintain at the present figure the daily allowance of members of committees.

(3) UTILISATION OF AN OFFICIAL'S ACCOUNT WITH THE STAFF PROVIDENT FUND TO MAKE GOOD LOSSES CAUSED TO THE LEAGUE BY THE OFFICIAL'S DISHONESTY.

63. The Fourth Committee of the Assembly agreed:

"That the Supervisory Commission might do well to consider the expediency of suppressing or reducing the credits provided for 'fidelity guarantee', the League of Nations being perhaps sufficiently guaranteed against embezzlement by the sums standing to the credit of its officials under the Provident Fund."

Since the money standing to an official's account in the Provident Fund can only be applied in accordance with the Regulations and in virtue of a decision of the Board of Management of the Fund, the Board considered the question and submitted a report on it to the Supervisory Commission. The conclusions of the Board were as follows:

(a) That part of the official's account which is derived from League contributions cannot be used in the manner proposed by the Fourth Committee. Articles 6 and 7 of the Regulations provide that, if it is forfeited by the official, it must be paid into the Death and Invalidity Fund.

(b) As regards the part of the account which is derived from the official's own contributions, the regulations contain no provision contemplating its forfeiture. The Fourth Committee's proposal might cause grave legal difficulties, without, in all probability, producing really practical results.

In view of the foregoing considerations and the relatively small amount of the fidelity guarantee premium, the Commission recommended that no modification be made in the system at present in force.

(4) CAPITAL EXPENDITURE OF THE CORRESPONDENTS' OFFICES.

64. The Director of the International Labour Office promised the Fourth Committee of the seventh Assembly to consider, "with the help of the Supervisory Commission, whether it would not be advisable to include under Section II of the budget, 'Capital Expenditure', the credits for the purchase of material for the correspondents' offices".

In a memorandum submitted to the Commission, the Director of the International Labour Office emphasised the necessity of being in a position to ascertain at any moment the total expenditure incurred by each of the correspondents' offices. In order, however, to give satisfaction to the desire expressed by the Fourth Committee, M. Thomas proposed, and the Commission endorsed his suggestion, that Section II, "Capital Expenditure", of the general budget of the International Labour Office should in future include *ad memoriam* an item showing the credits voted for the capital expenditure of the correspondents' offices, without, however, in any way changing the present form of the budget of these offices.

(5) UNFORESEEN EXPENDITURE AND SUPPLEMENTARY CREDITS.

65. The following is an extract from the minutes of the Fourth Committee of the seventh Assembly:

"It was agreed that the Supervisory Commission should be requested to make a thorough study of the budgetary system with a view to possible avoidance of the recurrent inclusion in successive budgets of items which, though definitely not 'unforeseen', were nevertheless not very likely to be needed."

66. The important items of the budget for 1927 which presented a contingent character at the time when they were voted by the Assembly were as follows:

Item	Swiss francs
3. Unforeseen (subject to special vote of Council)	500,000
15. Unforeseen expenses of the Secretariat	50,000
19. Economic and Financial Organisation:	
(1) General Conference	100,000
(4) Miscellaneous and unforeseen expenses	60,000
20. General Economic Conference	320,000
25. Reduction of Armaments:	
III Investigations	200,000
VII International Disarmament Conference	300,000
	1,530,000

This amount represented 6.2 per cent of the total budget and 11.2 per cent of the Secretariat budget.

67. It may be worth to review shortly these items of the budget in the light of six months' later knowledge, even though only one-third of the year for which the estimates were prepared has passed.

It will be remembered that No. 2, "Unforeseen (subject to special vote of Council)", is the political emergency fund of the League, and is the amount at the disposal of the Council for any action taken under Articles 11, 15, 16 and 17 of the Covenant. It has been voted regularly by every Assembly, and without it the adequate functioning of the League machinery in times of crisis might be seriously and dangerously impaired.

The expenditure under Item 15 did not probably fall within the terms of the resolution, since it was intended to cover general miscellaneous expenditure of the Secretariat not specifically provided for under any other item.

All available indications point to the fact that the General Economic Conference will be an event of far greater moment than had originally been anticipated, and will in size and importance be comparable to the Assembly. Not only will the total amount provided under Item 20 be spent but the Council has already agreed to make up the anticipated deficit by transfers from Items 19 (1) and (4).

The Investigations (Item 25 (iii)) are part of the task laid on the League by the Treaties of Peace, and it is essential to make provision for its adequate execution.

It does not seem likely that the Disarmament Conference will be held this year, but the preparatory work is heavy and will involve expenditure on a scale which will make serious inroads on the total of the estimates voted for the reduction of armaments.

68. Taking no account, however, for the moment, of these various considerations, an examination of the situation shows that the extra payments which States that pay their contributions have to make in respect of the year 1927 would thus be approximately one and a-half million francs and the maximum possible loss to contributing States, as the result of payments alleged to be unnecessary, would be, for one year on a $4\frac{1}{2}$ per cent interest basis, less than 70,000 Swiss francs. But it might be mentioned that, since the income budget of the League shews the actual collectible current contributions due to the League in respect of that year and not the prospective receipts, it cannot be assumed that, even with the inclusion in the budget of the "unforeseen" items, the actual receipts for the year will be sufficient to meet necessary expenditure. Moreover, the interest obtained by the League on the sums which, whenever they are not actually required, are deposited with the bankers of the League is treated as an "appropriation in aid", and goes to swell the surplus which, in accordance with the Financial Regulations, is returnable to the Members of the League.

69. It would be possible, by creating and using a reserve fund or by increasing the Working Capital Account, to exclude the "unforeseen" items from the budget for any given year. Should the expenditure then take place, it would have to be regarded as a deficit to be made good by a special addition to the budget of the second following year. It would seem that any such plan would be open to the same objections as are made against the present system and would introduce the novel system into the League finance administration of permitting expenditure before funds had been voted.

70. It was also suggested that the Supervisory Commission should be asked to give serious study to the possibility of arranging for a supplementary budget to be submitted annually during the month of September which would regularise such supplementary expenditure as had been incurred during the first nine months of the year. Such a system would lead to the incurring of expenditure before funds had been voted; a position which is contrary to the accepted principle under which the funds of the League have been administered hitherto, and which would create much embarrassment to the Treasury. Nor would it in practice fully meet the problem, since it would provide no means of meeting unforeseen expenditure during the last three months of the year. Finally, such a system would be inconvenient for many of the Members of the League, since they would not know for certain at the beginning of a given year what their contribution to the League for that year would be.

71. In the circumstances, the Commission is of opinion that the present form of the budget and system of voting credits are best adapted to the needs of the League; it therefore recommends that no change be made.

(6) MISCELLANEOUS QUESTIONS.

72. On the report of the Supervisory Commission the Assembly decided last year that "a special allowance of 2,000 francs be granted to every individual member of the Mandates Commission who, in the course of a year, is actually present at meetings of the Commission during more than thirty days in all".

The case of a member of the Mandates Commission appointed by the Council on March 15th, 1926, and whose attendance at the sessions during 1926 was, excluding Sundays, exactly thirty days, was referred to the Commission. It came to the conclusion that in the very special case which had been submitted to it, some payment should be made, it being understood, however, that this decision should not be interpreted as a precedent for the future. Considering that the member in question had followed the work of the Mandates Commission for three-quarters of the year, the Supervisory Commission fixed the allowance at three-quarters of 2,000 francs, i.e., 1,500 francs.

73. The Commission decided to recommend to the Assembly that the scale of salary applicable to the Librarian of the Secretariat should be 19,000—800—28,000 Swiss francs. Intellectual attainments of a very high order are necessarily required for this position, and the Commission felt that it would not be equitable that the Librarian should be in a position inferior to that of Members of Section, Class A.

74. The Commission recommended that the sum of 1,604.35 U.S. dollars, which is returnable to the Rockefeller Foundation in respect of financial periods previous to 1926, should be refunded from the surplus for the financial year 1926. The facts of the case are as follows:

Unexpended balances in respect of two grants of the International Health Board of the Rockefeller Foundation amounting to 1,572.72 dollars and 31.63 dollars were carried forward instead of being returned to the Foundation at the end of 1922 and of 1924; these balances became subsequently merged into the general funds of the League.

75. The Commission was requested by the Director of the International Labour Office to authorise him to retain for the purpose of equipping the Annexe to the new International Labour Office building the proceeds, amounting to about 10,000 francs, of the sale of the hutments and other installations which were used in connection with the old building.

In view of Article 23 of the Financial Regulations, the Commission considered the Director's proposal unacceptable. It authorised the Secretary-General, however, to credit the Building Fund with the sum in question, and requested him to allow the Director of the International Labour Office to charge to the Building Fund up to that sum the cost of such capital installations as were required in connection with the Annexe to the International Labour Office building.

ANNEX 4.

A.5 (a).1927.X.

REPORT OF THE SUPERVISORY COMMISSION ON THE WORK OF ITS
TWENTY-FOURTH SESSION.

The Supervisory Commission met in Paris on July 1st and 2nd to examine certain questions the consideration of which it had been unable to conclude at the sessions held since the beginning of 1927¹.

I. ESTIMATES FOR 1928.

International Labour Office: Work on Behalf of Refugees.

The estimates for the refugee work of the International Labour Office were laid before the Commission in accordance with the decision taken at its last meeting (Annex 3, paragraph 42).

The Deputy Director of the Office informed the Commission that the Governing Body had once more refrained from going in detail into the figures which had been submitted to it. It had decided, however, to examine the whole question of the refugee work at its October session, and it was to be expected that, in future, the estimates in regard to this work would be considered by the Governing Body at the same time as the general budget of the Office.

The difference between the estimates for 1928 and the budget for the current year was largely accounted for by the inclusion in the estimates for 1928 of the sum of 4,000 francs for the printing and issuing of the Nansen stamps, the revenue from which had amounted to £5,000 in the first four months and may yield as much as £15,000 a year.

The work for the refugees could be divided into two main parts:

1. The Armenian refugees who were being settled in Syria with the aid of the French mandatory authorities and philarmenian organisations.

2. The Russian refugees, for whom the principal hope of settlement was now in overseas countries. About 100 families had already been sent to the Argentine and other South American countries; plans were being made on a large scale for an important Russian settlement in Bolivia, while others had been received from the Argentine, Brazilian and Peruvian Governments; between five and six thousand Russians had gone to Canada in the last few years.

A Conference had been held on June 15th, under the Chairmanship of Dr. Nansen, to consider future plans for the work. The German Government had promised a first contribution of one hundred thousand marks to the revolving fund, and a number of other Governments had undertaken to consider the possibility of making large grants or giving guarantees on which loans could be obtained.

As a result of these various subventions and offers of further help, it was hoped that the work would proceed more quickly than it had done in the past. It was difficult, however, to foretell when it would be concluded.

¹ The five regular members attended the Commission: His Excellency M. Osuský, Lord Meston, M. Nederbragt, M. Réveillaud and M. Waddington.

The Commission approved the estimates for the Refugee Service, amounting to 331,675 francs; the sum of 325,325 francs having been provisionally included in the estimates for 1928, the total budget of the International Labour Office is therefore increased from 7,897,925 francs to 7,904,275 francs, and the general budget of the League from 24,873,272 to 24,879,622 francs.

II. ADJUSTMENT OF SALARIES OF THE STAFF OF THE LEAGUE OF NATIONS AT GENEVA.

At its last session the Assembly authorised the Supervisory Commission "before next year to study the entire system (of adjustment of salaries) and its application, and to submit the results of its study to the 1927 Assembly".

At its sessions in January, April and July the Supervisory Commission considered, with all the care demanded by the importance of the question, the system which was introduced by the decisions of the Second Assembly for fixing the salaries of the staff of the League.

It is unanimously admitted that the present system, as applied at Geneva, has not given complete satisfaction; but there were two different trends of opinion as to the best means of remedying this.

One party took the view that for the reasons explained in detail in the memorandum attached to the present report (Appendix I), which deals both with the principle and with the practical application of the present system, salaries should be stabilised on an equitable basis. It was further pointed out that:

1. If the present system has necessarily to be altered in important points, there can be no difficulty in principle in going still further and abolishing it entirely. Some of the staff live in their own houses or flats, others in hotels, and others again *en pension*: and it is therefore very difficult to compile statistics that will be fair to everybody.

2. If the present system is maintained, but rectified in the sense that in the future the index figures for rent will be corrected and the injustice done in the past will be redressed, salaries will not be appreciably below the 1921 scale.

3. Nothing but the stabilisation of salaries can finally settle the question; otherwise it may turn up on the Commission's agenda year after year.

The arguments of those who advocate the retention of the present system may be summarised as follows:

1. The existing system may indeed have been open in the past to criticism in certain respects, but it cannot be abandoned until one can be sure that there is no hope of improving it. It seems hardly possible that the League is unable to obtain accurate figures, particularly for matters so near home as the situation in Geneva.

2. Moreover, the abandonment of a system which had the Assembly's sanction and the individual approval of the staff as a whole — for it must not be forgotten that in 1921, when the system was introduced, every member of the staff was asked whether he was willing to accept the new principles of variability according to the fluctuations in the cost of living — would not become really essential unless almost all the staff had been disillusioned by experience. But the Commission has seen resolutions passed on this subject by the staff of the Secretariat and the staff of the International Labour Office (Appendices II and III), from which it appears that the majority of the staff of the Labour Office does not desire a change of system but prefers that the present system should be retained on the ground that, despite its defects, it removes any risk of differences of opinion between the Administration and the staff.

3. Lastly, it is impossible to leave out of account all the complications that would be entailed by the abandonment of the present system owing to the existence of individual contracts between the Administration and each member of the staff.

Unless all the members of the staff agree to the stabilisation of salaries, statistics will still in any case have to be compiled and an index figure established for those officials who wish to adhere to their existing contracts.

* * *

While not overlooking the importance of the arguments advanced in favour of a stabilisation of salaries, the Commission considers that the two following main reasons at present weigh in favour of the retention of the system in force:

1. The fact that the staff does not unanimously desire a change;

2. The difficulty referred to above, which would arise out of the existence of individual contracts, if unanimity were not secured. The Commission does not think it desirable to have two different systems, one for the Secretariat and the other for the International Labour Office.

The figures laid before the Assembly last year showed that since 1923 the reduction in salaries should have amounted to about 11 per cent of the variable portion and not to 13 per cent, the figure fixed by the Salaries Adjustment Committee owing to the absence of accurate statistics of rents in Geneva.

The Commission does not feel justified in proposing retrospective action in the form of a grant of special compensation to the staff for its losses. It does, however, consider it equitable to propose that the Assembly should abolish the limit whereby no change in salaries was possible

unless the rise or fall in prices amounted to 10 per cent. In future, therefore, salaries would vary with the annual fluctuations of the cost of living.

As regards improving the present statistical system, the Commission has learnt with interest that the Genevese authorities are prepared, on receipt of a small grant, to make an enquiry into the movement of rents for flats of five, six and seven rooms. This enquiry would not cover all the flats of that class in Geneva but would embrace a large number of blocks of flats in the quarters of the town in which most League officials live. The Commission thinks it most important that the enquiry should not be confined to present rents but should also cover the rents asked for the same flats in 1925, 1923, and 1921. If these statistics were obtained, new figures could be substituted for those hitherto used in compiling statistics of rent.

Further, the Commission unanimously agreed to recommend that the Assembly should omit the item "Domestic service" from the figures on which the statistics are based. It is difficult to obtain accurate information as to the trend of domestic servants' wages; and in any case this does not seem a very important factor.

Lastly, it was agreed that, if the Assembly approved the suggestions put before it with regard to the staff at Geneva, the Secretary-General and the Director of the International Labour Office should be asked to obtain the consent of every official in the Secretariat and the International Labour Office.

III. PROMOTION OF MEMBERS OF SECTION FROM THE B TO THE A CATEGORY.

As a result of the exchange of views which took place on the promotion of Members of Section from the B to the A category, the Commission decided that it was not desirable for the moment to make any hard-and-fast rules on the subject, such as fixing a definite proportion between the numbers of officials in each category.

As regards the Secretariat, the Commission noted that, from 1922 to 1927, the proportion of A members as compared with B members had been steadily decreasing; that the highly specialised work of the Technical Organisations required the services of experts and made transfers on promotion from one Section to another very difficult; that the work of A and B members was generically not different; and, finally, that B members were only promoted to Category A if their services had given entire satisfaction.

It requested the competent officials of the autonomous organisation to submit each year to the Commission, with the estimates, a statement showing the proportion between Members of Section A and B in the estimates for the following year.

IV. REMUNERATION OF DEPUTY JUDGES OF THE PERMANENT COURT OF INTERNATIONAL JUSTICE AT THE HAGUE.

The following is an extract from the Report of the Fourth Committee, adopted by the Assembly at its last session:

"The Fourth Committee noted with interest the observations regarding the emoluments of the deputy judges of the Court contained in the Report of the Supervisory Commission. The delegate of the British Empire having proposed that the abnormal situation created by the fact that the emoluments of the deputy judges amount in some cases to almost as much as those of the judges themselves should be investigated; and, the Registrar having stated that the Court would have no objection to one or more members of the Court attending such an investigation in a purely personal capacity, the Committee was of opinion that this enquiry might be entrusted to the Supervisory Commission. It was agreed that this enquiry, the result of which would be communicated to the next ordinary session of the Assembly, should not, in accordance with Article 32 of the Statute of the Court, affect established situations."

In accordance with the desire expressed by the Assembly, the Supervisory Commission has studied the question on several occasions on the basis of full statistical and other data supplied to it. Further, the Supervisory Commission had the benefit of the information obtained in the course of the conversations between several of its members and some members of the Court.

During the course of the enquiry thus conducted by the Commission, the following facts were ascertained:

1. The work of the Court is much heavier than had been anticipated when the Statute was drafted, and, as a result, sessions have been longer and more numerous than had been originally contemplated.

2. The Council has on many occasions asked the Court to give it advisory opinions within as short a time as possible. In fact, it has happened in the past that the Court has been convened for an extraordinary session even before certain judges from overseas countries had reached their homes. This explains why, in many cases, judges from distant countries have been unable to attend sessions, and the President of the Court has been obliged to call upon deputy judges to replace them.

3. It was pointed out to the Commission by the Registrar of the Court that the position of the judges and the deputy judges was, perhaps, not as different as had been thought in regard to incompatibilities. Thus, there are cases where deputy judges have been obliged to give up positions of considerable importance at home in order to be in a position to attend the sessions

of the Court whenever called upon to do so. Such being the case, the Registrar of the Court maintained that it would not seem inequitable that their remuneration should, under certain conditions, reach the same figure as that of ordinary judges.

In view of the fact that the Assembly has decided that the recommendations of the Commission should not affect established situations, the Commission has decided for the moment not to make any definite proposals to the Assembly. It will keep the matter in mind and in due course report again to the Assembly before candidates are selected with a view to the elections to be held in 1930.

V. MISCELLANEOUS QUESTIONS.

Observations of the Governing Body of the International Labour Office on the Commission's Previous Report.

The Commission took note of the observations of the Governing Body on the passage of its last report dealing with economies made by the various organisations of the League during 1926 (Annex 3, paragraph 26).

The Supervisory Commission is of opinion that the policy followed by the Governing Body for the preparation of the estimates of the International Labour Office is in accord with the best financial principles, and wishes to express its entire agreement with the views put forward in the memorandum submitted to it by the Governing Body.

LIST OF APPENDICES.

- I. Memorandum on the Stabilisation of the Salaries of the Officials of the League at Geneva, submitted to the Commission by two of its Members.
- II. Resolution adopted on January 21st, 1927, at a Meeting of the Staff of the Secretariat of the League of Nations.
- III. Resolution adopted on February 14th, 1927, at a General Meeting of the Staff of the International Labour Office.

Appendix I.

MEMORANDUM ON THE STABILISATION OF THE SALARIES OF THE OFFICIALS OF THE LEAGUE AT GENEVA, SUBMITTED TO THE COMMISSION BY TWO OF ITS MEMBERS.

With reference to the discussion which took place at the last session of our Commission regarding the variable portion of the salaries of the staff of the League of Nations, we take the liberty of submitting to you below certain arguments that we wish to advance in support of the view that sound administrative policy and justice to the staff call for the abandonment of the system of variable salaries and the re-establishment of the full salaries according to the present scale in force.

* * *

Leaving out for the moment any criticism of the details of the present system, we consider that, as a general rule, officials' salaries should be fixed. The authorities ought to know beforehand what they will have to pay, and the staff ought to know what they can reckon upon. The system of variable salaries endangers budgetary stability and tends to weaken the sense of responsibility and prudence in the staff. We agree with the high officials of the League who are qualified to give an opinion that this system also tends to create a profound impression of economic instability and insecurity among the staff — which is most unfortunate from all points of view. We think that salary scales should be so constructed as not to prove unduly generous when there is a slight fall in prices, and not to put the staff in considerable difficulties when prices rise a little. We do not deny that, as happened during the war and during the first few years after it, quite exceptional circumstances may arise compelling Governments to follow price fluctuations, both upward and downward, in fixing salaries; but apart from such special circumstances — which may have justified the adoption of the system in 1923 but have now ceased to exist in most countries, particularly Switzerland — changes in salary scales should take place very seldom; they should only be made when the basis on which the old scales were constructed have appreciably and permanently altered. We agree with a former high official of the League who no longer has any personal interest in the matter and who considers that such changes in scale should not occur more than once or twice in a generation.

* * *

We freely admit that cases might arise in which the circumstances would minimise in practice the difficulties of a system that we condemn in principle. For this reason we must explain why, in our opinion, there are no such extenuating circumstances in the case of the League of Nations;

and before giving this explanation we should like to point out that the method of applying the system at Geneva has special defects of its own. A rule has been made that the system shall not operate until a difference of at least 10 per cent in prices has been established; and this rule does not apply to nominal salaries but to the salaries actually paid, and applies both to a fall and to a rise in prices. The result may be as follows: for a certain year a fall of 13 per cent in prices is taken as a basis; prices then rise 9 per cent, which means that the net fall is only 5.17 per cent; in spite of this, salaries have to be kept at the level based on the fall of 13 per cent, thus causing considerable loss to the staff. This typical case has occurred in a more serious form: it is calculated that, according to the more accurate figures now available, a rise of 9.92 per cent in prices took place in 1925, but this, according to the rule in force, could not be met by an increase in salaries. This situation is particularly unfortunate, because there is no guarantee whatever that the figure of 9.92 per cent is not an underestimate for certain categories of staff. We condemn the system in principle, and the unfairness with which it is at present working out in practice is obvious. It may be said in reply that a closer adjustment of salaries to the cost of living, so that every rise or fall in prices would involve an alteration in salaries, would cause far too serious difficulties in the budget. We are perfectly prepared to admit this; it only strengthens our view as to the principle of the matter.

* * *

In proceeding now to state the special circumstances of the case before us, we shall first put forward our arguments based on the fact that the application of the system of variable salaries requires statistics. We would point out: (1) that all statistics, however reliable, of the kind here required are compiled after the event; only what has already happened can be recorded; (2) that salaries have to be fixed at least three months before the beginning of the year for which they are to be paid. Consequently salaries are based on figures which are already old when the payment of the salaries begins, and completely obsolete when the final payment is made. Our conclusion is that the idea on which the fixing of salaries is now based is wrong. It is wrong both in principle and in practice. It is particularly wrong in practice where — as at Geneva — the statistics are partly based on information supplied by interested parties, or possibly influenced by interested parties, and where there is some delay in compiling them.

The result may be that the figures, which are accepted for want of better, are inaccurate, and this circumstance may come to light later on. This defect seems to have arisen in the case of the salaries of the staff of the League, who consequently feel that they have suffered unintentional injustice and are entitled to claim compensation for their losses.

* * *

The insuperable difficulties which make it impossible to obtain the desired statistics are in our view aggravated by the fact that the League has its headquarters at Geneva. We would point out that:

(1) Geneva is only a "small large town" — or a "large small town" — in a small State which belongs to a Confederation. It is not big enough to provide the firm and stable basis which is required for reliable statistics; it cannot afford the cost of such various, complete and up-to-date statistics as the League needs. For both these reasons the City of Geneva cannot do without the assistance both of interested parties and of the Canton and the Confederation; and this means in practice that impartiality and concordance of detail are necessarily absent.

(2) Since Geneva is nearly surrounded by the territory of a foreign country whose exchange has not yet been stabilised, and since its economic relations with that territory are passing through a period of uncertainty; since, moreover, Geneva is the centre of a large tourist traffic, though the tourists do not stay there or stay there only at certain seasons; it is obvious that in the course of a year, and from one year to the next, a certain fluctuation in prices, which may at times be fairly considerable, is bound to occur.

(3) Without dwelling on this somewhat speculative point, we would add that we think it doubtful whether statistics relating to the local population can be applied to foreigners without some adjustment.

* * *

There is another circumstance which complicates the situation. The staff of the League is of such a peculiar character that even uniform and up-to-date statistics, drawn from impartial sources and compiled by and for Geneva, could not be applied to it without considerable difficulties. It is indeed of so peculiar a character that it tends to evade statistics entirely. Here again we have only three points to make:

1. The staff is recruited from every country in the world, and consequently represents a great number of nationalities, whose domestic habits vary widely. For that reason their needs, and the cost of satisfying those needs, are not by any means the same in all cases. Consequently, any rise or fall in prices, and any corresponding increase or reduction in salaries, affect different members of the staff in entirely different ways.

2. Even apart from this, the same effect would be produced by the fact that the scale of salaries for the staff covers a very wide range, representing great differences in the conception of the necessities of life, the prices of which are taken into consideration in deciding as to any change in salaries.

3. It must further be realised that some members of the staff live in their own flats or houses, some have furnished rooms without board, and some live in pensions or hotels; moreover, they frequently change their mode of life.

* * *

We have confined ourselves to the main outlines of the question; for details and instances we would refer to the numerous observations which have already been made on the subject, both orally and in writing. We think that the arguments advanced above are amply sufficient to demonstrate the reasons for our view that: (a) the system of variable salaries should be condemned (b) the effects of the system are aggravated by the manner in which it operates; (c) even if the system could be accepted in principle, and even if it were applied in the best possible way, it could not give satisfactory results in the present case.

We are therefore of opinion that the system should be abolished as soon as possible and a return be made to stable salaries. It seems beyond dispute that the interests of the staff have already been injured in more than one direction by the present system; moreover, it seems more likely that prices in Geneva will go on rising up to the nominal salary scale, or even higher, than that they will fall; and we therefore think that the present system must be abolished as soon as possible and a return be made to stable salaries. We propose that stabilisation should be effected at a level which will not in any way infringe the rights of the staff.

Appendix II.

RESOLUTION ADOPTED ON JANUARY 21ST, 1927, AT A MEETING OF THE STAFF OF THE SECRETARIAT OF THE LEAGUE OF NATIONS.

The meeting notes with great satisfaction the opinion expressed in the Fourth Committee of the Seventh Assembly that the present system of adjusting salaries in accordance with the cost of living is unsatisfactory.

The meeting, having taken note of the report prepared by the staff members of the Salaries Adjustment Committee, observe that the system of the variable portion owing to inevitable and irremediable defects in the index system when applied to an international staff in Geneva has hitherto necessarily operated to the detriment of the staff, and that in 1923 a reduction was made which in the light of new figures has been shown to have been excessive.

They observe further that on the new figures for rent the cost of living in 1925 can be shown to have risen by 9.92 per cent on 1923, when the last change was made.

The meeting is therefore of opinion that the best method of remedying the inequitable results of using this system in the past and of avoiding similar difficulties in future is to restore the original salaries as they stood before the change was made by the Assembly of the League in 1923 and as they are contained in the individual contracts of members of the staff, and to abrogate the whole system of salaries varying with a cost-of-living index.

Appendix III.

RESOLUTION ADOPTED ON FEBRUARY 14TH, 1927, AT A GENERAL MEETING OF THE STAFF OF THE INTERNATIONAL LABOUR OFFICE.

The staff of the International Labour Office, at a general meeting held on February 14th, 1927;

Considering the advantages of all kinds which are derived from invariable contracts;

Considering that the officials were called upon in 1922 to make a decision between a contract which would provide for a salary without any variable portion (on the old basis) and a contract with a variable portion of 20 per cent;

Considering that all the officials, with very few exceptions, decided in favour of the second form of contract mentioned in the above paragraph;

Considering that a system by which salaries are adjusted automatically to variations in the cost of living results in eliminating the risks of a difference of opinion between the administration and the staff;

Considering that no protests were made against the reduction decided upon in 1923 and that at the present moment, although supplementary statistical information which has been obtained shows that the reduction was excessive, the majority of the staff accepts the present state of affairs;

Considering that the method adopted for obtaining the statistical bases which are used to determine the fluctuations in the cost of living can be improved;

Decides in favour of the maintenance of the present system;

Requests that steps should be taken to ensure that the most exact statistics possible be obtained;

And authorises its representatives to bring this decision to the knowledge of the competent authorities.

ANNEX 5.

A.3.1927.X.

AUDITED ACCOUNTS FOR THE EIGHTH FINANCIAL PERIOD (1926).

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Part I.

SECRETARIAT AND SPECIAL ORGANISATIONS OF THE LEAGUE.

I. BUDGET ACCOUNT FOR THE EIGHTH FINANCIAL PERIOD
ENDED DECEMBER 31ST, 1926.

SUMMARY.

EXPENDITURE (in gold francs ¹).

	Allotted	Expended	Shown as expended but not paid ²
<i>A. Secretariat and Special Organisations.</i>			
Assembly and Council	1,025,000.—	422,073.82	
General Services of the Secretariat	6,779,734.—	6,287,189.59	
Less — Appropriations in aid	182,500.—	211,935.84	
	6,597,234.—	6,075,253.75	
Special Organisations of the League	4,742,770.—	4,529,314.11 ³	
Less — In aid:			
Health Organisation (Rockefeller) Grants		656,365.30	
Contribution from U.S.A. delegation towards the expenses of the Second Opium Conference		2,256.20	
Contribution from the American Bureau of Social Hygiene towards the expenses of the Commission of Enquiry on Opium Poppy Cultivation in Persia		98,110.58	
Contribution towards the expenses of the Commission for the Protection of Women and Children in Certain Territories in the Near East		270.45	
International Relief Union: Contribution from the Italian Red Cross		3,439.50	
		3,768,872.08	
Loss on exchange	25,000.—	15,627.94	
Less — Profit on exchange	25,000.—	8,766.53	
		6,861.41	
Buildings, permanent equipment, etc.	168,000.—	165,934.33 ⁴	
Less — In aid:			
Contribution towards the expenditure on Library (Books) Account		500.—	
		165,434.33	
<i>B. Other Organisations.</i>			
International Labour Organisation	7,114,938.—	7,114,938.—	945,117.62
Permanent Court of International Justice.	1,907,691.—	1,907,691.—	253,409.61
<i>C. Buildings at Geneva.</i>			
	1,375,000.—	1,375,000.—	
	22,930,633.—	20,836,124.39	1,198,527.23
Less expended than allotted in respect of Secretariat		2,094,508.61	
		22,930,633.—	

(Signed) P. G. WATTERSON.
Chief Accountant.

¹ In the Budget for 1926, the gold franc was taken as the equivalent of the Swiss franc. In so far as expenditure is concerned, the same parity is used in the accounts; the income from contributions is reckoned at the fixed parity of one dollar = 5.1826 gold francs.

² The sums shown under this column represent the difference between the amount due under the budget and the sums actually forwarded to the International Labour Organisation or the Permanent Court of International Justice (i.e. their actual share of contributions received in respect of 1926).

³ The amount of 4,529,314.11 francs represents the gross expenditure under the item of Special Organisations of the League. The net expenditure, after deducting the various appropriations in aid amounting to 760,442.03 francs, is 3,768,872.08 francs.

⁴ The amount of 165,934.33 francs represents the gross expenditure under the item of Buildings, permanent equipment, etc. The net expenditure, after deducting the appropriation in aid of 500 francs, amounts to 165,434.33 francs.

SECRETARIAT AND SPECIAL ORGANISATIONS.

Section I. — Ordinary Expenditure.

CHAPTER I. — ASSEMBLY AND COUNCIL.

	Original Appropriation Gold francs	Appropriation as modified by transfers Gold francs	Actual Expenditure Gold francs
1. Session of the Assembly (see Schedule A) . .	435,000.—	435,000.—	321,690.40
2. Sessions of the Council.	90,000.—	90,000.—	18,660.05
3. Unforeseen expenditure (subject to special vote of the Council)	500,000.—	500,000.—	81,723.37
Expenses occasioned by the Extraordinary Session of the Assembly			69,382.65
Protection of Moslems of Albanian origin in Greece			6,964.27
Expenses of the Conference of States signa- tories of the Protocol of the Permanent Court of International Justice			5,376.45
	<hr/> 1,025,000.—	<hr/> 1,025,000.—	<hr/> 422,073.82

CHAPTER II. — GENERAL SERVICES OF THE SECRETARIAT.

4. Salaries, wages and allowances:			
(a) Secretariat at Geneva (see Schedule B) .	4,410,034.—	4,359,534.—	4,205,274.49
(b) House staff at Geneva	249,361.—	287,861.—	288,111.—
5. Contribution to the Staff Provident Fund . .	220,000.—	232,000.—	229,457.55
6. Latin-American Liaison Bureau (see Sched- ule C)	116,072.—	116,072.—	82,720.51
7. Branch Offices (see Schedule D).	151,227.—	151,227.—	104,442.84
8. Travelling expenses of officials of the League:			
(a) Travelling expenses and subsistence allowances in connection with General Services	160,000.—	144,000.—	140,641.59
(b) Travelling expenses of members of the Secretariat returning home on leave .	50,000.—	45,000.—	42,398.40
(c) Removal expenses to and from Geneva.	25,000.—	46,000.—	44,675.26
(d) Passports and visas	500.—	500.—	239.—
9. Frais de représentation (see Schedule E) . .	150,000.—	150,000.—	137,505.84
10. Property account: maintenance:			
(a) Headquarters at Geneva (see Schedule F)	212,220.—	212,220.—	179,918.55
(b) House allowance of the Secretary-General (£1,000)	25,220.—	25,220.—	25,220.—
11. Publications Department (see Schedule G) .	394,000.—	394,000.—	334,426.50
12. General office expenses (see Schedule H) .	394,000.—	394,000.—	381,585.41
13. Special staff charges (see Schedule I) . . .	81,000.—	81,000.—	53,305.45
14. Interest charges: Bank Account.	1,000.—	1,000.—	—
15. Unforeseen expenses of the Secretariat. . .	80,000.—	80,000.—	4,710.50
16. Unpaid Liabilities Fund	10,000.—	10,000.—	5,243.02
17. Supervision of revenue and expenditure:			
(a) Auditors' travelling and subsistence allowances	15,000.—	15,000.—	13,411.53
(b) Expenses of Supervisory Commission. .	20,000.—	20,000.—	11,063.10
(c) Expenses of Salaries Adjustment Committee	100.—	100.—	—
(d) Expenses of Committee on Allocation of Expenses.	15,000.—	15,000.—	2,839.05
	<hr/> 6,779,734.—	<hr/> 6,779,734.—	<hr/> 6,287,189.59
<i>Deduct: Appropriations in Aid:</i>			
(a) Sale of publications	125,000.—	125,000.—	160,488.25
(b) Interest earned	50,000.—	50,000.—	44,385.24
(c) Miscellaneous cash receipts	7,500.—	7,500.—	7,062.35
	<hr/> 6,597,234.—	<hr/> 6,597,234.—	<hr/> 6,075,253.75

CHAPTER III. — SPECIAL ORGANISATIONS OF THE LEAGUE.

	Original Appropriation Gold francs	Appropriation as modified by transfers Gold francs	Actual Expenditure Gold francs
18. Administrative Commissions and Minorities Questions (see Schedule K)	329,107.—	314,107.—	275,354.43
19. Economic and Financial Organisation (see Schedule L).	1,100,594.—	1,100,594.—	887,462.99
20. General Economic Conference.	200,000.—	200,000.—	195,249.12
21. Mandates (see Schedule M).	203,878.—	253,878.—	248,978.60
22. Transit Organisation (see Schedule N) . . .	332,484.—	332,484.—	308,291.65
23. International Health Organisation (see Schedule O).	988,165.—	988,165.—	797,477.45 ¹
24. Social Questions: Suppression of Traffic in Women and Children; Supervision of Opium Traffic, etc. (see Schedule P) . . .	356,914.—	356,914.—	304,199.79 ²
25. International Bureaux and Miscellaneous Questions.	14,000.—	14,000.—	4,684.95
26. Reduction of Armaments (see Schedule Q). .	838,475.—	783,475.—	398,310.30
27. Commission for the Protection of Women and Children in certain territories in the Near East	75,000.—	75,000.—	75,000.— ³
28. Intellectual Co-operation and International University Information Office (see Schedule R).	159,153.—	159,153.—	118,086.80
29. Armenian Settlement Scheme.	50,000.—	70,000.—	64,780.55
30. Legal assistance for the poor	—	—	—
31. Experts Committee for the Progressive Codification of International Law	50,000.—	50,000.—	47,297.50
32. Preparatory Committee to consider a Scheme for an International Federation for Mutual Assistance in the Relief of Peoples overtaken by Disaster	15,000.—	15,000.—	15,000.— ⁴
33. Committee of Press Experts	30,000.—	30,000.—	28,697.95
	<u>4,742,770.—</u>	<u>4,742,770.—</u>	<u>3,768,872.08</u>

CHAPTER IV. — PROFIT AND LOSS ON EXCHANGE.

	Original Appropriation Gold francs	Appropriation as modified by transfers Gold francs	Actual Expenditure Gold francs
34. Loss on Exchange	25,000.—	25,000.—	15,627.94
Deduct: Profit on Exchange	25,000.—	25,000.—	8,766.53
	—	—	<u>6,861.41</u>

¹ This figure represents the net expenditure of the International Health Organisation chargeable to the Budget of the League. The gross expenditure, after adding the sum of 656,365.30 francs contributed by the Rockefeller Foundation, amounts to 1,453,842.75 francs (see Schedule O).

² This figure represents the net expenditure of the Section for Social Questions chargeable to the Budget of the League. The gross expenditure, after adding the sums of 2,256.20 francs contributed by the U.S.A. delegation towards the expenses of the Opium Conference, and 98,110.58 francs contributed by the American Bureau of Social Hygiene towards the expenses of the Enquiry on Opium-poppy Cultivation in Persia, amounts to 404,566.57 francs (see Schedule P).

³ This figure represents the net expenditure of the Commission for the Protection of Women and Children chargeable to the Budget of the League. The gross expenditure, after adding an anonymous gift of 270.45 francs, amounts to 75,270.45 francs.

⁴ This figure represents the net expenditure chargeable to the League. The gross expenditure, after adding the sum of 3,439.50 francs representing the contribution from the Italian Red Cross, amounts to 18,439.50 francs.

Section II. — Capital Expenditure.

CHAPTER V — PERMANENT EQUIPMENT, ETC.

	Original Appropriation Gold francs	Appropriation as modified by transfers Gold francs	Actual Expenditure Gold francs
35. Further additions to property	25,000.—	2,000.—	1,902.30
36. Further purchases of furniture, equipment, etc.	55,000.—	78,000.—	76,515.35
37. Library:			
(a) Books, maps	50,000.—	38,300.—	38,271.81 ¹
(b) Bindings	17,000.—	23,250.—	23,075.30
(c) Periodicals	13,000.—	16,000.—	15,368.12
(d) Equipment, shelving, etc.	8,000.—	10,450.—	10,301.45
	168,000.—	168,000.—	165,434.33

SCHEDULES

*to the Budget Account of the Secretariat and Special Organisations
of the League for the Eighth Financial Period (1926).*

SCHEDULE A TO CHAPTER I, ITEM 1. — *Session of the Assembly.*

	Original Appropriation Gold francs	Appropriation as modified by internal transfers Gold francs	Actual Expenditure Gold francs
1. Salaries of additional temporary clerical and house staff	138,000.—	137,700.—	89,296.15
2. Overtime payments of permanent staff.	10,000.—	10,000.—	5,179.50
3. Travelling expenses and subsistence allow- ances of temporary staff brought expressly to Geneva	15,000.—	15,000.—	9,938.65
4. Assembly Hall: rent, lighting, heating, etc.	35,000.—	32,500.—	26,035.50
5. Special printing	200,000.—	200,000.—	157,915.05
6. Cables, telegrams and telephones	1,000.—	1,000.—	226.85
7. Supplies and stores	14,000.—	14,000.—	13,482.70
8. Automobile and cyclist service	12,000.—	12,000.—	6,997.40
9. Incidental expenses	10,000.—	12,800.—	12,618.60
	435,000.—	435,000.—	321,690.40

¹ This figure represents the net expenditure on the library books chargeable to the Budget of the League. The gross expenditure, after adding a gift of 500 francs, amounts to 38,771.81 francs.

SCHEDULE B TO CHAPTER II, ITEM 4 a. — *Salaries, Wages and Allowances of the Secretariat.*

	Original Appropriation Gold francs	Appropriation as modified by transfers Gold francs	Actual Expenditure Gold francs
I. General Organisation.			
Secretary-General (£4,000)	100,880.—	100,880.—	99,568.56
Secretary-General's Office	95,404.—	95,404.—	84,099.55
Deputy Secretary-General (£3,000)	75,660.—	75,660.—	74,676.48
Deputy Secretary-General's Office	91,514.—	91,514.—	85,321.50
Under-Secretary-General (£3,000)	75,660.—	75,660.—	74,676.48
Under-Secretary-General's Office	54,540.—	54,540.—	44,937.95
Under-Secretary-General (£3,000)	75,660.—	75,660.—	74,676.48
Under-Secretary-General's Office	68,520.—	68,520.—	65,767.15
Political Section	221,586.—	221,596.—	215,998.80
Information Section	740,530.—	741,380.—	695,565.79
Legal Section	244,064.—	201,064.—	183,372.65
Financial Director's Office	94,550.—	91,375.—	79,904.50
(a) Replacements, temporary engage- ments, overtime, etc., for the General Organisation	15,000.—	10,000.—	553.75
(b) Allowances for special languages	2,500.—	2,500.—	1,140.—
TOTAL: General Organisation	1,956,068.—	1,905,753.—	1,780,259.64
II. Internal Services.			
Internal Services	181,310.—	181,310.—	172,800.70
Accounting Branch	88,688.—	88,908.—	87,031.35
Internal Control	72,225.—	72,235.—	70,731.20
Precis-Writing and Publication Depart- ment	282,552.—	282,552.—	275,670.70
Indexing of Publications	76,470.—	76,470.—	71,424.35
Drafting Committee	24,542.—	24,542.—	23,590.90
Interpreting and Translating	495,858.—	495,858.—	471,761.95
Library	144,701.—	151,051.—	148,205.35
Registry	205,558.—	202,383.—	181,021.10
Central Services.			
Pool of Typists	457,580.—	453,640.—	425,813.35
Duplicating and Multigraph Service	176,017.—	176,017.—	168,898.95
Distribution of Documents	160,920.—	161,270.—	158,955.10
Miscellaneous Services	75,780.—	75,780.—	73,805.85
Replacements, temporary engagements and overtime for all Internal Services	92,000.—	92,000.—	90,146.90
Allowances to verbatim reporters	12,300.—	12,300.—	5,157.10
TOTAL: Internal Services	2,546,501.—	2,546,316.—	2,425,014.85
TOTALS: General Organisation and Internal Services	4,502,569.—	4,452,069.—	4,205,274.49
<i>Deduct:</i> Reduction in salaries due to lower cost of living	92,535.—	92,535.—	— 1
GRAND TOTAL	4,410,034.—	4,359,534.—	4,205,274.49

SCHEDULE C TO CHAPTER II, ITEM 6. — *Latin-American Liaison Office.*

	Original Appropriation Gold francs	Actual Expenditure Gold francs
I. <i>Secretariat:</i> Salaries	86,072.—	55,463.45
II. <i>Other Expenses:</i> Correspondents, cables, travelling and removal expenses, etc.	30,000.—	27,257.06
	116,072.—	82,720.51

1 The reduction in respect of lower cost of living is deducted from each individual subhead.

SCHEDULE D TO CHAPTER II, ITEM 7. — *Branch Offices.*

		Original Appropriation Gold francs	Appropriation as modified by transfers Gold francs	Actual Expenditure Gold francs
I. London Sub-Office.				
A. Staff Salaries.		26,481.—		22,320.25
B. Property Account and General Office Expenses:	£			
(i). Rent and rates	1,344	33,895.40		30,983.04
(ii). Lighting	17	428.75		369.55
(iii). Heating	30	756.70		754.45
(iv). Cleaning	85	2,143.70		2,094.75
(v). Repairs and re- newals	100	2,521.95		2,202.70
(vi). Telephones	150	3,782.95		1,731.20
(vii). Stationery	100	2,521.95		1,645.45
(viii). National Health and Unemploy- ment Insurance	24	605.25		478.90
(ix). Postage	75	1,891.50		1,642.45
(x). Cables and tele- grams	25	630.50		190.65
(xi). Newspapers	50	1,261.—		717.85
(xii). Miscellaneous expenses	120	3,026.35		1,650.75
		79,947.—		66,781.99
II. Paris Sub-Office.				
A. Staff: Salaries.		37,200.—	37,200.—	17,955.50
Bonus		—	—	2,280.85
B. Property Account and General Office Ex- penses:	Fr. fcs.			
(i). Rent	48,000	19,200.—	19,200.—	8,707.45
(ii). Lighting	2,500	1,000.—	1,000.—	454.45
(iii). Heating	10,000	4,000.—	4,000.—	1,783.80
(iv). Cleaning	1,500	600.—	600.—	176.35
(v). Repairs and re- newals	2,000	800.—	800.—	77.90
(vi). Telephones	10,000	4,000.—	4,000.—	3,729.65
(vii). Cables and tele- grams	1,000	400.—	400.—	198.70
(viii). Stationery	5,000	2,000.—	2,000.—	762.55
(ix). Postage	100	40.—	40.—	—
(x). Newspapers	100	40.—	80.—	74.70
(xi). Miscellaneous expenses	5,000	2,000.—	1,960.—	1,458.95
		71,280.—	71,280.—	37,660.85
TOTAL: London and Paris Offices		151,227.—	151,227.—	104,442.84

SCHEDULE E TO CHAPTER II, ITEM 9. — *Frais de Représentation.*

	Original Appropriation Gold francs	Actual Expenditure Gold francs
(a) Secretary-General (£2,500)	63,050.—	63,050.—
(b) Deputy Secretary-General (£1,000)	25,220.—	25,219.92
(c) Two Under-Secretaries-General (at £500)	25,220.—	25,219.92
(d) General Fund (£1,447 13s.)	36,000.—	23,505.20
(e) Reserve for the payment in 1926 of accounts pertaining to 1924	510.—	510.80
	150,000.—	137,505.84

SCHEDULE F TO CHAPTER II, ITEM 10a. — *Property Account, Maintenance, Geneva.*

	Original Appropriation Gold francs	Appropriation as modified by internal transfers Gold francs	Actual Expenditure Gold francs
<i>Headquarters at Geneva.</i>			
(a) Water rates	4,000.—	4,000.—	4,000.—
(b) Repairs and renewals:			
(i) Buildings.	60,000.—	57,000.—	54,174.30
(ii) Furniture	25,000.—	20,500.—	14,833.70
(iii) Equipment.	5,000.—	5,000.—	4,926.85
(c) Lighting	25,000.—	25,000.—	19,972.25
(d) Heating	40,000.—	38,700.—	29,526.10
(e) Power:			
(i) Water power	1,200	1,200.—	859.20
(ii) Electric power (lift)	2,000	2,600.—	2,399.60
(f) Insurance and protection:			
(i) Buildings and furniture.	1,700	1,700.—	1,699.80
(ii) Securitas (police)	1,350	1,350.—	1,200.—
(iii) Villa.	270	270.—	73.80
(g) Employer's liability	200.—	200.—	192.50
(h) Telephones, local services	20,000.—	24,500.—	24,500.—
(i) Uniforms.	3,000.—	3,000.—	2,989.60
(j) Chimneys, repairs to flues.	3,500.—	3,500.—	902.35
(k) Automobiles, replacements, upkeep and insurance.	8,000.—	11,000.—	5,097.75
(l) Office laundry	4,500.—	4,500.—	4,481.70
(m) Sundry supplies.	7,500.—	8,200.—	8,089.05
	212,220.—	212,220.—	179,918.55

SCHEDULE G TO CHAPTER II, ITEM 11. — *Publication Department (exclusive of Salaries).*

	Original Appropriation Gold francs	Appropriation as modified by internal transfers Gold francs	Actual Expenditure Gold francs
(a) General printing not covered by special appropriations:			
(i) Council documents and <i>Official Journal</i> .	120,000.—	120,000.—	117,156.20
(ii) Internal Administration and miscel. .	13,000.—	13,000.—	10,107.35
(b) <i>Treaty Series</i>	140,000.—	130,000.—	123,383.90
(c) <i>Monthly Summary</i>	60,000.—	60,000.—	44,009.25
Other publications of the Information Section	25,000.—	25,000.—	12,704.85
(d) Travelling, transport charges, advertising for Sales Department, catalogues, etc.	30,000.—	30,000.—	16,837.20
(e) Publications, photographs, etc., for free distribution	4,000.—	14,000.—	8,977.75
(f) Working capital for cinematographic films .	2,000.—	2,000.—	1,250.—
	394,000.—	394,000.—	334,436.50

SCHEDULE H TO CHAPTER II, ITEM 12. — *General Office Expenses.*

	Original Appropriation	Appropriation as modified by internal transfers	Actual Expenditure
	Gold francs	Gold francs	Gold francs
(a) Upkeep of office equipment.	10,000.—	12,000.—	10,996.90
(b) Stationery and stationery stores:			
(i) Ordinary.	40,000.—	40,000.—	39,966.95
(ii) Supplies for Duplicating Dept.	90,000.—	92,500.—	92,012.15
(c) Cables, telegrams, long-distance telephone calls on general business	45,000.—	33,000.—	29,873.25
(d) Postage	125,000.—	144,000.—	143,228.15
(e) Freight and carriage	7,500.—	5,000.—	4,132.85
(f) Newspapers:			
(i) General			1,246.05
(ii) Information Section	14,000.—	14,000.—	4,017.79
(iii) Library and reading-room			4,981.96
(g) Subscriptions and Press cuttings	33,500.—	33,500.—	32,873.30
(h) Courier Service between Geneva and Paris.	25,000.—	16,000.—	14,857.80
(i) Advertising, etc., for tenders.	1,000.—	1,000.—	590.15
(j) Miscellaneous petty cash disbursements, including purchases of miscellaneous publications of non-capital value	3,000.—	3,000.—	2,808.11
	394,000.—	394,000.—	381,585.41

SCHEDULE I TO CHAPTER II, ITEM 13. — *Special Staff Charges.*

	Original Appropriation	Appropriation as modified by internal transfers	Actual Expenditure
	Gold francs	Gold francs	Gold francs
(a) Indemnities provided in the Staff Regu- lations	25,000.—	21,000.—	10,016.80
(b) Reserve Fund for Death and Invalidity Fund	15,000.—	15,000.—	—
(c) Contribution to Sickness Insurance Asso- ciation	20,000.—	20,000.—	19,999.80
(d) Fidelity guarantee	2,500.—	2,500.—	2,452.65
(e) Welfare	2,500.—	5,500.—	4,260.40
(f) Gratuities to house staff and others on New Year's Day	4,500.—	4,500.—	4,385.—
(g) Recruitment of staff: advertising expenses of examinations; special travelling	10,000.—	10,000.—	9,928.10
(h) Medical examination	1,500.—	2,500.—	2,262.70
	81,000.—	81,000.—	53,305.45

SCHEDULE K TO CHAPTER III, ITEM 18. — *Administrative Commissions and Minorities Questions.*

	Original Appropriation	Appropriation as modified by transfers	Actual Expenditure
	Gold francs	Gold francs	Gold francs
1. Salaries.	261,607.—	261,607.—	236,892.75
2. Travelling (including removal) expenses	40,000.—	40,000.—	28,821.90
3. Printing and documentation.	8,000.—	8,000.—	7,829.20
4. Cables, telegrams and long-distance telephones	2,000.—*	2,000.—	878.15
5. Miscellaneous expenses, replacements	2,500.—	2,500.—	932.43
6. Provision for development of the Section.	15,000.—	—	—
	329,107.—	314,107.—	275,354.43

SCHEDULE L TO CHAPTER III, ITEM 19. — *Economic and Financial Organisation.*

	Original Appropriation Gold francs	Appropriation as modified by transfers Gold francs	Actual Expenditure Gold francs
1. General Conference (and preparatory work)	100,000.—		—
2. Sessions of the Economic and Financial Committees and of Sub-Committees of Experts:			
(a) Subsistence, travelling and other expenses.	160,000.—		136,491.—
(b) Printing and publications for the Committees.	50,000.—		43,436.85
3. Administrative expenses:			
(a) Salaries of Secretariat	594,594.—		588,765.69
(b) Travelling and removal expenses of Secretariat	50,000.—		37,077.90
(c) Printing and publishing	110,500.—		64,499.40
(d) Cables, telegrams and long-distance telephones	17,500.—		12,940.30
4. Miscellaneous and unforeseen expenses	18,000.—		4,251.85
	<u>1,100,594.—</u>		<u>887,462.99</u>

SCHEDULE M TO CHAPTER III, ITEM 21. — *Mandates.*

	Original Appropriation Gold francs	Appropriation as modified by transfers Gold francs	Actual Expenditure Gold francs
1. Sessions of Permanent Mandates Commission.	45,000.—	111,000.—	110,520.85
2. Salaries of Secretariat	100,878.—	101,068.—	101,049.80
3. Travelling and removal expenses.	10,000.—	5,000.—	4,365.70
4. Printing and documentation.	45,000.—	35,000.—	32,369.15
5. Cables, telegrams long-distance telephones, unforeseen contingencies, and miscellaneous petty expenses	3,000.—	1,810.—	673.10
	<u>203,878.—</u>	<u>253,878.—</u>	<u>248,978.60</u>

SCHEDULE N TO CHAPTER III, ITEM 22. — *Communications and Transit Organisation.*

	Original Appropriation Gold francs	Appropriation as modified by internal transfers Gold francs	Actual Expenditure Gold francs
1. Regional Conferences	25,000.—	13,000.—	12,364.15
2. Sessions of the Advisory and Technical Committee	95,000.—	66,000.—	63,411.85
3. Temporary Committees and technical work of experts	38,000.—	83,000.—	79,350.15
4. Printing of documents for the meetings of the Committee and publication of information to Governments	15,000.—	29,000.—	25,218.85
5. Conciliation of disputes submitted to the Committee: fees of technical advisers and experts and other expenditure arising out of the enquiries	30,000.—	10,000.—	3,301.—
6. Salaries of permanent secretariat	111,484.—	111,484.—	106,175.60
7. Travelling and removal expenses of the Secretariat	15,000.—	15,000.—	14,135.50
8. Cablegrams, telegrams and long-distance telephone communications	2,500.—	2,500.—	2,413.05
9. Miscellaneous petty expenses and unforeseen contingencies	500.—	2,500.—	1,921.50
	<u>332,484.—</u>	<u>332,484.—</u>	<u>308,291.65</u>

SCHEDULE O TO CHAPTER III, ITEM 23. — *International Health Organisation.*

	Original Appropriation Gold francs	Appropriation as modified by internal transfers Gold francs	Actual Expenditure Gold francs
I. Secretariat:			
1. Salaries of the Health Section	289,915.—	277,915.—	277,781.35
2. Salaries of temporary staff 161,333.—			
<i>Appropriation in aid:</i>			
<i>Interchange of public health personnel</i>	57,039.—	41,180.25	39,632.79
<i>Epidemiological Intelligence Service .</i>	78,424.—	67,799.67	67,647.91
<i>Public Health Statistics</i>	25,870.—	25,870.—	25,825.15
3. Travelling and removal expenses	55,000.—	67,000.—	64,155.21
4. General printing and documentation	3,500.—	3,500.—	2,769.96
5. Cables, telegrams and telephones	10,000.—	10,000.—	9,406.80
6. Miscellaneous petty expenses and un- foreseen contingencies	2,500.—	2,500.—	1,783.85
II. Epidemiological and Public Health Intelli- gence:			
1. Special reports and enquiries	17,250.—	17,250.—	6,867.73
<i>Appropriation in aid: part Rockefeller</i>			
<i>Grant II</i>	91,772.—	102,396.33	101,215.87
2. Publications	60,000.—	60,000.—	48,586.—
3. Sanitary notifications and notifications in case of epidemics.	15,000.—	15,000.—	4,803.55
4. Epidemiological enquiries	45,000.—	45,000.—	18,540.90
5. Collective and individual studies of public health statistics			
<i>Appropriation in aid: part Rockefeller</i>			
<i>Grant III</i>	82,965.—	82,965.—	80,835.19
III. Health Committee and Conferences:			
1. Sessions of Health Committee	90,000.—	90,000.—	63,016.45
2. Special investigations (this includes expenses of technical sub-committees appointed by the Health Commit- tee)	150,000.—	150,000.—	126,315.72
3. Technical Conferences and enquiries on the spot	100,000.—	100,000.—	77,917.05
IV. Interchange of Public Health Personnel:			
1. Expenses in connection with a system of liaison between the various na- tional public health services.	150,000.—	150,000.—	95,532.88
2. Collective, specialised and individual interchanges			
<i>Appropriation in aid: part Rockefeller</i>			
<i>Grant I</i>	331,656.—	347,514.75	341,208.39
Gross Expenditure	1,655,891.—	1,655,891.—	1,453,842.75
<i>Deduct:</i>			
<i>Appropriations in aid: Rockefeller</i>			
<i>Foundation Grants:</i>			
I. For Interchanges of Public Health Personnel:			
Salaries account . . . \$11,005.87	57,039.—	41,180.25	39,632.79
Interchange account . \$63,994.13	331,656.—	347,514.75	341,208.39
II. For Epidemiological Intelli- gence Service:			
Salaries account . . . \$15,132.23	78,424.—	67,799.67	67,647.91
Intelligence service . \$17,707.77	91,772.—	102,396.33	101,215.87
III. For Study of Demographic and Public Health Sta- tistics:			
Salaries account . . . \$4,991.69	25,870.—	25,870.—	25,825.15
Statistics account . . \$16,008.31	82,965.—	82,965.—	80,835.19
Net Expenditure	988,165.—	988,165.—	797,477.45

SCHEDULE P TO CHAPTER III, ITEM 24. — *Social Questions*
(including *Suppression of Traffic in Women and Children, and Supervision of Opium Traffic, etc.*).

	Original Appropriation Gold francs	Appropriation as modified by internal transfers Gold francs	Actual Expenditure Gold francs
1. Salaries of the Secretariat	149,414.—	149,414.—	148,518.35
2. Travelling and Removal Expenses	8,000.—	8,000.—	5,741.05
3. Control of Traffic in Opium and Other Dangerous Drugs:			
(i) Sessions of the Advisory Committee	13,000.—	8,000.—	7,076.99
(ii) Printing and documentation of the Committee	12,000.—	19,000.—	18,900.—
(iii) Cables, telegrams, etc.	3,500.—	1,500.—	799.35
(iv) Miscellaneous petty expenses and un- foreseen contingencies	500.—	500.—	—
(v) Conference: <i>appropriation in aid: Contri- bution from U.S.A. Delegation</i>	2,256.20	2,256.20	2,256.20
(vi) Commission of Enquiry on Opium- Poppy Cultivation in Persia	100,000.—	100,000.—	100,000.—
<i>Appropriation in Aid: American Bureau of Social Hygiene</i>	98,110.58	98,110.58	98,110.58
4. Suppression of Traffic in Women and Children:			
(i) Sessions of the Advisory Committee	5,000.—	5,000.—	—
(ii) Suppression of Traffic in Women:			
(a) Printing and documentation for Committee and experts	10,000.—	10,000.—	9,714.65
(b) Cables, telegrams, etc.	1,000.—	1,000.—	216.60
(c) Miscellaneous petty expenses and unforeseen contingencies	500.—	500.—	—
(iii) Protection of Children	50,000.—	50,000.—	12,862.85
5. Other social questions entrusted to the Section, and unforeseen contingencies	4,000.—	4,000.—	369.95
Gross Expenditure	457,280.78	457,280.78	404,566.57
<i>Appropriations in aid:</i>			
<i>Contribution from U.S.A. delegation towards expenses of the Opium Conference</i>	2,256.20	2,256.20	2,256.20
<i>Contribution from the American Bureau of Social Hygiene towards the expenses of the Commission of Enquiry on Opium- Poppy Cultivation in Persia</i>	98,110.58	98,110.58	98,110.58
Net Expenditure	356,914.—	356,914.—	304,199.79

SCHEDULE Q TO CHAPTER III, ITEM 26. — *Reduction of Armaments.*

I. <i>Secretariat:</i>			
1. Salaries of the Secretariat	184,475.—	184,475.—	} 211,559.25
(a) Contribution of the Section to- wards the salaries of the two sta- tisticians of the Economic Section assisting in the compilation of the Statistical Year-Book	20,000.—	20,000.—	
(b) Provision for the development of the Section	30,000.—	30,000.—	
2. Travelling and removal expenses of the Secretariat	12,000.—	12,000.—	6,139.35
II. <i>Permanent Advisory Commission:</i>			
1. Meetings of the Permanent Advisory Commission	9,000.—	9,000.—	—
2. Printing and documentation	500.—	500.—	150.30
3. Cables, telegrams, and unforeseen ex- penses	2,500.—	2,500.—	97.60
III. <i>Investigations</i>	250,000.—	250,000.—	—
Carried forward	508,475.—	508,475.—	217,946.50

	Original appropriation Gold francs	Appropriation as modified by transfers Gold francs	Actual Expenditure Gold francs
<i>Brought forward</i>	508,475.—	508,475.—	217,946.50
IV. Co-ordination Commission:			
1. Meetings of the Committee	78,000.—	41,000.—	39,213.70
2. Printing and documentation	500.—	500.—	216.40
3. Cables, telegrams, etc.	1,500.—	100.—	12.65
V. Statistical Year-Book:			
1. "Armaments Year-Book"	36,000.—	51,000.—	50,549.75
2. "Statistical Information on the Trade in Arms, Ammunition and Implements of War"	4,000.—	4,000.—	4,000.—
VI. International Conference for the Control of the Private Manufacture of Arms, Munitions and Implements of War (including preparatory studies).	160,000.—	85,000.—	4,159.05
VII. International Disarmament Conference (preparatory studies)	50,000.—	93,400.—	82,212.25
Net Expenditure	838,475.—	783,475.—	398,310.30

SCHEDULE R TO CHAPTER III, ITEM 28. — *Intellectual Co-operation, etc.*

	Original Appropriation Gold francs	Appropriation as modified by internal transfers Gold francs	Actual Expenditure Gold francs
A. Intellectual Co-operation:			
1. Salaries of Secretariat	30,233.—	31,796.80	31,793.40
2. Plenary sessions (including travelling expenses and subsistence allowances) and Sub-Committee meetings	55,000.—	55,000.—	54,377.30
3. Conference of Experts on Questions of Scientific Property	8,000.—	8,000.—	—
4. Grant to the Commission for Co-ordination of Bibliographical Work in Field of Social Sciences	—	—	—
5. Experts and correspondents	20,000.—	18,436.20	2,326.70
6. Travelling expenses (Secretariat)	6,000.—	9,000.—	7,917.25
7. Printing	14,000.—	14,000.—	9,967.85
8. Grant towards the publication of an <i>Index Bibliographicus</i>	1,000.—	1,000.—	299.20
9. Miscellaneous petty and unforeseen expenses	10,000.—	7,000.—	4,638.15
B. International University Information Office	14,920.—	14,920.—	6,766.95
	159,153.—	159,153.—	118,086.80

II. SECRETARIAT AND SPECIAL ORGANISATIONS OF THE LEAGUE.
STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31ST, 1926.

LIABILITIES.

	Gold francs	Gold francs	Gold francs
International Labour Organisation.			
<i>Third Financial Period:</i>			
Balance as per last account		68,725.38	
<i>Fourth Financial Period:</i>			
Balance as per last account		112,984.99	
<i>Fifth Financial Period:</i>			
Balance as per last account		700,834.93	
<i>Sixth Financial Period:</i>			
Balance as per last account	623,465.46		
Less payments during year	<u>7,511.64</u>		
		615,953.82	
<i>Seventh Financial Period:</i>			
Balance as per last account	1,157,328.14		
Less payments and written off during year	<u>631,317.65</u>		
		526,010.49	
<i>Eighth Financial Period:</i>			
Amount as per Budget appropriation	7,114,938.—		
Less payments during year	<u>6,169,820.38</u>		
		945,117.62	
<i>Compounded Arrears:</i>			
Balance as per last account	79,740.70		
Less payments during year	<u>6,881.16</u>		
		72,859.54	
		<u>3,042,486.77</u>	
Permanent Court of International Justice.			
<i>Fifth Financial Period:</i>			
Balance as per last account		160,670.29	
<i>Sixth Financial Period:</i>			
Balance as per last account	170,234.88		
Less payments during year	<u>2,051.05</u>		
		168,183.83	
<i>Seventh Financial Period:</i>			
Balance as per last account	300,851.11		
Less payments and written off during year	<u>164,112.78</u>		
		136,738.33	
<i>Eighth Financial Period:</i>			
Amount as per Budget appropriation	1,907,691.—		
Less payments during year	<u>1,654,281.39</u>		
		253,409.61	
<i>Compounded Arrears:</i>			
Balance as per last account	1,792.38		
Less payments during year	<u>199.14</u>		
		1,593.24	
Building Annuity Fund			720,595.30
			<u>1,375,000.—</u>
<i>Carried forward</i>			<u>5,138,082.07</u>

II. SECRETARIAT AND SPECIAL ORGANISATIONS OF THE LEAGUE.
STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31ST, 1926.

	ASSETS.		
	Gold francs	Gold francs	Gold francs
Property at Geneva:			
Hotel National	5,328,933.95		
Armleder property	41,890.92		
Capital installation	118,405.92		
	<hr/>	5,489,230.79	
Less depreciation reserve as at December 31st, 1925:			
Hôtel National	1,598,680.20		
Capital installation	43,523.44		
	<hr/>	1,642,203.64	
		<hr/>	
		3,847,027.15	
Add adjustment of capital value to corre- spond with amount guaranteed by the Swiss authorities		152,972.85	
		<hr/>	4,000,000.—
Building Fund Account:			
Balance as per last account		10,187,801.14	
Add adjustment, being amount paid to the International Labour Organisation in 1925		3,250,000.—	
Add transfer of cash surplus in respect of 1925		3,367,847.28	
Add interest received during 1926 plus profit on exchange		464,398.42	
		<hr/>	
		17,270,046.84	
Expended to date		5,648,644.60	
Cash in hand and at banks		11,621,402.24	
		<hr/>	17,270,046.84
Capital Account:			
<i>Furniture, fittings, typewriters, etc.:</i>			
Balance as per last account	945,082.80		
Add adjustment	25,819.72		
	<hr/>		
Additions, less sales during year	970,902.52		
	75,915.35		
	<hr/>	1,046,817.87	
<i>Library (books):</i>			
Balance as per last account	533,090.99		
Additions during year	77,215.23		
	<hr/>	610,306.22	
<i>Library (shelving):</i>			
Balance as per last account	77,898.53		
Additions during year	10,301.45		
	<hr/>	88,199.98	
		<hr/>	1,745,324.07
Sundry Debtors — States Members:			
<i>Compounded Arrears Account:</i>			
Guatemala	12,808.97		
Honduras	55,326.58		
Liberia	85,265.04		
Nicaragua	55,326.58		
Paraguay	15,370.80		
Salvador	36,510.—		
	<hr/>	260,607.97	
<i>Carried forward</i>		<hr/>	23,015,370.91
		260,607.97	

LIABILITIES (continued).

	Gold francs	Gold francs	Gold francs
<i>Brought forward</i>			5,138,082.07
Working Capital Account (Definite):			
Balance as per last account		4,506,754.62	
Less amount written off (Panama)		49.60	
		<hr/>	
Add interest received during year		4,506,705.02	
		165,608.05	
		<hr/>	4,672,313.07
Depreciation Reserve :			
<i>Furniture, fittings, typewriters, etc.:</i>			
Balance as per last account	785,776.76		
Add 20% on value as at December 31st, 1926.	209,363.57		
	<hr/>		
		995,140.33	
<i>Library (books):</i>			
Balance as per last account	347,877.40		
Add 20% on value as at December 31st, 1926	122,061.24		
	<hr/>		
		469,938.64	
<i>Library (shelving):</i>			
Balance as per last account	52,285.86		
Add 20% on value as at December 31st, 1926	17,639.99		
	<hr/>		
		69,925.85	
		<hr/>	1,535,004.82
Suspense Account:			
Contribution from U.S.A. delegation towards the expenses of the Opium Conference.		743.80	
Contribution from the American Bureau of Social Hygiene towards the expenses of the Commission of Enquiry on Opium-Poppy Cultivation in Persia		55,541.42	
		<hr/>	56,285.22
Income and Expenditure Account:			
Balance as per last account		21,872,766.07	
Less Secretariat allocation of contribution of Panama in respect of seventh financial period, written off		13,253.55	
		<hr/>	
		21,859,512.52	
Add cash surplus as at December 31st, 1926:			
International Labour Organisation.	949,527.25		
Permanent Court of International Justice	52,334.05		
	<hr/>		
		1,001,861.30	
Add restoration of amount charged in 1925 in respect of International Labour Organisa- tion building		3,250,000.—	
Add adjustment of capital value of property at Geneva		152,972.85	
Add refund out of Health Organisation (Rocke- feller) funds of expenditure relative to 1925		4,992.86	
Add refund of expenditure in connection with Iraq Commission of Enquiry originally shown as non-recoverable expenditure		3,212.74	
Add interest and profit on exchange on Build- ing Fund Account		464,398.42	
Add adjustment in respect of capital value of furniture, fittings, typewriters, etc.		25,819.72	
Add balance being excess income over expenditure for the eighth financial period		1,911,378.14	
		<hr/>	28,674,148.55
			<hr/>
			40,075,833.73

ASSETS (continued).

	Gold francs	Gold francs	Gold francs
<i>Brought forward</i>		260,607.97	23,015,370.91
Sundry Debtors — States Members (continued) :			
<i>Second Financial Period:</i>			
Peru		29,947.47	
<i>Third Financial Period:</i>			
Peru		208,333.—	
<i>Fourth Financial Period:</i>			
China	182,119.—		
Peru	202,267.—		
		<u>384,386.—</u>	
<i>Fifth Financial Period:</i>			
Bolivia	100,000.—		
China	1,767,773.28		
Honduras	27,196.51		
Nicaragua	27,196.51		
Peru	271,965.12		
		<u>2,194,131.42</u>	
<i>Sixth Financial Period:</i>			
Bolivia	115,871.12		
China	1,506,324.51		
Honduras	23,174.23		
Nicaragua	23,174.23		
Peru	231,742.24		
		<u>1,900,286.33</u>	
<i>Seventh Financial Period:</i>			
Bolivia	121,166.51		
China	1,211,665.15		
Honduras	24,233.30		
Nicaragua	24,233.30		
Peru	242,333.03		
		<u>1,623,631.29</u>	
<i>Eighth Financial Period:</i>			
Albania	18,368.84		
Bolivia	97,889.58		
Canada	716,603.59		
China	1,022,094.81		
Estonia	10.82		
France	284,653.68		
Guatemala	9,674.36		
Honduras	24,472.39		
Lithuania	77,159.18		
Luxemburg	6,527.12		
Nicaragua	24,472.39		
Panama	1,993.70		
Paraguay	22,716.84		
Persia	51,848.97		
Peru	220,251.55		
Poland	467,268.61		
		<u>3,046,006.43</u>	
			9,647,329.91
Building Annuity Fund:			
Cash balance			1,375,000.—
Working Capital Account (Definite):			
Cash balance		4,132,242.39	
Advances		427,987.19	
		<u>4,560,229.58</u>	
Cash in hand and at banks			<u>1,477,903.33¹</u>
			<u>40,075,833.73</u>

March 18th, 1927.

(Signed) P. G. WATTERSON,
Chief Accountant.

¹ The determination of the exact amount of the cash balance is dependent on the amount to be refunded out of the balance of 56,285.22 francs, Suspense Account, appearing on the liabilities side.

III. LEAGUE OF NATIONS:

WORKING CAPITAL STATEMENT AS AT DECEMBER 31ST, 1926.

Budget Allocation:	Gold francs	Gold francs
In respect of second financial period	10,104,360.—	
Less contributions written off	<u>313,800.—</u>	
In respect of third financial period	21,249,988.32	9,790,560.—
Less contributions written off	<u>993,085.77</u>	
In respect of fifth financial period	25,673,507.30	20,256,902.55
Less contributions written off	<u>54,845.82</u>	
In respect of sixth financial period		25,618,661.48
In respect of seventh financial period	22,658,138.—	23,233,635.70
Less contributions written off	<u>22,478.71</u>	
		<u>22,635,659.29</u>
		<u>101,535,419.02</u>
Receipts from State Members:		
In respect of second financial period	9,760,612.53	
In respect of third financial period	20,048,569.55	
In respect of fifth financial period	23,424,530.06	
In respect of sixth financial period	21,333,349.37	
In respect of seventh financial period	<u>21,012,028.—</u>	
		<u>95,579,089.51</u>
Working Capital authorised by Vote of Assembly:		
In respect of second financial period	1,725,000.—	
Less allocation in contributions written off	<u>53,571.45</u>	
In respect of third financial period	1,890,000.—	1,671,428.55
Less allocation in contributions written off	<u>84,863.60</u>	
In respect of fifth financial period	500,000.—	1,805,136.40
Less allocation in contributions written off	<u>538.48</u>	
In respect of sixth financial period		499,461.52
In respect of seventh financial period	50,000.—	442,500.—
Less allocation in contributions written off	<u>49.60</u>	
		<u>49,950.40</u>
		<u>4,468,476.87</u>
Working Capital received:		
In respect of second financial period, including voluntary contributions	1,684,157.76	
In respect of third financial period, including voluntary contributions	1,802,259.05	
In respect of fifth financial period, including voluntary contributions	458,269.70	
In respect of sixth financial period	403,567.86	
In respect of seventh financial period	<u>46,367.16</u>	
		4,394,621.53
Interest earned during 1926 on Unemployed Working Capital Fund		165,608.05
		<u>4,560,229.58</u>

III. LEAGUE OF NATIONS:

WORKING CAPITAL STATEMENT AS AT DECEMBER 31ST, 1926.

Working Capital receivable:	Gold francs	Gold francs
<i>In respect of second financial period:</i>		
Amount authorised, including voluntary contributions	1,689,270.31	
Amount received, including voluntary contributions	<u>1,684,157.76</u>	5,112.55
<i>In respect of third financial period:</i>		
Amount authorised, including voluntary contributions	1,823,559.57	
Amount received, including voluntary contributions	<u>1,802,259.05</u>	21,300.52
<i>In respect of fifth financial period:</i>		
Amount authorised, including voluntary contributions	501,424.74	
Amount received, including voluntary contributions	<u>458,269.70</u>	43,155.04
<i>In respect of sixth financial period:</i>		
Amount authorised	442,500.—	
Amount received	<u>403,567.86</u>	38,932.14
<i>In respect of seventh financial period:</i>		
Amount authorised	49,950.40	
Amount received	<u>46,367.16</u>	3,583.24
		<u>112,083.49</u>

Statement showing how Amount shown as Working Capital is made up:

Cash in hand and at banks		4,132,242.39
<i>Advances:</i>		
Expenses of the High Commissioner at Danzig	19,406.57	
Question of the Frontier between Turkey and Iraq: Expenses of the Committee of Enquiry appointed by the Council in 1924 not already reimbursed by the Turkish Government	197,472.—	
Advance of funds to the two Swedish officers placed at the disposal of the Bulgarian and Greek Governments	2,578.11	
International Labour Organisation	<u>208,530.51</u>	427,987.19
		<u>4,560,229.58</u>

Note. — The following are the voluntary contributions of working capital included in the above figures:

In respect of second financial period	17,841.76	
In respect of third financial period	18,423.17	
In respect of fifth financial period	<u>1,963.22</u>	38,228.15

March 18th, 1927.

(Signed) P. G. WATTERSON,
• Chief Accountant.

IV. RECOVERABLE ADVANCES MADE FROM THE WORKING CAPITAL FUND.

(See Memorandum below.)

	Gold francs
Expenses of the High Commissioner at Danzig	19,406.57
Question of the Frontier between Turkey and Iraq: Expenses of the Committee of Enquiry appointed by the Council in 1924 not already reimbursed by the Turkish Government	197,472.—
Advance of funds to the two Swedish officers placed at the disposal of the Bulgarian and Greek Governments.	2,578.11
International Labour Organisation	208,530.51
	<u>427,987.19</u>

V. EXPENSES BORNE ON THE VOTE FOR UNFORESEEN EXPENDITURE INCURRABLE ONLY BY SPECIAL RESOLUTION OF THE COUNCIL.

(See Memorandum, page III.)

	Gold francs
Expenses occasioned by the Extraordinary Session of the Assembly	69,382.65
Protection of Moslems of Albanian origin in Greece	6,964.27
Expenses of the Conference of States signatories of the Protocol of the Permanent Court of International Justice.	5,376.45
	<u>81,723.37</u>

VI. RECOVERABLE ADVANCES, UNFORESEEN EXPENDITURE AND TRANSFERS.

Memorandum by the Secretary-General.

Paragraph 3 of Article 36 of the Regulations for the Financial Administration of the League of Nations reads as follows:

“ There shall be attached to the account as annexes a memorandum showing for the past financial year the resolutions of the Council with reference to: (a) any recoverable advances made from the Working Capital Fund; and (b) any advances originally thought to be recoverable and ultimately considered by the Council to be irrecoverable; and of the competent authority with reference to: (c) any expenses borne on a vote for unforeseen expenses incurable only by special resolution of a competent authority; and (d) any transfers made in the budget.”

The present memorandum also includes for the sake of completeness a list of internal transfers approved by the Secretary-General.

A. RECOVERABLE ADVANCES MADE FROM THE WORKING CAPITAL FUND.

I. Expenses of the High Commissioner at Danzig.

On December 12th, 1925, the Council adopted the following resolution:

“ 2. Dr. van Hamel is hereby appointed High Commissioner at Danzig for a period of three years beginning on February 22nd, 1926

“ 4. The funds allocated for the maintenance of this post shall be advanced to the High Commissioner, as hitherto, by the Financial Department of the League of Nations. The High Commissioner shall present a report to the Financial Department on the employment of these funds, which will be utilised as far as possible in accordance with the general rules applied by the League of Nations in this domain. The advances thus granted to the High Commissioner will be repaid in equal parts by the Danzig and Polish Governments, in accordance with the agreement which they have concluded on this subject. ”

(37th Session, Minute 1627.)

2. *Question of the Frontier between Turkey and Iraq: Expenses of the Committee of Enquiry.*

On September 30th, 1924, the Council adopted the following resolution:

"With a view to collecting the facts and data which it requires to fulfil the mission entrusted to it under Article 3, paragraph 2, of the Treaty of Lausanne:

"Decides to set up a special Committee of three members.

". . . the Secretary-General shall furnish it with the necessary staff and shall advance it the funds which it may require, such advances to be refunded to the League in equal proportions by the Governments concerned."

(30th Session, Minute 1320.)

3. *Frontier Incident between Bulgaria and Greece: Advance of Funds to the Two Swedish Officers placed at the Disposal of the Bulgarian and Greek Governments.*

On March 15th, 1926, the Council adopted the following resolution:

"The Council authorises the Secretary-General to pay from the Working Capital Fund of the League the expenses which the Swedish officers placed at the disposal of the Bulgarian and Greek Governments will incur in proceeding to take up their duties and one month's salary to those officers. It is understood that the Bulgarian and Greek Governments undertake to refund their respective proportions of the said expenses within a period not exceeding three months, and in future to place at the disposal of the Secretary-General of the League of Nations, at the beginning of each quarter, the amounts of the monthly salaries of the above-mentioned officers for the ensuing quarter."

(39th Session, Minute 1672.)

4. *International Labour Organisation.*

Paragraph 1 of Article 33 of the Regulations for the Financial Administration of the League of Nations reads as follows:

"(1) In accordance with Article 26, paragraph 2, the Working Capital Fund is primarily applicable to meet temporarily normal requirements of regular organisations of the League which cannot be paid out of income at the time when they are due to be met. Such organisations shall have the first claim to assistance from the Fund. The assistance shall be given in the form of advances from the Fund to the competent officials of the organisations, and such advances shall be repaid to the Fund as soon as the necessary income is available."

5. *Financial Reconstruction of Austria: Advance to be made to M. Rost van Tonningen¹.*

On June 9th, 1926, the Council adopted the following resolution:

"The Council:

"Takes note that, in accordance with its resolution of March 11th, the Secretary-General will, in agreement with the Trustees of the Austrian Reconstruction Loan and with M. Dubois, who has been designated by the Financial Committee to administer the balance of the loan account, appoint M. Rost van Tonningen to act in Vienna in pursuance of the Council's resolutions of December 9th, 1925, and March 11th, 1926;

"Authorises and empowers the Secretary-General to advance from the Working Capital Fund the sums necessary for the carrying-out of the arrangement herein described, it being understood that the total sum that may at any time be so advanced shall not exceed 12,000 gold francs, and that every three months the sums so advanced shall be reimbursed by the Austrian Government."

(40th Session, Minute 1737.)

B. ADVANCES ORIGINALLY THOUGHT TO BE RECOVERABLE AND ULTIMATELY CONSIDERED BY THE COUNCIL TO BE IRRECOVERABLE.

Nil.

¹ The advances made during 1926 to M. Rost van Tonningen were repaid by the Austrian Government at the end of December. A further advance has since been made.

C. EXPENSES BORNE ON THE VOTE FOR UNFORESEEN EXPENDITURE INCURRABLE ONLY BY SPECIAL RESOLUTION OF THE COUNCIL.

1. *Expenditure occasioned by the Extraordinary Session of the Assembly.*

On March 18th, 1926, the Council adopted the following resolution:

"The Council decides to place under Item 3 of the budget for the financial year 1926 ('Unforeseen Expenditure, subject to special vote of the Council') the expenditure occasioned by the Extraordinary Session of the Assembly."

(39th Session, Minute 1699.)

2. *Protection of Moslems of Albanian Origin in Greece: Allowance and Salary of M. Messaré, Assistant of the Mandatories' Agent in Epirus.*

On June 7th, 1926, the Council adopted the following resolution:

"The Council:

"Authorises the Secretary-General to reimburse to the Mandatories of the League for the protection of Moslems of Albanian origin in Greece:

"1. Salary (amounting to £30 per month) to the Greek assistant of Albanian origin of the agent of the Mandatories in Epirus during his term of service;

"2. A special allowance as from May 14th, 1925, to the said assistant, consisting of an indemnity of \$1 per day during his official journeys with the agent of the Mandatories, and, in addition, the grant of one month's salary and his travelling expenses to his home on relinquishment of post; the total amount paid, apart from his regular salary, will amount to about \$550;

"3. And to charge the expenditure covered by the present resolution to Item 3 of the budget for 1926 ('Unforeseen Expenditure, subject to special vote of the Council')."

(40th Session, Minute 1715.)

3. *Expenses of the Conference of States Signatories of the Protocol of the Permanent Court of International Justice.*

On September 2nd, 1926, the Council adopted the following resolution:

"The Council decided to include under Item 3 of the budget for 1926 ('Unforeseen Expenditure, subject to special vote of the Council') the expenses of the Conference of States signatories of the Protocol of the Permanent Court of International Justice, up to the amount of 10,000 francs."

(41st Session, Minute 1765 (c).)

D. TRANSFERS IN THE BUDGET APPROVED BY THE COUNCIL.

1. On June 7th, 1926, the Council adopted the following resolution:

"The Council of the League of Nations decides to make the following transfers in the 1926 budget:

"(1) Thirty-five thousand francs (35,000) from Item 26 ('Reduction of Armaments'), and fifteen thousand francs (15,000) from Item 18 ('Administrative Commissions and Minorities Questions') to be added to Item 21 ('Mandates')."

"(2) Twenty thousand francs (20,000) from Item 35 ('Further additions to property') to Item 36 ('Further purchases of furniture, equipment, etc.')."

(40th Session, Minute 1714.)

2. On September 2nd, 1926, the Council adopted the following resolution:

"The Council decides to transfer the sum of 20,000 francs from Sub-Section VI ('International Conference for the Control of the Private Manufacture of Arms, Munitions and Implements of War') of Item 26 ('Reduction of Armaments') to Item 29 ('Armenian Settlement Scheme')."

(41st Session, Minute 1763 (a).)

3. On December 6th, 1926, the Council adopted the following resolution:

"1. The Council decides to make the following transfers in the budget for the financial year 1926:

"(1) 12,000 francs from Item 4 ('Salaries, wages and allowances') to Item 5 ('Contribution to the Staff Provident Fund');

"(2) 3,000 francs from Item 35 ('Further additions to property') to Item 36 ('Further purchases of furniture, equipment, etc.')."

(43rd Session, Minute 1818.)

E. INTERNAL TRANSFERS APPROVED BY THE SECRETARY-GENERAL.
(External transfers not accounted for.)

The following internal transfers within the various items of the budget for 1926 were approved by the Secretary-General:

Sub-head No.	Sub-head	Original figure	Add	Subtract	New figure
			Swiss francs		
Item 1. SESSION OF THE ASSEMBLY.					
1.	Salaries of additional temporary clerical and house staff	138,000		300	137,700
4.	Assembly hall, rent, lighting, heating, etc.	35,000		2,500	32,500
9.	Incidental expenses	10,000	2,800		12,800
		<hr/>	<hr/>	<hr/>	<hr/>
		183,000	2,800	2,800	183,000
Item 4 (a). SALARIES, WAGES AND ALLOWANCES: SECRETARIAT AT GENEVA:					
I. General Organisation of the Secretariat:					
9.	Political Section	221,586	10		221,596
10. Information Section:					
	(i) Geneva Office	605,498	850		606,348
	(iii) Paris Office	25,000		350	24,650
	(v) Tokio Office	20,000	350		20,350
11.	Legal Section	244,064		31,000	213,064
12.	Financial Director's Office	94,550		3,175	91,375
13a.	Replacements, temporary engagements, overtime, etc. for the General Organisation	15,000		5,000	10,000
II. Internal Services of the Secretariat:					
2.	Accounting Branch	88,688	220		88,908
3.	Internal Control	72,225	10		72,235
8.	Library	144,701	6,350		151,051
9.	Registry	205,558		3,175	202,383
10. Central Services:					
	(i) Pool	457,580		3,940	453,640
	(ii) Distribution	160,920	350		161,270
Item 4 (b). WAGES OF HOUSE STAFF AT GENEVA:					
(i)	House staff salaries	234,361	6,000		240,361
(ii)	Overtime, temporary engagements and replacements	15,000	32,500		47,500
		<hr/>	<hr/>	<hr/>	<hr/>
		2,604,731	46,640	46,640	2,604,731
Item 7. BRANCH OFFICES:					
2. Paris Sub-Office:					
B. Property account and general office expenses:					
	(x) Newspapers	100	100		200
	(xi) Miscellaneous	5,000		100	4,900
		<hr/>	<hr/>	<hr/>	<hr/>
	French francs	5,100	100	100	5,100
	Swiss francs	2,040	40	40	2,040
Item 8. TRAVELLING EXPENSES OF OFFICIALS OF THE LEAGUE:					
(a)	Travelling expenses and subsistence allowances in connection with general services	160,000	3,000	19,000	144,000
(b)	Travelling expenses of members of the Secretariat returning home on leave	50,000	—	5,000	45,000
(c)	Removal expenses to and from Geneva	25,000	21,000	—	46,000
		<hr/>	<hr/>	<hr/>	<hr/>
		235,000	24,000	24,000	235,000

Sub-head No.	Sub-head	Original figure	Add	Subtract	New figure
		Swiss francs			
Item 10. PROPERTY ACCOUNT:					
MAINTENANCE:					
(a)	<i>Headquarters at Geneva:</i>				
(b)	Repairs and renewals:				
	(i) Building	60,000		3,000	57,000
	(ii) Furniture	25,000		4,500	20,500
(d)	Heating	40,000		1,300	38,700
(e)	(ii) Electric power (lift)	2,000	600		2,600
(h)	Local telephones	20,000	4,500		24,500
(k)	Automobiles	8,000	3,000		11,000
(m)	Supplies	7,500	700		8,200
		<u>162,500</u>	<u>8,800</u>	<u>8,800</u>	<u>162,500</u>
Item 11. PUBLICATIONS DEPARTMENT:					
(b)	<i>Treaty Series</i>	140,000		10,000	130,000
(f)	Publications, photographs, etc., for free distribution	4,000	10,000		14,000
		<u>144,000</u>	<u>10,000</u>	<u>10,000</u>	<u>144,000</u>
Item 12. GENERAL OFFICE EXPENSES:					
(a)	Upkeep of office equipment	10,000	2,000		12,000
(b)	2. Supplies for the Duplicating Department	90,000	2,500		92,500
(c)	Cables, telegrams, long-distance telephone calls on general business	45,000		12,000	33,000
(d)	Postage	125,000	19,000		144,000
(e)	Freight and carriage	7,500		2,500	5,000
(h)	Courrier service between Geneva and Paris	25,000		9,000	16,000
		<u>302,500</u>	<u>23,500</u>	<u>23,500</u>	<u>302,500</u>
Item 13. SPECIAL STAFF CHARGES:					
(a)	Indemnities provided in the Staff Regulations	25,000		4,000	21,000
(e)	Welfare	2,500	3,000		5,500
(h)	Medical examination	1,500	1,000		2,500
		<u>29,000</u>	<u>4,000</u>	<u>4,000</u>	<u>29,000</u>
Item 21. MANDATES:					
1.	Sessions of Permanent Mandates Commission	45,000	16,000		61,000
2a.	Salaries of Secretariat	100,878	190		101,068
3.	Travelling and removal expenses	10,000		5,000	5,000
4.	Printing and documentation	45,000		10,000	35,000
5.	Cables, telegrams, long-distance telephones, unforeseen contingencies and miscellaneous expenses	3,000		1,190	1,810
		<u>203,878</u>	<u>16,190</u>	<u>16,190</u>	<u>203,878</u>
Item 22. COMMUNICATIONS AND TRANSIT ORGANISATION:					
1.	Regional Conferences	25,000		12,000	13,000
2.	Sessions of the Advisory and Technical Committee	95,000		29,000	66,000
3.	Temporary committees and technical work of experts	38,000	45,000		83,000
4.	Printing of documents for the meetings of the Committee and publication of information to Governments	15,000	14,000		29,000
5.	Conciliation of disputes submitted to the Committee (fees to technical advisers and experts and other expenditure arising out of the enquiries)	30,000		20,000	10,000
9.	Miscellaneous petty expenses and unforeseen contingencies	500	2,000		2,500
		<u>203,500</u>	<u>61,000</u>	<u>61,000</u>	<u>203,500</u>

Sub-head No.	Sub-head	Original figure	Add	Subtract	New figure
			Swiss francs ¹		
Item 23. INTERNATIONAL HEALTH ORGANIZATION:					
I. Secretariat:					
1.	Salaries of the Health Section	289,915		12,000	277,915
2.	Salaries of Temporary Staff:				
(a)	Rockefeller I	\$11,005.87		\$3,060	\$7,945.87
(b)	Rockefeller II	\$15,132.23		\$2,050	\$13,082.23
3.	Travelling and removal expenses . .	55,000	12,000		67,000
II. Epidemiological and Public Health Intelligence:					
1.	Special reports and enquiries:				
	Rockefeller II	\$17,707.77	\$2,050		\$19,757.77
IV. Interchange of Public Health Personnel:					
2.	Collective, specialised and individual interchanges	<u>\$63,994.13</u>	<u>\$3,060</u>		<u>\$67,054.13</u>
	Swiss francs.	344,915	12,000	12,000	344,915
		<u>\$107,840</u>	<u>\$5,110</u>	<u>\$5,110</u>	<u>\$107,840</u>
Item 24. SOCIAL QUESTIONS (INCLUDING SUPPRESSION OF TRAFFIC IN WOMEN AND PROTECTION OF CHILDREN AND SUPERVISION OF OPIUM TRAFFIC, ETC.):					
3.	Control of Traffic in Opium and other Dangerous Drugs:				
(i)	Sessions of the Advisory Committee.	13,000		5,000	8,000
(ii)	Printing and documentation of the Committee.	12,000	7,000		19,000
(iii)	Cables, telegrams, etc.	<u>3,500</u>		<u>2,000</u>	<u>1,500</u>
		28,500	7,000	7,000	28,500
Item 26. REDUCTION OF ARMAMENTS:					
IV. Co-ordination Commission:					
1.	Meetings of the Commission	78,000		37,000	41,000
3.	Cables, telegrams, etc.	1,500		1,400	100
V. Statistical Year-Book:					
1.	"Armaments Year-Book"	36,000	15,000		51,000
VI. International Conference for the Control of the Private Manufacture of Arms, Munitions and Implements of War (including preparatory studies)					
		160,000		20,000	140,000
VII. International Disarmament Conference (preparatory studies)					
		<u>50,000</u>	<u>58,400</u>	<u>15,000</u>	<u>93,400</u>
		325,500	73,400	73,400	325,500
Item 28. A. INTELLECTUAL CO-OPERATION, ETC.:					
1.	Salaries of the Secretariat	30,233	1,563.80		31,796.80
6.	Travelling expenses (Secretariat) . .	6,000	3,000		9,000
9.	Miscellaneous petty and unforeseen expenses.	10,000		3,000	7,000
5.	Experts and correspondents	20,000		1,563.80	18,436.20
		<u>66,233</u>	<u>4,563.80</u>	<u>4,563.80</u>	<u>66,233</u>
Item 37. LIBRARY:					
(a)	Books, maps	50,000		11,700	38,300
(b)	Binding	17,000	6,250		23,250
(c)	Periodicals	13,000	3,000		16,000
(d)	Equipment, shelving, etc.	8,000	2,500	50	10,450
		<u>88,000</u>	<u>11,750</u>	<u>11,750</u>	<u>88,000</u>

¹ Where no indications to the contrary.

Part II.

INTERNATIONAL LABOUR ORGANISATION

I. BUDGET ACCOUNT FOR THE EIGHTH FINANCIAL PERIOD

(January 1st to December 31st, 1926).

SUMMARY OF CHAPTERS.

	Original Appropriation	Appropriation as amended by Transfers	Actual Expenditure
	Swiss Francs	Swiss Francs	Swiss Francs
<i>Section I. — Ordinary Expenditure:</i>			
Chapter I. — Sessions of the Conference and of the Governing Body	340,000	365,460	362,705.40
Chapter II. — General Services of the Inter- national Labour Office	6,751,720	6,723,260	6,651,996.44
Chapter II <i>a.</i> — Extraordinary and Tempo- rary Expenditure: Work on behalf of Russian and Armenian Refugees . . .	303,000	303,000	303,000.00
Chapter III. — Profit and Loss on Exchange .	—	—	276.70 (profit)
<i>Section II. — Capital Expenditure:</i>			
Chapter IV <i>a.</i> — Ordinary Expenditure (Buildings, Permanent Equipment, etc.) .	75,000	78,000	77,918.53
Total	7,469,720	7,469,720	7,395,343.67
Chapter IV <i>b.</i> — Extraordinary Expenditure: Interest charges and occupation of new building	—	—	—
General Total	7,469,720	7,469,720	7,395,343.67
<i>Deduct:</i> (a) Estimated receipts from sale of publications .	80,000	80,000	95,330.99
(b) German contribution . .	274,782	274,782	¹ 273,782.20
Net Total	7,114,938	7,114,938	7,026,230.48

Geneva, March 5th, 1927.

(Signed) F. M. COLLINS,
Chief Accountant.

¹ The German contribution for 1925 carried forward as appropriation in aid of the 1926 Budget was 274,782 gold francs. These 274,782 gold francs produced 273,782.20 Swiss francs.

SECTION I. — ORDINARY EXPENDITURE.

CHAPTER I. — SESSIONS OF THE CONFERENCE AND OF THE GOVERNING BODY.

	Original Appropriation	Appropriation as amended by Transfers	Actual Expenditure
	Swiss Francs	Swiss Francs	Swiss Francs
1. Sessions of the Conference (see Schedule A)	255,000	278,560	278,504.90
2. Sessions of the Governing Body (see Schedule B)	85,000	86,900	84,200.50
Total of Chapter I.	340,000	365,460	362,705.40

CHAPTER II. — GENERAL SERVICES OF THE INTERNATIONAL LABOUR OFFICE.

3. Salaries, Wages and Allowances:			
(a) Salaries, diminished by reduction due to anticipated fall in cost of living.	4,678,620	4,678,620	4,678,471.45
(b) Expenditure incurred on account of officers dismissed or resigned	—	—	—
(c) Contribution towards Provident Fund	218,000	218,000	207,778.68
4. Travelling Expenses of Officials:			
(a) Removal expenses to and from Geneva	25,000	25,850	25,849.99
(b) Travelling expenses and allowances of officials (and their families) proceeding to Geneva to take up their posts	10,000	11,950	11,932.40
(c) Travelling expenses and subsistence allowances occasioned in connection with General Services	115,000	115,000	114,997.50
(d) Travelling expenses of officials on leave	35,000	32,200	25,739.40
5. Entertainment allowances (see Schedule D)	85,000	85,000	84,992.60
6. Property Account: maintenance of Geneva Office (see Schedule E)	84,000	113,300	113,258.85
7. Printing (see Schedule F)	465,000	438,300	437,431.31
8. General office expenses (see Schedule G)	228,000	233,000	232,781.13
9. Special staff charges (see Schedule H)	83,500	91,033.30	73,103.25
10. Unpaid Liabilities Fund	—	—	—
11. Supervision of Revenue and Expenditure:			
(a) Auditors' travelling and subsistence allowance.	5,000	5,000	4,471.30
(b) Expenses of Financial Supervisory Commission.	10,000	10,000	5,523.90
(c) Expenses of Salaries Adjustment Committee	100	100	—
12. Enquiries and Investigations	20,000	47,000	46,978.55
13. Commissions (see Schedule I)	77,000	66,800	45,161.70
14. Correspondents and collection of information (see Schedule J)	537,500	552,100	543,524.43
15. Unforeseen expenditure	75,000	6.70	—
Total of Chapter II	6,751,720	6,723,260	6,651,996.44

CHAPTER II a. — EXTRAORDINARY AND TEMPORARY EXPENDITURE.

Work on behalf of Russian and Armenian refugees. Enquiry into the possibility of settling Armenian refugees	303,000.	303,000	303,000.00
Total of Chapter II a	303,000	303,000	303,000.00

CHAPTER III.

	Original Appropriation	Appropriation as amended by Transfers	Actual Expenditure
	Swiss Francs	Swiss Francs	Swiss Francs
16. Profit on exchange	10,000	10,000	900.00
<i>Deduct:</i>			
Loss on exchange	10,000	10,000	623.30
Total of Chapter III	—	—	276.70 (profit)

SECTION II. — CAPITAL EXPENDITURE.

CHAPTER IV *a*. — ORDINARY EXPENDITURE (BUILDINGS, PERMANENT EQUIPMENT, ETC.).

17. Furniture, fittings and additional equipment.	20,000	20,000	19,982.75
18. Typewriters, calculating machines, duplicators and dictaphones	20,000	20,000	19,980.05
19. Library: books, periodicals, cards	35,000	35,000	34,955.73
20. Premises for the Rome Office.	—	3,000	3,000.00
21. Architects' competition	—	—	—
Total of Chapter IV <i>a</i>	75,000	78,000	77,918.53

CHAPTER IV *b*. — EXTRAORDINARY EXPENDITURE (INTEREST CHARGES AND OCCUPATION OF NEW BUILDING).

22. Interest charges (construction of new building)	—	—	—
23. Removal expenses	—	—	—
24. Cost of installation:			
Library	—	—	—
Furniture	—	—	—
25. Final payment on account of cost of construction of new building (3,250,000 francs)	2,110,420	¹ 2,168,976.15	¹ 2,168,976.15
<i>Deduct:</i>			
Appropriation in aid: part of surplus of 1924 financial period applied towards cost of completing the new building	2,110,420	¹ 2,168,976.15	¹ 2,168,976.15
Total of Chapter IV <i>b</i>	—	—	—

SCHEDULE A

to Chapter I, Item 1.

SESSIONS OF THE CONFERENCE.

(<i>a</i>) Salaries of additional temporary staff, etc.	49,000	64,008.35	64,008.35
(<i>b</i>) Travelling expenses and subsistence allowances of temporary staff brought to Geneva	8,000	3,867.75	3,867.75
(<i>c</i>) Conference hall: rent, heat, light, equipment, etc.	39,000	36,276.50	36,276.50
(<i>d</i>) Special printing (reports for the Conference, Director's report, final and provisional records and miscellaneous)	148,000	163,866.60	163,811.50
(<i>e</i>) Hire of office equipment and furniture	5,000	3,821.15	3,821.15
(<i>f</i>) Automobile and cyclist services	6,000	6,719.65	6,719.65
(<i>g</i>) Additional expenses	—	—	—
Total.	255,000	278,560.00	278,504.90

¹ The amount voted by the Sixth Assembly was 2,110,420 gold francs, and a supplementary vote of 60,000 gold francs was voted by the Seventh Assembly. These 2,170,420 gold francs produced 2,168,976.15 Swiss francs.

SCHEDULE B

to Chapter I, Item 2.

SESSIONS OF THE GOVERNING BODY.

	Original Appropriation	Appropriation as amended by Transfers	Actual Expenditure
	Swiss Francs	Swiss Francs	Swiss Francs
(a) Travelling expenses and allowances of Members of the Governing Body	65,000	68,900	68,729.95
(b) Printing of documents for the Governing Body	20,000	18,000	15,470.55
Total	85,000	86,900	84,200.50

SCHEDULE D

to Chapter II, Item 5.

ENTERTAINMENT ALLOWANCES.

(a) Director	30,000	30,000	30,000.00
(b) Deputy Director	12,500	12,500	12,500.00
(c) Chairman of the Governing Body	12,500	12,500	12,500.00
(d) Entertainment Fund	30,000	30,000	29,992.60
Total	85,000	85,000	84,992.60

SCHEDULE E

to Chapter II, Item 6.

PROPERTY ACCOUNT, MAINTENANCE OF GENEVA OFFICE.

(a) Rent (Main Building)	—	—	—
(b) Rent (Annexes)	—	850	850.00
(c) Water rate	1,000	2,173	2,171.60
(d) Heating	23,500	29,980	29,978.95
(e) Electricity { Lighting	7,500	8,040	8,018.95
{ Electric motors	1,500	4,374	4,373.35
(f) Repairs and renovations to buildings	1,000	706	705.00
(g) Insurance (fire, water, loss of effects, civil responsibility, etc.)	5,000	1,624	1,622.25
(h) Insurance (domestic staff and chauffeurs)	1,000	1,227	1,226.95
(i) Upkeep of office furniture and equipment (including automobiles)	13,500	11,629	11,618.70
(j) Laundry and cleaning of premises	25,000	48,948	48,947.60
(k) Uniforms	3,000	1,927	1,925.30
(l) Sundry supplies	2,000	1,822	1,820.20
Total	84,000	113,300	113,258.85

SCHEDULE F

to Chapter II, Item 7.

PRINTING.

	Original Appropriation	Appropriation as amended by Transfers	Actual Expenditure
	Swiss Francs	Swiss Francs	Swiss Francs
(a) <i>Industrial and Labour Information</i>	85,000	75,350	75,337.04
(b) <i>Official Bulletin</i>	10,000	14,475	14,468.60
(c) <i>International Labour Review</i> (French, English, German, Spanish and Italian editions)	120,000	89,840	89,568.50
(d) <i>Legislative Series</i>	55,000	95,880	95,841.65
(e) <i>Studies and Reports</i>	80,000	74,100	74,094.70
(f) Special publications	20,000	33,740	33,340.10
(g) General printing (circulars, questionnaires, reports, etc.)	65,000	30,850	30,811.45
(h) Travelling, advertising for Sales Branch	20,000	20,070	20,062.97
(i) Printing for various Commissions	10,000	3,995	3,906.30
Total	465,000	438,300	437,431.31

SCHEDULE G

to Chapter II, Item 8.

GENERAL OFFICE EXPENSES.

(a) Stationery, office supplies	55,000	63,690	63,687.95
(b) (i) Postage	110,000	110,000	109,984.43
(ii) Courrier Geneva-Paris			
(c) Cables and telegrams	13,000	9,130	9,116.95
(d) Telephones (subscriptions and surcharges)	21,000	23,940	23,918.45
(e) Papers and press cuttings of non-permanent value	15,000	13,500	13,479.35
(f) Additional miscellaneous expenses:			
(i) Freight and carriage	12,000	10,910	10,767.05
(ii) Other expenses	2,000	1,830	1,826.95
Total	228,000	233,000	232,781.13

SCHEDULE H

to Chapter II, Item 9.

SPECIAL STAFF CHARGES.

(a) Indemnities provided for in the Staff Regula- tions	25,000	25,000	22,228.00
(b) Reserve Fund for Death and Invalidity Fund	15,000	15,000	—
(c) Contribution to Sickness Insurance Fund	18,000	17,750	17,750.00
(d) Upkeep of sick-room	500	500	484.90
(e) Nurse	7,000	7,000	7,000.00
(f) Medical Adviser's fees and cost of second medical examination	4,000	3,500	3,500.00
(g) Welfare	1,000	1,155	1,154.35
(h) Subsidy to office restaurant	—	2,848.30	2,845.65
(i) Transportation: motor-bus service	—	4,660	4,658.50
(j) Recruitment of staff (advertising, expenses of examinations, special travelling, etc.)	2,000	3,745	3,736.00
(k) Cantonal and Communal subscriptions	2,000	1,345	1,340.00
(l) Miscellaneous	1,500	1,360	1,352.40
(m) Pension of the child of the late Dr. Pardo	7,500	7,170	7,053.45
Total	83,500	91,033.30	73,103.25

SCHEDULE I
to Chapter II, Item 13.

COMMISSIONS.

	Original Appropriation	Appropriation as amended by Transfers	Actual Expenditure
	Swiss Francs	Swiss Francs	Swiss Francs
1. <i>Joint Maritime Commission:</i>			
(a) Travelling expenses and allowances of members	13,000	13,000	12,936.00
(b) Printing, publications and miscellaneous	—	—	—
2. <i>Agriculture Commission:</i>			
(a) Travelling expenses and allowances of members	12,000	12,000	6,663.95
(b) Printing, publications and miscellaneous	—	—	—
3. <i>Social Insurance Commission:</i>			
(a) Travelling expenses and allowances of members	8,000	8,000	5,451.45
(b) Printing, publications and miscellaneous	—	—	—
4. <i>Meeting of Experts to Study questions concerning Disabled Men:</i>			
(a) Travelling expenses and allowances of members	5,000	5,000	—
(b) Printing, publications and miscellaneous	—	—	—
5. <i>Meeting of Experts on Industrial Hygiene:</i>			
(a) Travelling expenses and allowances of members	9,000	9,000	8,649.15
(b) Printing, publications and miscellaneous	—	—	—
6. <i>Emigration Commission:</i>			
(a) Travelling expenses and allowances of members	15,000	10,000	5,573.60
(b) Travelling expenses and allowances of staff	—	—	—
(c) Printing, publications and miscellaneous	—	—	—
7. <i>Joint Commission on Economic Crises</i>	5,000	5,000	1,921.25
8. <i>Other Commissions or Meetings of Experts</i>	10,000	4,800	3,966.30
9. <i>Printing of Publications and Miscellaneous Documents for all Commissions</i>	—	—	—
Total	77,000	66,800	45,161.70

SCHEDULE J
to Chapter II, Item 14.

CORRESPONDENTS AND COLLECTION OF INFORMATION.

(a) Paris Office (170,000 French francs at 30.—)	51,000	38,440	35,796.55
(b) London Office (£3,950 at 25.20)	99,500	100,050	99,977.15
(c) Washington Office (\$18,200 at 5.20)	94,500	94,500	94,213.45
(d) Rome Office (125,700 lire at 22.50)	28,000	28,000	25,761.60
(e) Berlin Office (50,000 marks at 1.25)	62,500	71,350	71,046.30
(f) Tokyo Office (33,000 yen at 2.12)	70,000	79,360	79,327.80
(g) Correspondents and collection of outside information	123,500	138,100	137,401.58
(h) Provision to meet fluctuations in exchange	8,500	2,300	—
Total	537,500	552,100	543,524.43

INTERNATIONAL LABOUR ORGANISATION

II. TRANSFER OF CREDITS FROM ITEM TO ITEM.

TRANSFER OF CREDITS FROM ITEM TO ITEM IN THE BUDGET OF THE EIGHTH FINANCIAL PERIOD EFFECTED BY THE GOVERNING BODY OF THE INTERNATIONAL LABOUR OFFICE.

Twenty-ninth Session — Geneva, October 1925.

	Swiss Francs		Swiss Francs
<i>From Chapter II, Item 15:</i>		<i>To Chapter II, Item 12:</i>	
Unforeseen expenditure . . .	15,000.—	Enquiries and investigations	15,000.—

Thirtieth Session. — Geneva, January 1926.

<i>From Chapter II, Item 15:</i>		<i>To Chapter II, Item 12:</i>	
Unforeseen expenditure . . .	12,000.—	Enquiries and investigations	12,000.—
<i>From Chapter II, Item 15:</i>		<i>To Chapter II, Item 9 (i):</i>	
Unforeseen expenditure . . .	5,200.—	Special staff charges: motor-bus service	5,200.—

Thirty-first Session — Geneva, April 1926.

<i>From Chapter II, Item 15:</i>		<i>To Chapter II, Item 9 (h):</i>	
Unforeseen expenditure . . .	2,333.30	Special staff charges: subsidy to Office restaurant	2,333.30
<i>From Chapter II, Item 15:</i>		<i>To Chapter II, Item 14 (g):</i>	
Unforeseen expenditure . . .	14,600.—	Correspondents and collection of outside information	14,600

TRANSFERS MADE BY THE GOVERNING BODY FROM CHAPTER TO CHAPTER UNDER SPECIAL AUTHORISATION OF THE SEVENTH ASSEMBLY.

Thirty-third Session — Geneva, October 1926.

<i>From Chapter II, Item 2, Sessions of the Governing Body:</i>		<i>To Chapter II, Item 15:</i>	
(a) Travelling expenses and allowances of members of the Governing Body . . .	1,300.—	Unforeseen expenditure . . .	3,300.—
(b) Printing of documents for the Governing Body . . .	2,000.—		
	<u>3,300.—</u>		<u>3,300.—</u>
<i>From Chapter II, Item 7 (c):</i>		<i>To Chapter II, Item 15:</i>	
Printing: <i>International Labour Review</i>	26,700.—	Unforeseen expenditure . . .	26,700.—
<i>From Chapter II, Item 15:</i>		<i>To Chapter I, Item 1, Sessions of the Conference:</i>	
Unforeseen expenditure . . .	55,860.—	(a) Salaries of additional temporary staff	6,973.75
		(d) Special printing (reports for the Conference, Director's report, final and provisional records and miscellaneous)	10,866.60
		(f) Automobile and cyclist service	719.65
		<i>To Chapter II, Item 6, Property Account, Maintenance of Geneva Office:</i>	
		(d) Heating	10,513.—
		(g) Laundry and cleaning of premises	23,787.—
		<i>To Chapter IV, Item 20:</i>	
		Premises for the Rome Office	3,000.—
	<u>55,860.—</u>		<u>55,860.—</u>

Thirty-fourth Session — Geneva, January 1927.

	Swiss Francs		Swiss Francs.
<i>From Chapter II, Item 13, Commissions:</i>		<i>To Chapter II, Item 15:</i>	
8. Other Commissions and Meetings of Experts . .	5,200.—	- Unforeseen expenditure . .	5,200.—
<i>From Chapter II, Item 15:</i>		<i>To Chapter I, Item 2, Sessions of the Governing Body:</i>	
Unforeseen expenditure . .	5,200.—	(a) Travelling expenses and allowances of members of the Governing Body . .	5,200.—
<i>From Chapter II, Item 13, Commissions:</i>		<i>To Chapter I, Item 1, Sessions of the Conference:</i>	
6. Emigration Commission: travelling expenses and allowances of members .	5,000.—	(d) Special printing (reports for the Conference, Director's report, final and provisional records and miscellaneous)	5,000.—
<i>From Chapter II, Item 6, Property Account:</i>		<i>To Chapter II, Item 8, General Office expenses:</i>	
(d) Heating.	5,000.—	(b) Postage: Courrier Geneva-Paris	5,000.—

INTERNATIONAL LABOUR ORGANISATION

III. TRANSFER OF CREDITS FROM PARAGRAPH TO PARAGRAPH

TRANSFER OF CREDITS FROM PARAGRAPH TO PARAGRAPH WITHIN THE SAME BUDGET ITEM
AUTHORISED BY THE DIRECTOR IN THE 1926 BUDGET.

Chapter I, Item 1: Sessions of the Conference.

	Swiss Francs		Swiss Francs
<i>From § b:</i>		<i>To § a:</i>	
Travelling expenses and subsistence allowances of temporary staff brought to Geneva	4,132.25	Salaries of additional temporary staff	8,034.60
<i>From § c:</i>			
Conference Hall: rent, heat, light, equipment, etc. . .	2,723.50		
<i>From § e:</i>			
Hire of office equipment and furniture.	1,178.85		
	<u>8,034.60</u>		<u>8,034.60</u>

Chapter II, Item 4: Travelling Expenses of Officials.

<i>From § d:</i>		<i>To § a:</i>	
Travelling expenses of officials on leave	2,800.—	Removal expenses to and from Geneva	850.—
		<i>To § b:</i>	
		Travelling expenses and allowances of officials proceeding to Geneva to take up their posts . . .	1,950.—
	<u>2,800.—</u>		<u>2,800.—</u>

Chapter II, Item 6: Property Account: Maintenance of Geneva Office.

<i>From § f:</i>		<i>To § b:</i>	
Repairs and renovations to buildings.	294.—	Rent: annexes	850.—
<i>From § g:</i>		<i>To § c:</i>	
Insurance (fire, water, loss of effects, civil responsibility, etc).	3,376.—	Water rate	1,173.—
<i>From § i:</i>		<i>To § d:</i>	
Upkeep of office furniture and equipment	1,871.—	Heating	967.—
<i>From § k:</i>		<i>To § e:</i>	
Uniforms.	1,073.—	Electricity (lighting). . . .	540.—
<i>From § l:</i>		<i>To § e:</i>	
Sundry supplies.	178.—	Electricity (electric motors)	2,874.—
	<u>6,792.—</u>	<i>To § h:</i>	
		Insurance, domestic staff and chauffeurs	227.—
		<i>To § j:</i>	
		Laundry and cleaning of premises	161.—
			<u>6,792.—</u>

Chapter II, Item 7: Printing.

<i>From § a:</i>		<i>To § b:</i>	
Industrial and Labour Information	9,650.—	Official Bulletin	4,475.—
<i>From § c:</i>		<i>To § d:</i>	
International Labour Review.	3,460.—	Legislative Series	40,880.—
<i>From § e:</i>		<i>To § f:</i>	
Studies and Reports	5,900.—	Special publications	13,740.—
<i>From § g:</i>		<i>To § h:</i>	
General printing	34,150.—	Travelling, advertising for Sales Branch	70.—
<i>From § i:</i>			
Printing for various Commissions	6,005.—		
	<u>59,165.—</u>		<u>59,165.—</u>

Chapter II, Item 8: General Office Expenses.

	Swiss francs		Swiss francs
<i>From § b:</i>		<i>To § a:</i>	
Postage	5,000.—	Stationery and office supplies	8,690.—
<i>From § c:</i>		<i>To § d:</i>	
Cables and telegrams . . .	3,870.—	Telephones	2,940.—
<i>From § e:</i>			
Papers and press cuttings of non-permanent value . .	1,500.—		
<i>From § f (1):</i>			
Freight and carriage. . . .	1,090.—		
<i>From § f (2):</i>			
Other expenses	170.—		
	<u>11,630.—</u>		<u>11,630.—</u>

Chapter II, Item 9: Special Staff Charges.

<i>From § c:</i>		<i>To § g:</i>	
Contribution to Sickness Insurance Fund.	250.—	Welfare	155.—
<i>From § f:</i>		<i>To § h:</i>	
Medical Adviser's fees . . .	500.—	Subsidy to Office restaurant	515.—
<i>From § i:</i>		<i>To § j:</i>	
Transportation: motor-bus .	540.—	Recruitment of staff. . . .	1,745.—
<i>From § k:</i>			
Cantonal and Communal subscriptions	655.—		
<i>From § l:</i>			
Miscellaneous.	140.—		
<i>From § m:</i>			
Pension of the child of the late Dr. Pardo	330.—		
	<u>2,415.—</u>		<u>2,415.—</u>

Chapter II, Item 14: Correspondents and Collection of Information.

<i>From § a:</i>		<i>To § b:</i>	
Paris Office.	12,560.—	London Office	550.—
<i>From § h:</i>		<i>To § e:</i>	
Provision to meet fluctua- tions in exchange	6,200.—	Berlin Office	8,850.—
	<u>18,760.—</u>	<i>To § f:</i>	
		Tokyo Office	9,360.—
			<u>18,760.—</u>

INTERNATIONAL LABOUR ORGANISATION

EIGHTH FINANCIAL PERIOD: JANUARY 1ST TO DECEMBER 31ST, 1926.

IV. BALANCE-SHEET, DECEMBER 31ST, 1926.

LIABILITIES.		Gold Francs	Swiss Francs
<i>Working Capital Fund.</i>		208,530.51	209,180.32
<i>Suspense Account as per contra:</i>		Swiss Francs	
New Building Account		400,031.91	
New Building Grounds Account		12,511.00	
Russian Refugee Account.		4,983.98	
Mrs. Mathers' legacy		954.00	
Grant from British Legion towards cost of album of prosthesis		3,086.25	
Grant from Union Fédérale des Associations françaises des			
blessés towards cost of study on "The Rates of War			
Pensions in Connection with the Cost of Living"		1,325.00	
Balance of grant from National Bureau of Economic Research			
for enquiry into history of migration statistics		<u>5,469.49</u>	
			428,361.63
<i>Contribution in respect of the 1927 Budget:</i>			
German contribution for 1926 carried forward as appropria-			
tion in aid of the 1927 Budget.			265,087.90
<i>Carried forward</i>			902,629.85

INTERNATIONAL LABOUR ORGANISATION.

EIGHTH FINANCIAL PERIOD: JANUARY 1ST TO DECEMBER 31ST, 1926.

IV. BALANCE-SHEET, DECEMBER 31st, 1926.

ASSETS.		Swiss Francs	Swiss Francs
<i>Buildings:</i>			
New Building at Geneva		2,941,488.00	
Rome Office premises		19,522.00	
		<u>2,961,010.00</u>	2,961,010.00
<i>Furniture, Machines and Library:</i>			
Furniture and fittings at Head Office and Branches		231,300.00	
Typewriters, duplicating and other machines at Head Office and Branches		55,695.00	
Library books at Head Office and Branches		71,443.00	
		<u>358,438.00</u>	358,438.00
<i>Contributions due from Nations, 3rd Financial Period (1921):</i>			
Peru (\$ = 5.17 Swiss francs)		68,725.38	68,558.43
		<u>68,725.38</u>	
<i>Contributions due from Nations, 4th Financial Period (1922):</i>			
China		53,531.38	
Peru		59,453.61	
		<u>112,984.99</u>	112,710.29
	(\$ = 5.17 Swiss francs)		
<i>Contributions due from Nations, 5th Financial Period (1923):</i>			
Bolivia		31,941.33	
China		564,650.44	
Honduras		8,686.93	
Nicaragua		8,686.93	
Peru		86,869.30	
		<u>700,834.93</u>	699,131.08
	(\$ = 5.17 Swiss francs)		
<i>Contributions due from Nations, 6th Financial Period (1924):</i>			
Bolivia		37,558.16	
China		488,256.08	
Honduras		7,511.63	
Nicaragua		7,511.63	
Peru		75,116.32	
		<u>615,953.82</u>	614,456.24
	(\$ = 5.17 Swiss francs)		
<i>Contributions due from Nations, 7th Financial Period (1925):</i>			
Bolivia		39,254.52	
China		392,545.13	
Honduras		7,850.90	
Nicaragua		7,850.90	
Peru		78,509.04	
		<u>526,010.49</u>	524,730.98
	(\$ = 5.17 Swiss francs)		
	<i>Carried forward . .</i>		<u>5,339,035.02</u>

INTERNATIONAL LABOUR ORGANISATION.

EIGHTH FINANCIAL PERIOD: JANUARY 1ST TO DECEMBER 31ST, 1926 (*continued*).

IV. BALANCE-SHEET, DECEMBER 31ST, 1926 (*continued*).

LIABILITIES (<i>continued</i>)	
<i>Brought forward</i>	Swiss Francs 902,629.85
Balance, being excess of Assets over Liabilities	6,178,783.69
<hr/>	
Total	7,081,413.54

INTERNATIONAL LABOUR ORGANISATION.

EIGHTH FINANCIAL PERIOD: JANUARY 1ST TO DECEMBER 31ST, 1926 (*continued*).

IV. BALANCE-SHEET, DECEMBER 31st, 1926 (*continued*).

<i>ASSETS (continued).</i>		Gold Francs	Swiss Francs
<i>Brought forward.</i>			5,339,035.02
<i>Contributions due from Nations, 8th Financial Period (1926):</i>			
Albania		5,699.53	
Bolivia.		30,373.27	
Canada		222,348.41	
China		317,136.36	
Estonia		3.35	
France.		88,322.60	
Guatemala		3,001.78	
Honduras		7,593.33	
Lithuania		23,941.02	
Luxemburg.		2,025.28	
Nicaragua		7,593.33	
Panama		618.62	
Paraguay.		7,048.62	
Persia		16,087.73	
Peru.		68,339.85	
Poland.		144,984.54	
	(\$ = 5.17 Swiss francs)	945,117.62	942,819.82
<i>Contributions due from Nations: Compounded Arrears Account:</i>			
Guatemala		3,438.25	
Honduras		14,850.98	
Liberia.		26,736.34	
Nicaragua		14,850.98	
Paraguay.		4,125.91	
Salvador		8,857.08	
	(\$ = 5.17 Swiss francs)	72,859.54	72,682.42
<i>Stocks:</i>			
Printing paper		Swiss Francs 14,241.50	
Stationery		19,185.25	
		33,426.75	
<i>Cash in Hand, at Bank, and with Correspondents:</i>			
<i>(a) Contribution in respect of the 1927 Budget:</i>			
German contribution for 1926 carried forward as appropriation in aid of 1927 Budget			265,087.90
<i>(b) Cash on Suspense Accounts as per contra:</i>			
New Building Account		400,031.91	
New Building Grounds Account		12,511.00	
Russian Refugees Account		4,983.98	
Mrs. Mather's legacy		954.00	
Grant from British Legion towards cost of album on prosthesis		3,086.25	
Grant from Union Fédérale des Associations françaises des Blessés towards cost of study on "The Rates of War Pensions in Connection with Cost of Living"		1,325.00	
Balance of grant from National Bureau of Economic Research for enquiry into history of migration statistics		5,469.49	
		428,361.63	
	Total		7,081,413.54

Geneva, March 5th, 1927.

(Signed) F. M. COLLINS,
Chief Accountant.

Part III.

PERMANENT COURT OF INTERNATIONAL JUSTICE.

[Translation]

I. BUDGET ACCOUNT FOR THE EIGHTH FINANCIAL PERIOD OF THE LEAGUE OF NATIONS.

(January 1st to December 31st, 1926.)

I. ACCOUNTS.

A. Summary of Chapters.

	Original Credits	Credits and Transfers Dutch Florins	Expenditure
SECTION I. — ORDINARY EXPENDITURE.			
<i>Chapter I.</i>			
Sessions of the Court	486,200.—	486,200.—	389,356.79
<i>Chapter II.</i>			
General Services of the Court	438,963.32	438,963.32	425,367.22
<i>Chapter III.</i>			
Cost of administration of the Court's funds	75.—	75.—	2,386.22
<i>Chapter IV.</i>			
Contribution towards the constitution of a fund to defray the expenses resulting from the Pensions Regulations for the personnel of the Court	10,000.—	10,000.—	10,000.—
SECTION 2.			
<i>Chapter V.</i>			
Capital Account	3,500.—	3,500.—	3,133.96
	938,738.32	938,738.32	830,244.19
<i>Receipts to be deducted:</i>			
Bank interest	7,500.—	7,500.—	3,454.75
	931,238.32	931,238.32	826,789.44
<i>Sums recoverable:</i>			
Subscriptions from non-members	7,600.—	7,600.—	35,000.—
Assessors	7,800.—	7,800.—	—
	915,838.32	915,838.32	791,789.44

B. Summary of Articles.

SECTION I. — ORDINARY EXPENDITURE.

<i>Chapter I.</i>			
I. Sessions of the Court (see Table A)	486,200.—	486,200.—	389,356.79
<i>Chapter II.</i>			
General Services of the Court:			
2. Annual salaries (see Table B)	335,951.13	335,951.13	335,723.12
3. Contribution to the Pension Fund	4,962.19	4,962.19	4,928.35
4. Indemnities provided for in the Staff Regulations	400.—	400.—	—
5. Contribution towards sickness insurance	400.—	400.—	60.12
6. Travelling expenses of Registrar and officials of the Registry:			
(a) Travelling expenses and subsistence allowance of Registrar and officials of the Registry (on duty)	3,500.—	3,500.—	2,873.44
(b) Travelling expenses of Registrar and officials of the Registry on leave to native country	1,000.—	1,000.—	903.96
(c) Removal expenses (arrival and departure)	2,000.—	2,000.—	675.50
7. Contribution to the Carnegie Foundation:			
(a) Repayment of the expenditure contemplated in Article I of the contract	21,000.—	21,000.—	21,000.—
(b) Supplementary credit contemplated in Article VI of the contract	19,000.—	19,000.—	19,000.—
8. Administrative expenses (see Table C)	17,750.—	17,750.—	12,042.81
9. Printing	30,000.—	30,000.—	28,143.57
10. Unpaid Liabilities Fund	3,000.—	3,000.—	16.35
	438,963.32	438,963.32	425,307.22

	Original Credits	Credits and Transfers Dutch Florins	Expenditure
<i>Chapter III.</i>			
Cost of administration of the Court's Fund:			
11. Loss on exchange	50,000.—	50,000.—	2,346.52
12. Bank charges	75.—	75.—	39.70
	50,075.—	50,075.—	2,386.22
<i>To be deducted:</i>			
Profit on exchange	50,000.—	50,000.—	—
	75.—	75.—	2,386.22

<i>Chapter IV.</i>			
13. Contribution towards the constitution of a fund to defray the expenses resulting from the Pensions Regulations for the personnel of the Court	10,000.—	10,000.—	10,000.—

SECTION 2. — CAPITAL ACCOUNT.

<i>Chapter V.</i>			
Permanent installations, etc.:			
14. Furniture and installation of additional fittings	3,000.—	3,000.—	2,972.65
15. Library	500.—	500.—	161.31
	3,500.—	3,500.—	3,133.96

(Signed) D. J. BRUINSMA,
Accountant - Establishment Officer.

(Signed) A. HAMMARSKJÖLD,
Registrar of the Court.

TABLE A, CHAPTER I, ARTICLE I.

	Original Credits	Credits and Transfers Dutch Florins	Expenditure
<i>Sessions of the Court.</i>			
1. Duty and subsistence allowance of Judges (see annexed Table No. 1)	391,000.—	391,000.—	325,650.—
2. Salaries of temporary staff and overtime pay (permanent and temporary staff) (see annexed Table No. 2)	37,000.—	37,000.—	35,171.79
3. Travelling expenses of Judges and temporary staff (see annexed Table No. 3)	57,600.—	57,600.—	28,417.85
4. Taxis to convey female staff to their homes after nightwork	400.—	400.—	75.55
5. Welfare of staff	200.—	200.—	41.60
	486,200.—	486,200.—	389,356.79

ANNEXED TABLE NO. 1 TO TABLE A.

Duty and Subsistence Allowance of Judges.

	Original Credits	Credits and Transfers Dutch Florins	Expenditure
Vice-President (duty allowance)	30,000.—	30,000.—	22,350.—
Judges (duty allowance)	140,000.—	140,000.—	131,000.—
Judges (subsistence allowance)	80,000.—	80,000.—	56,150.—
Deputy Judges (duty allowance)	60,000.—	60,000.—	54,300.—
Deputy Judges (subsistence allowance)	20,000.—	20,000.—	16,750.—
National Judges (duty allowance)	30,000.—	35,000.—	34,500.—
National Judges (subsistence allowance)	10,000.—	11,000.—	10,600.—
Assessors (subsistence allowance)	20,000.—	14,000.—	—
Witnesses and experts (Article 52 of Rules of Court)	1,000.—	1,000.—	—
	<u>391,000.—</u>	<u>391,000.—</u>	<u>325,650.—</u>

ANNEXED TABLE NO. 2 TO TABLE A.

Salaries of Temporary Staff and Overtime Pay (Permanent and Temporary Staff).

Salaries of temporary staff	35,000.—	35,000.—	34,574.79
Overtime pay, permanent staff	1,000.—	1,000.—	571.—
Overtime pay, temporary staff	1,000.—	1,000.—	26.—
	<u>37,000.—</u>	<u>37,000.—</u>	<u>35,171.79</u>

ANNEXED TABLE NO. 3 TO TABLE A.

Travelling Expenses of Judges and Temporary Staff.

Judges	30,000.—	30,000.—	21,792.64
Deputy Judges	6,000.—	6,000.—	3,689.20
National Judges	6,400.—	6,400.—	1,049.47
Assessors	11,200.—	11,200.—	—
Temporary staff	3,000.—	3,000.—	1,886.54
Witnesses and experts (Article 52 of Rules of Court)	1,000.—	1,000.—	—
	<u>57,600.—</u>	<u>57,600.—</u>	<u>28,417.85</u>

TABLE B.

Annual Salaries.

President of the Court	60,000.—	60,000.—	60,000.—
Judges	150,000.—	150,000.—	150,000.—
Registrar	26,257.39	26,257.39	26,257.39
Permanent staff of Registry	99,693.74	99,693.74	99,465.73
	<u>335,951.13</u>	<u>335,951.13</u>	<u>335,723.12</u>

TABLE C.

Administrative Expenses.

	Original Credits	Credits and Transfers Dutch Florins	Expenditure
Cost of distribution of documents	1,500.—	1,500.—	1,294.64
Supplies	10,000.—	9,700.—	6,853.37
Post, telephone, telegraph	5,000.—	5,000.—	2,398.90
Insurances	100.—	100.—	75.55
Gratuities at the New Year	150.—	150.—	150.—
Financial control and salaries adjustment.	1,000.—	1,300.—	1,270.35
	<u>17,750.—</u>	<u>17,750.—</u>	<u>12,042.81</u>

II. TRANSFERS.

(a) *Transfers in the Budget approved by the Court.*

During the financial year 1926 there has been no necessity to obtain the Court's authority to effect transfers from one budget item to another.

(b) *Transfers within One and the Same Article of the Budget approved by the Registrar.*

I. On May 31st, 1926:

ANNEXED TABLE NO. I TO TABLE A.

Duty and Subsistence Allowance of Judges.

	Original figure	Added	Deducted	New figure
		Dutch Florins		
Vice-President (duty allowance)	30,000.—			30,000.—
Judges (duty allowance)	140,000.—			140,000.—
Judges (subsistence allowance)	80,000.—			80,000.—
Deputy Judges (duty allowance)	60,000.—			60,000.—
Deputy Judges (subsistence allowance)	20,000.—			20,000.—
National Judges (duty allowance)	30,000.—	5,000.—		35,000.—
National Judges (subsistence allowance)	10,000.—	1,000.—		11,000.—
Assessors (subsistence allowance)	20,000.—		6,000.—	14,000.—
Witnesses and experts (Article 52 of Rules of Court)	1,000.—			1,000.—
	<u>391,000.—</u>	<u>6,000.—</u>	<u>6,000.—</u>	<u>391,000.—</u>

2. On December 31st, 1926:

TABLE C.

Administrative Expenses.

Cost of distribution of documents	1,500.—			1,500.—
Supplies	10,000.—		300.—	9,700.—
Post, telephone, telegraph	5,000.—			5,000.—
Insurances	100.—			100.—
Gratuities at the New Year	150.—			150.—
Financial control and salaries adjustment.	1,000.—	300.—		1,300.—
	<u>17,750.—</u>	<u>300.—</u>	<u>300.—</u>	<u>17,750.—</u>

PERMANENT COURT OF INTERNATIONAL JUSTICE

III. BALANCE-SHEET TO DECEMBER 31ST, 1926.

LIABILITIES.			
	Dutch florins	Dutch florins	Dutch florins
<i>Depreciation account:</i>			
(a) Furniture, typewriters, etc., to December 31st, 1925	44,982.30		
Plus depreciation to Dec. 31st, 1926.	<u>12,093.24</u>		
		57,075.54	
(b) <i>Library:</i>			
To December 31st, 1925	1,462.93½		
Plus depreciation to Dec. 31st, 1926	<u>424.32</u>		
		<u>1,887.25½</u>	
Surplus of assets over liabilities			58,962.79½
			<u>433,296.64</u>
			<u>492,259.43½</u>

PERMANENT COURT OF INTERNATIONAL JUSTICE

III. BALANCE-SHEET TO DECEMBER 31ST, 1926.

ASSETS.		Dutch Florins	Dutch Florins
<i>Furniture, typewriters, etc.:</i>			
Balance from financial year 1925		57,642.86	
Purchases during financial year 1926.		2,972.65	
		<hr/>	60,615.51
<i>Library:</i>			
Balance from financial year 1925		1,943.88½	
Purchases during financial year 1926.		177.66	
		<hr/>	2,121.54½
<i>Compounded Arrears Account:</i>			
	Gold Francs		
Liberia.	1,593.24		793.14
<i>Contributions to be received for Fifth Financial Period:</i>			
Bolivia.	7,322.74		
China	129,449.22		
Honduras	1,991.53		
Nicaragua	1,991.53		
Peru.	19,915.27		
	<hr/>		
	160,670.29		79,711.04
<i>Contributions to be received for Sixth Financial Period:</i>			
Bolivia.	10,255.05		
China	133,316.65		
Honduras	2,051.01		
Nicaragua	2,051.01		
Peru.	20,510.11		
	<hr/>		
	168,183.83		80,652.85
<i>Contributions to be received for Seventh Financial Period:</i>			
Bolivia.	10,204.34		
China	102,043.51		
Honduras	2,040.88		
Nicaragua	2,040.88		
Peru.	20,408.72		
	<hr/>		
	136,738.33		65,354.76
<i>Contributions to be received for Eighth Financial Period:</i>			
Albania	1,528.17		
Bolivia.	8,143.83		
Canada	59,617.12		
China	85,032.16		
Estonia	0.91		
France	23,681.48		
Guatemala	804.85		
Honduras	2,035.96		
Lithuania	6,419.20		
Luxemburg.	543.04		
Nicaragua	2,035.97		
Panama	165.88		
Paraguay.	1,889.92		
Persia	4,313.54		
Peru.	18,323.62		
Poland.	38,873.96		
	<hr/>		
	253,409.61		121,656.18
<i>Cash in and Hand at Bank</i>			81,354.41
			<hr/>
			492,259.43½

(Signed) D. J. BRUINSMA,
Accountant - Establishment Officer.

(Signed) A. HAMMARSKJÖLD,
Registrar of the Court.

Part IV.

GENERAL STATEMENT OF THE ASSETS AND LIABILITIES OF THE LEAGUE OF NATIONS AS AT DECEMBER 31ST, 1926.

Liabilities			
	Gold Francs	Gold Francs	Gold Francs
<i>Capital Account:</i>			
Balance as at December 31st, 1926			32,858,115.14
<i>Working Capital Fund</i> (definite)			4,672,313.07
<i>Building Annuity Fund</i>			1,375,000 —
 <i>Depreciation Reserve Fund:</i>			
Property in Geneva: International Labour Office . .	75,627.38		
Property in Rome: International Labour Office. . .	11,546.80		
	<u> </u>	87,174.18	
Furniture, Fittings, Typewriters, etc.:			
Secretariat	995,140.33		
International Labour Organisation.	432,614.80		
Permanent Court of International Justice	118,191.20		
	<u> </u>	1,545,946.33	
Library: Books:			
Secretariat	469,938.64		
International Labour Organisation.	193,283.—		
Permanent Court of International Justice. . . .	3,908.10		
	<u> </u>	667,129.74	
Library: Shelving:			
Secretariat		69,925.85	
		<u> </u>	2,370,176.10
 <i>International Labour Organisation:</i>			
German contribution for 1926 carried forward as an appropriation in aid of the 1927 Budget . .			265,766 —
 <i>Suspense Accounts as per contra:</i>			
Secretariat		56,285.22	
International Labour Organisation:			
New Building Grounds Account	12,545.01		
Russian Refugee Account.	4,997.53		
Mrs. Mather's legacy.	956.60		
Grant from British Legion	3,094.64		
Grant from Union fédérale des Associations françaises des blessés.	1,328.60		
Balance of grant from National Bureau of Economic Research	5,484.36		
	<u> </u>	28,406.74	
		<u> </u>	84,691.96
			<u> </u>
			41,626,062.27

GENERAL STATEMENT OF THE ASSETS AND LIABILITIES OF THE LEAGUE OF
NATIONS AS AT DECEMBER 31ST, 1926.

Assets		Gold Francs	Gold Francs
<i>Property in Geneva:</i>			
Hotel National and Armleder property	4,000,000.—		
International Labour Office: expended to date	3,024,780.01		
Secretariat and Assembly Hall Construction Account: expended to date	2,338,644.60		
	<hr/>		9,363,424.61
<i>Property in Rome:</i>			
International Labour Office.			31,121.88
<i>Furniture, Fittings, Typewriters, etc. (at cost):</i>			
Secretariat	1,046,817.87		
International Labour Organisation.	720,390.08		
Permanent Court of International Justice.	125,521.70		
	<hr/>		1,892,729.65
<i>Library: Books (at cost):</i>			
Secretariat	610,306.22		
International Labour Organisation.	264,920.25		
Permanent Court of International Justice.	4,393.26		
	<hr/>		879,619.73
<i>Library: Shelving (at cost):</i>			
Secretariat			88,199.98
<i>States Members: Arrears of Contributions:</i>			
Compounded and Consolidated Arrears.	260,607.97		
2nd Fiscal Period	29,947.47		
3rd Fiscal Period	208,333.—		
4th Fiscal Period	384,386.—		
5th Fiscal Period	2,194,131.42		
6th Fiscal Period	1,900,286.33		
7th Fiscal Period	1,623,631.29		
8th Fiscal Period	3,046,006.43		
	<hr/>		9,647,329.91
<i>International Labour Organisation:</i>			
Contribution in respect of the 1927 Budget: German contribution for 1926.			265,766.—
<i>Working Capital Fund:</i>			
Recoverable advances			219,456.68
<i>Suspense Accounts:</i>			
Secretariat (as <i>per contra</i>)	56,285.22		
International Labour Office (as <i>per contra</i>)	28,406.74		
International Labour Office (sundry stocks).	33,517.63		
	<hr/>		118,209.59
<i>Cash in Hand and at Banks:</i>			
Working Capital Fund	4,132,242.39		
Building Fund	12,022,490.38		
Building Annuity Fund.	1,375,000.—		
Cash surplus	1,590,471.47		
	<hr/>		19,120,204.24
			<hr/>
			41,626,062.27

(Signed) P. G. WATTERSON,
Chief Accountant.

Part V.

**AUDIT OF THE LEAGUE OF NATIONS ACCOUNTS FOR THE EIGHTH
FINANCIAL PERIOD**

(January 1st - December 31st, 1926).

REPORT BY M. A. CERESA
(Auditor)

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LETTER FROM THE AUDITOR TO THE SECRETARY-GENERAL

Geneva, April 15th, 1926.

In conformity with Article 44 of the Regulations for the Financial Administration of the League of Nations, I have the honour to transmit to you herewith my report on the audit of the accounts of the League for the financial year 1926.

(Signed) A. CERESA,
Auditor.

INTRODUCTION.

The accounts for the years 1926 include a general statement of the assets and liabilities of the League as a whole. The need for it was emphasised in previous reports, and I am glad to note the appearance of this important document, which, though subject to future improvements, makes it possible to obtain at a glance a clear and comprehensive view of the financial situation of this great international institution.

I have audited the accounts, and deal with the results of my examination in the following chapters.

I. GENERAL BUDGET OF THE LEAGUE FOR 1926

The credits voted by the Sixth Assembly at its meeting of September 26th, 1925, for the expenses of the 1926 financial year amounted to 22,930,633 gold francs, and constituted an increase of 272,495 gold francs as compared with those voted for the previous financial year as shown in the following table:

	1926 Gold francs	1925 Gold francs	Difference for 1926 Gold francs
Secretariat	12,533,004	13,359,334	— 826,330
International Labour Organisation	7,114,938	7,340,595	— 225,657
Permanent Court of International Justice	1,907,691	1,908,209	— 518
Working Capital Fund	—	50,000	— 50,000
Buildings at Geneva	1,375,000	—	+ 1,375,000
	<u>22,930,633</u>	<u>22,658,138</u>	+ 272,495

As will be seen, the credits for the expenses of the Secretariat and of the autonomous organisations were reduced in all by 1,102,505 gold francs, the chief reduction being in respect of the capital expenditure of the Secretariat; nothing was added to the Working Capital Fund, and a new fund of 1,375,000 gold francs was created under the heading "Buildings at Geneva".

INCOME IN RESPECT OF 1926.

In conformity with the credits voted as above, the States Members of the League were asked for contributions totalling 22,930,633 gold francs.

The contributions received in 1926 in respect of the same year amounted to 19,884,626.57 gold francs¹, and on December 31st last the sum of 3,046,006.43 gold francs was still owing.

¹ Including 1,754.59 gold francs transferred from the surplus of 10,327.52 gold francs shown in the balance-sheet of December 31st, 1925, as cash balance of the temporary Working Capital Fund (see the last paragraph of page 140 of the Minutes of the Fourth Committee for 1926).

The sum of 1,754.59 gold francs indicated above related to Costa Rica.

The sum actually received in respect of contributions for 1926 was therefore 19,882,871.98 gold francs.

The proportion of contributions received compared to the amounts due is approximately 86¾ per cent and marks an appreciable advance over the percentage of the previous financial period, which was 84¼ per cent¹.

CONTRIBUTIONS IN ARREARS.

During the last financial year, a further 1,965,032.55 gold francs was received by way of contributions in respect of the budgets of previous financial years.

As regards arrears, a distinction must be drawn between arrears which were compounded (as mentioned in my Report on the Accounts for 1923) and those in respect of which the League retains the right to exact the full amount.

The figures for arrears of the former class are as follows:

	December 31st, 1926	December 31st, 1925	Difference at December 31st, 1926
	Gold francs	Gold francs	Gold francs
Guatemala	12,808.97	15,370.77	— 2,561.80
Honduras	55,326.58	55,326.58	nil
Liberia	85,265.04	95,923.17	— 10,658.13
Nicaragua	55,326.58	55,326.58	nil
Paraguay	15,370.80	20,494.40	— 5,123.60
Salvador	36,510.—	42,595.—	— 6,085.—
	<u>260,607.97</u>	<u>285,036.50</u>	<u>— 24,428.53</u>

At December 31st, 1926, the second class of arrears amounted to 9,386,721.94 gold francs, of which 3,046,006.43 were for contributions due in respect of that year and 6,340,715.51 for contributions in respect of previous years. The following table shows their distribution and the differences against the figures at December 31st, 1925:

	December 31st 1926	December 31st 1925	Difference at December 31st, 1926
	Gold francs	Gold francs	Gold francs
1920	29,947.47	29,947.47	nil
1921	208,333.—	208,333.—	nil
1922	384,386.—	384,386.—	nil
1923	2,194,131.42	2,194,131.42	nil
1924	1,900,286.33	2,069,089.89	— 168,803.56
1925	1,623,631.29	3,572,312.72	— 1,948,681.43
	<u>6,340,715.51</u>	<u>8,458,200.50</u>	<u>— 2,117,484.99</u>

It will be seen that the position with regard to arrears in respect of the years 1920-1923 inclusive, which amount in all to 2,816,797.89 gold francs, remains unchanged. The greater part of this sum is due by China and Peru.

Arrears in respect of 1924 decreased in 1926 by 168,803.56 gold francs, of which 145,629.33 gold francs represents the cancellation of the indebtedness of certain countries for shares of contributions originally intended for the formation of a temporary working capital fund², while the remaining 23,174.23 gold francs represents an actual payment made by Paraguay.

¹ I give below the percentages of the contributions relating to the financial periods from 1919-1926 which have been actually paid or in respect of which in some relatively unimportant cases facilities were granted to the debtor States:

1st financial year (1919)	100%
2nd " " (1920)	99½%
3rd " " (1921)	99%
4th " " (1922)	98%
5th " " (1923)	92%
6th " " (1924)	91%
7th " " (1925)	93%
8th " " (1926)	87% <i>circa</i> .

It must be noted that contributions are being received during 1927 in respect of 1926, increasing the percentage of 87 above shown.

² See, in this connection, the observation on page 69 of my Report on the Accounts for 1925. (See page 141 of the Minutes of the Fourth Committee for 1926.)

The sum of 145,629.33 gold francs shown above was employed in cancelling part of the indebtedness of the following States, to the extent shown:

	Gold francs
Bolivia	8,772.85
China	114,047.10
Honduras	1,754.56
Nicaragua	1,754.56
Paraguay	1,754.56
Peru	17,545.70

It should be noted that these figures show slight discrepancies, due to readjustment, as compared with those established at December 31st, 1925, and given in the footnote on page 69 of the above-mentioned report.

Of the arrears for 1925, which amounted at December 31st of that year to 3,572,312.72 gold francs, 1,917,429.79 gold francs (including 848,165.60 gold francs due by the Argentine) were received in 1926; 7,018.34 and 1,754.59 gold francs were deducted from the indebtedness of Lithuania and Panama respectively, these amounts representing the balance of the sum of 10,527.52 gold francs mentioned in a footnote on an earlier page; 22,478.71 gold francs due by Panama were written off¹. Total decrease: 1,949,681.43 gold francs, as shown in the above table.

Accordingly, at December 31st, 1926, 1,623,631.29 gold francs out of the 1925 contributions remained outstanding.

It will be seen that all this accounting, which I have tried to explain as clearly as possible, is somewhat complicated, and it may therefore be as well to summarise the results as follows:

ARREARS PRIOR TO 1926.

	Actual receipts Gold francs	Accounting settlements Gold francs	Total Gold francs
Compounded arrears	24,428.53	—	24,428.53
Financial year 1924	23,174.23	145,629.33	168,803.56
Financial year 1925	1,917,429.79	31,251.64	1,948,681.43
	<u>1,965,032.55</u>	<u>176,880.97</u>	<u>2,141,913.52</u>

The total amount outstanding at December 31st, 1926, for arrears of contributions in respect of financial years previous to 1926 (excluding compounded arrears) was due by the following countries:

	Gold francs
China	4,667,881.94
Peru	1,186,587.86
Bolivia	337,037.63
Honduras	74,604.04
Nicaragua	74,604.04
	<u>6,340,715.51</u>

Including contributions due in respect of 1926, the total indebtedness of these countries at December 31st, 1926, was 7,729,896.23 gold francs, representing 5,689,976.75 gold francs due by China; 1,406,839.41 gold francs by Peru; 434,927.21 gold francs by Bolivia; and the remainder by Honduras and Nicaragua.

The arrears due by these States are greater by 1,245,305.95 gold francs than at December 31st, 1925, when they amounted to 6,484,590.25 gold francs. The position is undoubtedly a serious one for the League finances; and unfortunately there seems at present little prospect of any improvement, particularly in the case of China, owing to current events in that country and the consequent abnormal conditions².

Summarising the above, we find that the actual receipts in 1926 were:

Contributions in respect of that year	19,882,871.98 ³
Contributions in arrears	1,965,032.55
Total	<u>21,847,904.53</u>

From this total must be deducted 5,124.52 gold francs received in 1926 as shares of contributions in arrears to be added to the Working Capital Fund (definitive), so that the actual amount of contributions paid, providing the League Treasury with fresh funds to meet the expenses of that year, was reduced to 21,842,780.01 gold francs.

¹ In conformity with the resolution adopted by the Assembly at its Seventh Ordinary Session (meeting of September 25th, 1926).

² It will, however, be remembered that, on September 25th, 1926, on the proposal of the Fourth Committee, the Assembly, at its Seventh Ordinary Session:

Requested the Secretary-General:

(a) To give his support, when necessary, to any steps which he may consider useful with a view to the recovery of arrears;

(b) To submit to the Council, at its session of June 1927, a detailed report on the position with regard to contributions in arrears;

Requested China to propose effective and concrete methods, acceptable to the League of Nations, with a view to the payment of her contributions in arrears;

And requested the Council to cause a study to be made of the legal position of States which do not pay their contributions to the League of Nations with a view to giving the Assembly information on the matter at its eighth ordinary session.

³ Excluding the sum of 1,754.59 gold francs (see page 138).

Thus the contributions paid in 1926, even including arrears paid up, fell short by 1,087,852.99 gold francs of the estimate for contributions in respect of that year alone.

APPROPRIATIONS IN AID.

I. SECRETARIAT.

The following sums were received in 1926 under this head, and, as will be seen, were deducted from certain items of expenditure already specified in the Budget for that year.

	Gold francs
Annual grants from the Rockefeller Foundation to the International Health Organisation (against estimates for 667,726 gold francs)	656,365.30
Contribution by the United States delegation to the expenses of the Second Opium Conference ¹	2,256.20
Contribution by the American Bureau of Social Hygiene to the expenses of the Commission of Enquiry on Opium-poppy Cultivation in Persia ²	98,110.58
Contribution to the expenses of the Commission for the Protection of Women and Children in Certain Territories in the Near East ³	270.45
Contribution of the Italian Red Cross to the expenses of a Provisional Committee appointed to study the scheme for an International Union for the Relief of Peoples overtaken by Disaster	3,439.50
Contribution towards purchases of books for the Library	500.—
	760,942.03

There are also the following appropriations in aid which were deducted *en bloc* from the total expenditure under Chapter II ("General Services of the Secretariat"):

	Gold francs
Sale of publications	160,488.25
Interest earned	44,385.24
Miscellaneous cash receipts	7,062.35
	211,935.84

This amount exceeds the estimates by 29,435.84 gold francs.

The total appropriations in aid for the Secretariat thus amount to 972,877.87 gold francs ⁴.

2. INTERNATIONAL LABOUR OFFICE.

For the Labour Office the appropriations in aid for 1926 were as follows:

	Swiss francs*
1. Receipts from sale of publications	95,330.99
2. German contribution for the financial year 1925, received during the same year and carried forward to 1926 . .	273,782.20
	369,113.19

The receipts from the sale of publications exceeded the estimate by 15,330.99 francs.

It should be noted *ad memoriam* that Germany's contribution for 1926 amounted to 265,087.90 Swiss francs, and was carried forward as an appropriation in aid of the 1927 Budget.

¹ This is part of a grant of 14,903.55 gold francs made by the United States delegation in 1925. Of this grant, 11,903.55 gold francs were expended in that year, leaving a balance of 3,000 gold francs at December 31st, 1925. Of this latter amount, 2,256.20 gold francs were set aside to meet certain printing expenses outstanding at December 31st, 1925. The balance (743.80 gold francs) is being kept in suspense account to meet any further expenditure under the same head (see the Secretariat balance-sheet as at December 21st, 1926).

² The actual grant was 153,652 gold francs. Part of this (98,110.58) is shown as an appropriation in aid to Item 24.3.VI ("Social Questions"). The balance of 55,541.42 gold francs is carried forward in suspense account to 1927. Part will be utilised in meeting any further expenditure in this connection, and the final unexpended balance returned to the Bureau.

³ Anonymous gift of 1,200 lire received from an Italian lady.

⁴ 972,877.87 = 760,942.03 + 211,935.84.

⁵ In the League Budget for 1926 and in the accounts for that year, the gold franc and the Swiss franc were taken as equivalent in the case of expenditure. Contributions received, on the other hand, were reckoned at the rate of \$1 = 5.1826 gold francs. In the case of the Labour Office, the gold francs were afterwards converted into Swiss francs at the current rate of exchange.

3. PERMANENT COURT OF INTERNATIONAL JUSTICE.

The only appropriation in aid for the Court represents bank interest, which amounted to 7,198.86 gold francs, as compared with an estimate of 15,622.50 gold francs.

Sums recoverable —

(a) Subscriptions from States non-Members of the League; and

(b) Repayment of expenses of assessors

— are further deducted, both in the estimates and in the budget account of the Court.

The amount received in 1926 was 35,000 florins for item (a), as compared with an estimate of 7,600 florins. Nothing was received for item (b), the estimate having been 7,800 florins.

The 35,000 florins above shown represents the German Government's contribution to the expenses of the Court in respect of the proceedings concerning certain German interests in Polish Upper Silesia. These proceedings were taken on the application of the German Government, made in May and in August 1925, and Article 35, paragraph 3, of the Statute of the Court is therefore applicable. This paragraph reads as follows:

“ When a State which is not a Member of the League of Nations is a party to a dispute, the Court will fix the amount which that party is to contribute towards the expenses of the Court. ¹ ”

Converting the florins into gold francs, we find receipts amounting in all to 72,931.54 gold francs, as against an estimate of 32,078.20 gold francs ².

The following were the total deductions made from the gross expenditure for 1926 in the budget account of the Court:

	Gold francs
For appropriation in aid: bank interest (3,454.75 fl.)	7,198.86
On account of “ Sums recoverable ” (35,000 fl.)	72,931.54
	<hr/>
	80,130.40

This amount exceeds the estimate by 32,429.70 gold francs.

Summarising the total appropriations in aid for 1926:

Secretariat	972,877.87
Labour Office	369,113.19
Court (exclusive of 72,931.54 fr. received on account of “ Sums recoverable ”).	7,198.86
	<hr/>
Total	1,349,189.92

MISCELLANEOUS RECEIPTS.

Secretariat: there were the following miscellaneous receipts in 1926:

Interest on the Working Capital Fund	165,608.05
Refund in connection with the Iraq enquiry ³	3,212.74
Sale of automobile	600.—
Rockefeller grants account ⁴	4,992.86
	<hr/>
	174,413.65

EXPENDITURE.

I. GENERAL EXPENDITURE OF THE LEAGUE.

The following statements shows the expenditure incurred during the financial year 1926.

	Credit voted 1	Expenditure 2	Saving 3	Percentage of saving 4
	Gold francs			
Secretariat	12,533,004	10,438,495	2,094,509	16.71
Labour Office	7,114,938	7,026,230	88,708	1.25
Court	1,907,691	1,649,898	257,793	13.51
Buildings at Geneva	1,375,000	1,375,000	—	—
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	22,930,633	20,489,623	2,441,010	10.64

¹ It will be remembered that in 1925 Germany was not yet a Member of the League.

² The rate of exchange adopted for the conversion of the actual florin receipts above shown into gold francs is the average rate adopted during 1926 for the conversion of contributions. The exchange rate adopted for the conversion of florin estimates is the budget rate of one florin = 2.083 gold francs.

³ This represents a payment made by the British Government on account of the expenses of the second Commission of Enquiry in Iraq.

⁴ This refers to the refund of expenses met in 1925 by the League Treasury when they should have been met out of the grants received from the Rockefeller Foundation.

The sum of 20,489,623 gold francs, which represents the total actual expenditure (second column of statement), is the net expenditure after deducting appropriations in aid ¹.

2. SECRETARIAT EXPENDITURE.

Proceeding now from synthesis to analysis, the figures for the Secretariat are as follows:

	Credits voted	Expenditure (net) Gold francs	Saving	Percentage of saving
1. Assembly and Council Sessions	1,025,000	422,073.82	602,926.18	58.82
2. General Services of Secretariat	6,597,234	6,075,253.75 ²	521,980.25	7.91
3. Special Organisations of the League	4,742,770	3,768,872.08 ³	973,897.92	20.53
4. Profit and loss on exchange	—	6,861.41	6,861.41	—
5. Capital expenditure	168,000	165,434.33 ⁵	2,565.67	1.52
	12,533,004	10,438,495.39	2,094,508.61	16.71

The chief saving was effected on the following items:

	Gold francs (round figures)
“ Assembly and Sessions of the Council of the League ” (the saving is due to the fact that the Sessions of the Assembly were shorter than was expected and that all Council Sessions were held at Geneva).	184,000
“ Unforeseen expenditure, subject to special vote of the Council”, for which there was an appropriation of 500,000 francs ⁶	418,000
“ Economic and Financial Organisation ”	213,000
“ Health Organisation ” [the saving relates to “ Epidemiological Health Intelligence ” (60,000 francs), “ Health Committee and Conference ” (70,000 francs), and “ Interchange of Public Health Personnel ” (about 61,000 francs), the general expenses of the Section remaining practically stationary].	190,700
“ Reduction of Armaments ” (the saving is due mainly to the fact that no payments were made out of the appropriation of 250,000 gold francs for “ Investigations ”, and to the further fact that expenditure on the “ International Conference for the Control of the Private Manufacture of Arms, Munitions and Implements of War ”, for which a sum of 160,000 gold francs had been allotted, amounted in actual fact to only 4,159.05 francs for preparatory studies).	440,000

¹ In order to estimate more exactly the total expenditure incurred in 1926, it is necessary to take into account also the gross expenditure — that is, expenditure before deducting appropriations in aid. The following statement shows the figures required:

	Credit voted 1	Gross expenditure 2	Appropriations in aid 3	Net expenditure (cols. 2-3)
	Gold francs			
Secretariat	12,533,004	11,411,373.26	972,877.87	10,438,495.39
Labour Office	7,114,938	7,395,343.67	369,113.19	7,026,230.48
Permanent Court	1,907,691	1,730,028.31	80,130.40 ⁶	1,649,897.91
Buildings at Geneva	1,375,000	1,375,000.—	—	1,375,000.—
	22,930,633	21,911,745.24	1,422,121.46	20,489,623.78

² Inclusive of 72,931.54 francs received on account of “ Recoverable Advances ”.

³ This figure is after deduction of the following appropriations in aid:

Sale of publications	160,488.25
Interest earned	44,385.24
Miscellaneous cash receipts	7,062.35
	<u>211,935.84</u>

⁴ This figure is after deduction of the following appropriations in aid:

Rockefeller grant to the Health Organisation	656,365.30
Other contributions indicated in the chapter of the present report relating to appropriations in aid and deducted from the expenditure on “ Social Questions ”	104,076.73
	<u>760,442.03</u>

⁵ No credit was voted in the 1926 budget for exchange fluctuations. Any estimate in this connection would in any case have been quite arbitrary.

The sum of 6,861 francs, to be set off against savings, is constituted as follows:

Loss on exchange	15,627.94
Profit on exchange	8,766.53
	<u>6,861.41</u>

⁶ This figure is after deduction of an appropriation in aid of 500 francs representing a contribution towards Library expenditure.

⁷ The Budget Account shows the expenditure charged to this item, amounting to 81,723 gold francs.

Among minor savings, which are, however, important as indicating a tendency in the right direction, may be mentioned the following:

	Gold francs
Maintenance of property: furniture, lighting, heating, automobiles (petrol, upkeep, insurance, etc.)	32,300
Frais de représentation	12,500
Unforeseen expenditure of the Secretariat	75,290

The expenditure of the Publications Department shows a saving of approximately 60,000 francs. Notwithstanding, the amount is still high (in 1926 it was over 334,000 francs).

Every effort is being made by the Secretariat and the Supervisory Commission to reduce this item of expenditure. A permanent Committee has been appointed in the Secretariat to control printing expenditure.

Excess expenditure over the original vote was, however, incurred under the following heads:

	Gold francs
Contributions to the Staff Provident Fund (item 5 of the Budget Account)	9,457
Mandates (item 21)	45,100
Armenian Settlement Scheme (item 29)	14,780

In view of the excess expenditure on item 5, the Council was asked to approve a transfer of 12,000 francs from item 4 ("Salaries, Wages and Allowances"), and agreed to this by a resolution of December 6th, 1926.

The excess expenditure on item 21 was met by two transfers amounting in all to 50,000 francs, which were approved by the Council on June 7th, 1926¹.

Only part of this sum of 50,000 francs was used, since, as we have seen, the excess expenditure was 45,100 francs.

To meet the excess expenditure on item 29 a transfer of 20,000 francs from item 26 ("Reduction of Armaments") was applied for and obtained in good time.

The transfer was approved by the Council on September 2nd, 1926.

3. INTERNATIONAL LABOUR OFFICE EXPENDITURE.

The budget account of the Labour Office may be summarised as follows:

	Original vote	Expenditure	Saving	Percentage of expenditure in respect of the original vote
	Swiss francs			
Chapter I. Sessions of the Conference and the Governing Body	340,000	362,705	— 22,705	106.6
Chapter II. — General services of the International Labour Office	6,751,720	6,651,996	99,724	98.9
Chapter IIa. — Work on behalf of Russian and Armenian refugees	303,000	303,000	—	100.0
Chapter III. — Profit and loss on exchange	—	276 profit	276	—
Chapter IV. — Ordinary capital expenditure	75,000	77,918	— 2,918	103.9
Total	7,469,720	7,395,343	74,377	99.0
Deduct:				
Receipts from sale of publications	80,000	95,331	15,331	
German contribution for 1925	274,782	273,782	— 1,000	
Net total.	7,114,938	7,026,230	88,708	

The excess of expenditure over credits voted (the chief item of excess expenditure is under Chapter I and is mainly due to the fact that the Conference lasted much longer than had been anticipated; the remainder is due to an excess of 3,000 francs in the expenditure on the premises of the Rome Office) has been balanced by duly authorised transfers from one item to another or from one subhead to another in the same item.

¹ 35,000 francs from item 26 ("Reduction of Armaments")
15,000 " " " 18 ("Administrative Commissions and Minorities Questions")
50,000 francs.

The only item under " Unforeseen Expenditure " (Chapter II, No. 15), for which there was originally an appropriation of 75,000 Swiss francs, afterwards increased by 35,200 Swiss francs by transfers, was used almost entirely to provide funds for other items in the Budget on which there would otherwise have been a deficit.

It should further be mentioned that the amount actually expended for Russian and Armenian refugees (Chapter IIa) was 367,434 Swiss francs, as against an appropriation of 303,000 francs. The excess of 64,434 francs was covered by the following grants:

	Swiss francs
German Government	36,954.35
Polish "	2,404.05
Bulgarian "	15,060.—
Austrian "	9,000.—
Hungarian "	1,000.—
	<hr/>
Conférence universelle juive de secours	5,000.—
	<hr/>
	69,418.40

This left a balance of about 5,000 francs.

4. PERMANENT COURT OF INTERNATIONAL JUSTICE EXPENDITURE.

The budget account of the Permanent Court may be summarised as follows:

	Credit voted	Expenditure Dutch florins	Saving	Percentage of expenditure in respect of the vote
Ordinary expenditure . . .	935,238.32	827,110.23	108,128.09	88.4
Capital expenditure . . .	3,500.—	3,133.96	366.04	89.5
	<hr/>	<hr/>	<hr/>	<hr/>
	938,738.32	830,244.19	108,494.13	88.4
<i>Less:</i> Appropriation in aid (bank interest) . . .	7,500.—	3,454.75	— 4,045.25	
	<hr/>	<hr/>	<hr/>	
Sums recoverable	931,238.32	826,789.44	104,448.88	
	15,400.—	35,000.—	19,600.—	
	<hr/>	<hr/>	<hr/>	<hr/>
	915,838.32	791,789.44	124,848.88	86.4

FINAL FIGURES OF THE BUDGET ACCOUNT FOR 1926.

Setting off against the total income actually received for 1926 (excluding: (a) Appropriations in aid; (b) Extraordinary receipts from interest on the Working Capital Fund, this interest having been paid into the Fund in virtue of the Assembly resolution)	Gold francs †
	21,851,585.61

And the total expenditure for that financial year (after deducting appropriations in aid), namely	20,489,623.—
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The budget surplus for the financial year 1926 amounts to	<hr/> 1,361,962.61
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The surplus of income over expenditure applies to the Secretariat and the Permanent Court, whereas for the Labour Office and the fund for " Buildings at Geneva " there was a *deficit*, as shown by the following figures:

	Gold francs
Secretariat	1,593,741.61
Labour Office (deficit)	— 217,982.—
Permanent Court	168,853.—
Buildings at Geneva (deficit)	— 182,650.—
	<hr/>
	1,361,962.61

† This figure is obtained by adding to the sum of 21,842,780.01 gold francs mentioned on page 140 the total extraordinary receipts, namely, 8,805.60 gold francs (excluding, as indicated above, the interest on the Working Capital Fund).

II. GENERAL STATEMENT OF ASSETS AND LIABILITIES OF THE LEAGUE AS AT DECEMBER 31ST, 1926.

PROPERTY IN GENEVA.

	Gold francs
The Hotel National, the present headquarters of the League of Nations, was entered in the balance-sheet as at December 31st, 1925, at the purchase price of	5,328,933.95
The Armleder property adjoining was entered at	41,890.92 ¹
Total . . .	5,370,824.87
In the balance-sheet of the Secretariat as at December 31st, 1926, this sum was reduced by the sums annually set off under the heading of " Depreciation Reserve Fund " against the cost price of the Hotel, up to the end of the preceding year, amounting to	—1,598,680.20
	3,772,144.67
On the other hand, there was added the amount of the capital installation of the Palais des Nations, less the annual depreciation fund set aside up to the end of 1925	+ 74,882.48
To the sum of	3,847,027.15
was added an amount of	152,972.85 ²
bringing the value of the property up to	4,000,000.—
the price guaranteed by the Swiss Government for the sale of the Palais des Nations when the Secretariat vacates it and moves into the building which is to be erected. The sum of 4,000,000 gold francs is shown in the general balance-sheet as at December 31st, 1926.	
This procedure is in order; there is nothing to object to in this connection.	
The item " Property in Geneva " also includes payments made up to December 31st, 1926:	
(a) Towards the cost of the new Labour Office building	3,024,780.01 ³
(b) In connection with the scheme for the erection of the Assembly Hall and the new Secretariat building	2,338,644.60
Total . . .	5,363,424.61
Item (a) requires some explanation in connection with what is said in the chapter of the present report dealing with the Building Fund.	
The Building Fund advanced to the Labour Office towards the cost of its new building the sum of	3,310,000.—
On the other hand, the Labour Office received from various sources grants ⁴ and income derived from interest on its building funds deposited at banks, and from the sale of equipment and temporary structures belonging to the building previously occupied at Pregny, making a total of	115,868.15
Total . . .	3,425,868.15
Of this sum, the Labour Office had actually spent up to December 31st, 1926, inclusive	3,024,780.01
The balance available at that date was thus	401,088.14

This sum is shown in the Suspense Account of the balance-sheet of the Labour Office as at December 31st, 1926, at 400,031.91 Swiss francs (equivalent amount).

¹ Option cost.
² This amount was drawn from the excess of income over expenditure at the end of 1925 (see balance-sheet of the Secretariat as at December 31st, 1926).
³ The difference between this amount and the figure of 3,310,000 francs shown on page 149, represents the unpaid balance of the cost of the new International Labour Office building (see also note 3, page 149).
⁴ The above-mentioned grants are given in the Labour Office accounts as having been received from the following sources:

	Swiss francs
British Government	68,969.85
Australian Government	8,500.—
Queensland Government	7,425.—
American Federation of Labour	8,581.55
	93,476.40

DEPRECIATION RESERVE FUND.

SECRETARIAT

At December 31st, 1926, this fund amounted to 1,535,004.82 gold francs (including an addition of 349,064.80 gold francs in respect of the financial year 1926¹) and was set off against the following assets to the extent shown for each:

	Assets as shown in the balance-sheet	Amount set off against Gold francs	Percentage
Furniture and miscellaneous equipment	1,046,817.87	995,140.33	95.06
Library (books)	610,306.22	469,938.64	77.—
Library (shelving)	88,199.98	69,925.85	79.28
	<hr/> 1,745,324.07	<hr/> 1,535,004.82	<hr/> 87.95

At December 31st, 1926, however, there was a decrease of 1,293,138.84 gold francs, as compared with the figure of 2,828,143.66 gold francs reached by the Fund on December 31st, 1925. This decrease is arrived at as follows:

	Gold francs
Amount set off at December 31st, 1925, against the purchase price of the present League building and now deducted direct from that price	1,598,680.20
Amount set off at the same date against the capital installation of the building and since also deducted from the price of the building	43,523.44
	<hr/> 1,642,203.64
Less: addition to the Fund during 1926, as shown above.	349,064.80
	<hr/> 1,293,138.84

The Labour Office has not a depreciation reserve fund. The amount of yearly depreciation is directly deducted from the cost of immovable and movable property, so that the corresponding items are shown for their net figures in the balance-sheet of the said Organisation.

The following statement gives the relevant figures:

	Purchase price	Depreciation	Book value 31/12/1926	Percentage of depreciation
	Swiss francs			
<i>Buildings:</i>				
Head Office, Geneva	3,016,910.32	75,422.32	2,941,488.—	2.50
Rome Office	31,037.50	11,515.50	19,522.—	37.10
	<hr/> 3,047,947.82	<hr/> 86,937.82	<hr/> 2,961,010.—	<hr/> 2.85
<i>Furniture and Fittings:</i>				
Head Office and Branches	489,750.47	258,450.47	231,300.—	52.77
<i>Machines:</i>				
Head Office and Branches	228,686.32	172,991.32	55,695.—	75.65
<i>Library:</i>				
Head Office and Branches	264,201.93	192,758.93	71,443.—	72.96
	<hr/> 982,638.72	<hr/> 624,200.72	<hr/> 358,438.—	<hr/> 63.52
Grand total	4,030,586.54	711,138.54	3,319,448.—	17.64

The following rates of depreciation have been applied:

New Building	2½%	per annum on cost price.
Rome Office	10%	» » »
Furniture	10%	» » »
Machines	20%	» » »
Library	20%	» » »

The Permanent Court follows the same lines as the Secretariat in dealing with this matter. Its balance-sheet gives in this respect the figures which are shown here below:

	Assets shown in the balance-sheet	Amount set off against ²	Percentage
	Florins		
Furniture, typewriters, etc.	60,615.51	57,075.54	94.16
Library	2,121.54½	1,887.25½	88.96
	<hr/> 62,737.05½	<hr/> 58,962.79½	<hr/> 93.98

¹ This addition was proportionate to 20 % of the value of the movable property as shown in the balance-sheet at December 31st, 1926.

² The Depreciation Reserve Fund of the Permanent Court was increased in 1926 by 12,517.56 florins (12,093.24 florins in respect of furniture, typewriters, etc., and 424.32 florins in respect of the Library).

WORKING CAPITAL FUND.

I. DEFINITIVE ACCOUNT.

At December 31st, 1925, the Working Capital Fund amounted to 4,389,297.01 gold francs.

As I have already pointed out, States Members were not called upon for any further contribution to the Fund in 1926; in view of the satisfactory financial position of the League there seemed no need for this.

During that year, however, the Fund was increased by the following sums:

	Gold francs
(1) Proportion of paid-up arrears of contributions	5,124.52
(2) Interest on cash at bank belonging to the Fund.	165,608.05
Total	170,732.57

This raised the Fund to 4,560,229.58 gold francs.

On December 31st, 1926, this total represented 4,132,242.39 gold francs in the form of deposits at bank and 427,987.19 gold francs in the form of the following recoverable advances:

	Gold francs
Expenses of the High Commissioner at Danzig (repayable in equal parts by the Danzig and Polish Governments as agreed by them)	19,406.57
Expenses of the Commission of Enquiry appointed by the Council of the League in 1924 in connection with the question of the frontier between Turkey and Iraq (balance still outstanding) ¹	197,472.00
Expenses of the Swedish officers placed at the disposal of the Bulgarian and Greek Governments in connection with the incidents relative to the frontier between Bulgaria and Greece (the amount to be reimbursed by the Governments concerned)	2,578.11
Amount required by the International Labour Office	208,530.51
	427,987.19

As regards the advance of 208,530.51 gold francs made to the Labour Office, it should be observed that this was required because the income of the Labour Organisation was not sufficient to defray its expenditure for 1926.

It is worth mentioning that these recoverable advances, which, at December 31st, 1926, had reached the high figure of 427,987.19 gold francs (about 10 per cent of the whole Working Capital Fund), do not bear any interest, and this represents a loss to the States to which the Fund belongs. Account must, however, be taken of the fact that almost half of this sum has been advanced to the International Labour Organisation.

2. TEMPORARY ACCOUNT ².

The sum of 156,156.85 gold francs which was shown against this account in the balance-sheet at December 31st, 1925, was employed in 1926 in decreasing the indebtedness of certain countries for arrears of contributions, as stated elsewhere in the present report.

BUILDING FUND

This Fund amounted at December 31st, 1925, to 10,187,801.14 gold francs, constituted as indicated on page 64 of my report on the accounts for that year ³.

In 1926 the following sums were added to the Fund:

	Gold francs
(1) The amount paid during the preceding financial year to the International Labour Office for its new building and repaid to the Secretariat in 1926 for inclusion in a single fund for the buildings to be erected at Geneva ⁴	3,250,000.—
(2) The 1925 surplus added and incorporated in the Fund under the terms of the resolution adopted by the Sixth Assembly on September 26th, 1925	3,367,847.28
(3) Interest for 1926 on available funds on deposit at bank	460,436.23
(4) Profit on exchange	3,962.19
Total	7,082,245.70

¹ The expenses of the Commission amounted in all to 394,944 gold francs and were payable by the British and Turkish Governments in equal shares. The British Government has paid the whole of its share (188,031.20 gold francs in 1925 and 9,440.80 gold francs in 1926 — total 197,472 gold francs). The balance of 197,472 gold francs outstanding as at December 31st, 1926, is due by the Turkish Government, which has been requested to reimburse the said amount.

² Cf. pages 68 and 69 of my Report on the Accounts for 1925 (pages 140 and 141 of the Minutes of the Fourth Committee for 1926).

³ See page 136 of the Minutes of the Fourth Committee for 1926.

⁴ See pages 66 and 73 of the above-mentioned report (pages 138 and 145 of the Minutes of the Fourth Committee for 1926).

The addition of these sums raised the Building Fund from the initial figure of 10,187,801.14 gold francs to 17,270,046.84 gold francs, as shown in the assets in the Secretariat balance-sheet at December 31st, 1926 ¹.

The document in question also shows, however, that, of the above-mentioned sum of 17,270,046.84 gold francs, 5,648,644.60 gold francs were expended in 1926, so that the actual Fund had dropped at the end of that year to 11,621,402.24 gold francs ².

The expenditure in 1926 out of the Building Fund does not appear from the accounts submitted to me for audit; it may, however, be seen from a separate statement drawn up by the Accounting Section of the Secretariat. The following is a summary of the figures given:

	Gold francs
1. Payments for the new International Labour Office building ³	3,310,000.—
2. Payments for the Assembly Hall and the new Secretariat building	2,338,644.60
	5,648,644.60

The payments under No. 2 may be further subdivided as follows:

	Gold francs
Cost of land	1,880,000.—
Cost of a building subsequently joined, by means of a temporary bridge, to the present Palais des Nations	270,000.—
Internal and external alterations to the above-mentioned building.	88,504.90 ⁴
Legal expenses	9,003.95
Travelling expenses and subsistence allowances of the Jury of Architects appointed to examine the plans for the new buildings	47,633.05
Travelling expenses and subsistence allowances of the Building Committee	4,657.80
Printing and miscellaneous	38,844.90
	2,338,644.60

All the above-mentioned expenses, amounting, as has been seen, to 5,648,644.60 gold francs, are included in a special budget approved by the Secretary-General ⁵.

After these general remarks, it should be noted that it is doubtful whether the cost of purchasing and adapting the annex to the Palais des Nations could rightly be made a charge upon the Building Fund, since the building is not a new one and the expenditure is consequently not upon the objects for which the Fund was formed.

The question, however, is not of material importance if, as it seems, it is possible to count on the re-sale of the annex at a good price when it is no longer required for the Secretariat. In the meantime this purchase may be regarded as a temporary use of the Fund.

I should mention lastly, from the point of view of administration and accounts, that the Building Fund has not been credited with the sum of 1,375,000 gold francs due in respect of the year 1926, as noted in the chapter of the present report entitled "*Buildings at Geneva*".

¹ The figure of 17,270,046.84 gold francs does not include the sum of 4,000,000 gold francs representing the price guaranteed by the Swiss Government for the sale of the premises now occupied by the League Secretariat.

It may be useful to give a summary showing the details of the above-mentioned amount of 17,270,046.84 gold francs:

	Gold francs
1. Net surplus of the financial year 1923.	1,139,580.45
2. Total surplus of the financial year 1924	9,395,721.35
3. Payments received from the Argentine in 1924 for the 1922 and 1923 contributions	1,927,184.35
4. Payments received as above for the 1924 contributions	872,507.79
5. Total surplus of the financial year 1925	3,367,847.28
6. Interest earned on the Fund amounting to 102,807.20 gold francs for 1925 and 460,436.23 gold francs for 1926, plus profit on exchange for 1926	567,205.62
Total	17,270,046.84

² Of this sum, 10,481,779.40 gold francs was placed on deposit at the bank at 4¹/₄ to 5 per cent interest per annum.

³ This amount includes the above-mentioned 3,250,000 gold francs, plus 60,000 gold francs paid in 1926 towards the cost of the new Labour Office building. The sum actually spent by the Labour Office is 3,016,910.32 Swiss francs, equivalent to 3,024,780.01 gold francs (see page 146). The balance of 400,031.91 Swiss francs is represented by cash on suspense account (see the balance-sheet of the said Organisation as at December 31st, 1926).

⁴ This sum includes 12,760.60 francs paid as indemnities to the former lessees of the building, who had to move.

⁵ The Assembly, at its seventh ordinary session, decided, on the report of the Supervisory Commission (document A.5.1926.X), to set aside the sum of 20,306,000 gold francs as a Building Fund.

BUILDINGS AT GENEVA.

The budget for 1926 contains a new part entitled "*Buildings at Geneva*", with an appropriation of 1,375,000 gold francs to be added to the "Building Fund". This sum is payable by the States Members of the League as part of their annual contributions.

A like appropriation has been made for 1927 and will continue to be made in subsequent years—in accordance with a proposal by the Supervisory Commission¹, approved by the Assembly—until all the capital required for carrying out the new building scheme has been obtained.

At the same time, following a recommendation made by the Supervisory Commission in the above-mentioned report, a sum of 1,400,000 gold francs is to be refunded from the "Building Fund" annually, as from 1927, to those States which by the regular payment of their contributions for the years prior to 1926 have contributed to the formation of the Fund.

The amount actually received in 1926 in contributions from States to the fund for "Buildings at Geneva" is 1,192,350 gold francs, so that, of the total sum due as provided in the budget, 182,650 gold francs remain outstanding. The Secretariat has, however, made up the difference out of its cash balance.

The complete sum of 1,375,000 gold francs should have been added to the Building Fund on December 31st, 1926. I am told that this was not done because 1,400,000 gold francs were to be refunded to the contributing States during the following year (1927).

Although this procedure has had no serious consequences, I consider that, besides not being in strict conformity with the Assembly's decisions, it tends to confuse the League accounts, which are already, of necessity, quite sufficiently complicated.

CASH BALANCE.

The item "Cash in Hand and at Banks" comprises:

	Gold francs
(1) The cash balance of the Working Capital Fund	4,132,242.39
(2) The cash balance of the Building Fund.	11,621,402.24
(3) The first annuity (1926) for "Buildings at Geneva", deposited at bank	1,375,000.—
(4) The cash balance of the Labour Office building funds.	401,088.14
	<u>17,529,732.77</u>
(5) The cash balance:	
(a) Of the Secretariat ²	1,421,618.11
(b) Of the Permanent Court (81,354.41 florins)	168,853.36
	<u>1,590,471.47</u>
	19,120,204.24

There is no cash balance for the Labour Office, which, as already mentioned, was obliged, owing to lack of cash in hand, to apply to the Secretariat for advances out of the Working Capital Fund amounting to 208,530.51 gold francs.

FINAL FIGURES.

The general balance-sheet of the League as at December 31st, 1926, may be summarised as follows:

	Gold francs
Assets	41,626,062.27
Liabilities	8,767,947.13
	<u>32,858,115.14</u>
Surplus	32,858,115.14

¹ Report of May 1st, 1926 (document A.5.1926.X).

² Excluding 56,285.22 gold francs held in suspense account (see the chapter on appropriations in aid in the present report).

This sum is shown in the balance-sheet under the item "Capital Account".

It should be noted that, of the amount shown, 9,647,329.91 gold francs represent arrears of contributions, and that among these arrears there is a bulk of 7,729,896.23 gold francs, the recovery of which is necessarily a matter for anxiety ¹.

I would suggest that, in drawing up the annual income and expenditure account — the balance of which corresponds to the difference between the assets and liabilities in the balance-sheet — only income actually received should be shown, since otherwise the position shown will not be strictly in accordance with the facts ².

The total income not actually recovered at the end of each year should, of course, still be shown on the assets side of the balance-sheet at that date, with a corresponding item on the liabilities side as a set-off.

Leaving matters for the moment as they stand, we have still to see how the sum of 32,858,115.14 gold francs is constituted, and whether it corresponds to the total of the sums shown in the separate balance-sheets of the Secretariat and the autonomous organisations as "excess of assets over liabilities".

These balance-sheets give the following figures for this item:

	Gold francs
Secretariat	28,674,148.55
Labour Office ³	6,195,613.36
Court ⁴	897,264.32
Total	35,767,026.23

This last figure exceeds by 2,908,911.09 gold francs the sum of 32,858,115.14 gold francs indicated above, by reason of the fact that the Labour Office has included in its assets the sum of 2,908,911.09 gold francs ⁵ spent up to December 31st, 1926, on its new building, this sum being also included by the Secretariat in its own assets (Building Fund), so that it figures twice, in the separate balance-sheets of the Secretariat and the Labour Office ⁶.

The statements in these separate balance-sheets of the Secretariat and the Labour Organisation are thus misleading as regards the figures for the excess of assets over liabilities.

A further point to be noted is that for the Labour Office and the Permanent Court the capital account in the respective balance-sheets also includes the amount of the contributions allotted to them which are outstanding at the end of the year, such contributions being assets not of the individual organisations but of the League as a whole, so that quite rightly, in the general balance-sheet, no item is set off against the total arrears as due to the said organisations.

III. SURPLUS OF THE LEAGUE AS A WHOLE.

For the purposes of Article 38(a) of the Financial Regulations, the difference between the actual receipts and the expenditure for the financial year 1926 must be determined.

The figures are as follows:

For the Secretariat:

	Gold francs
Actual receipts	22,995,702.28
Expenditure	21,517,798.95
Cash balance as at December 31st, 1926	1,477,903.33
Less: Suspense account	56,285.22 ⁷
	1,421,618.11

¹ See the part of the present report relating to contributions.

² If this rule were adopted, the excess of assets over liabilities as at December 31st, 1926, would be reduced to 23,210,785.23 gold francs (i.e. 32,858,115.14 — 9,647,329.91).

I must add that the income and expenditure account above mentioned is an internal document distinct from the Budget Account.

³ Equivalent of 6,178,783.69 Swiss francs.

⁴ Equivalent of 433,296.64 florins.

⁵ Equivalent of 2,941,488 Swiss francs.

⁶ See also the statement on page 71 of my Report on the Accounts for 1925 concerning the ownership of the building occupied by the Labour Office (Page 143 of the Minutes of the Fourth Committee for 1926).

⁷ The suspense account is made up of the balance of two special grants, which will either be applied towards the settlement of further expenditure or returned to the donors (see footnotes 1 and 2, page 141).

For the Labour Office:

	Swiss francs
Actual receipts	9,564,444.90
Expenditure	9,773,625.22
<i>Excess of expenditure over receipts</i>	<u>209,180.32</u>

The Labour Office made up the deficit of 209,180.32 Swiss francs by an advance from the Working Capital Fund.

For the Permanent Court:

	Florins
Actual receipts	911,598.60
Expenditure	830,244.19
Cash balance as at December 31st, 1926	<u>81,354.41</u>

The sum of 81,354.41 florins represents 168,853.36 gold francs.

Summarising the above figures, the surplus of the League as a whole amounted at December 31st, 1926, to 1,590,471.47 gold francs, the differences as compared with the surplus at the end of the preceding year being as follows:

	December 31st, 1926	December 31st, 1925	December 31st, 1926
Secretariat	1,421,618.11	2,365,985.98	— 944,367.87
Labour Office	—	409,334.78 ¹	— 409,334.78
Court	168,853.36	52,334.05	+ 116,519.31
	<u>1,590,471.47</u>	<u>2,827,654.81</u>	<u>— 1,237,182.34</u>

Under the terms of the aforesaid article of the Financial Regulations, the *surplus* of 1,590,471.47 gold francs at December 31st, 1926, should be carried forward, unless otherwise decided by the Assembly, to the 1928 Budget, in order to effect a reduction of the contributions due from the States for that financial year.

IV. RECOMMENDATIONS.

I. It is desirable that the annual accounts of the Secretariat should be ready at an earlier date, in order to allow sufficient margin of time for their examination, which becomes less easy every year. They should, further, be definite, so that no changes need be made in the course of the audit. It would be well if the accounts could be presented in proof, in order to facilitate examination of certain of the bulkier documents such as the budget account.

II. There is still the drawback that, whilst the accounts of the Secretariat are expressed in gold francs — and it is far from my mind to suggest that such gold franc monetary unit of the League shall cease to be in force — those of the Labour Office are in Swiss francs and those of the Permanent Court in Dutch florins.

The Secretariat, it is true, has adopted for its expenditure the ratio: 1 gold franc equals 1 Swiss franc, but as the dollar parity basis (1 dollar equals 5.1826 gold francs) is still kept for contributions, whenever a transfer of funds from the Secretariat to the Labour Organisation takes place in the form of contributions due, or advances out of the Working Capital Fund, or, *vice versa*, when the Labour Organisation refunds such advances or pays over the surplus for the financial year, different figures may appear in the accounts of the Secretariat and those of the Labour Office for one and the same item.

If the Labour Office is to continue to keep its accounts in Swiss francs—and I do not propose any change—it is essential that the annual financial documents should indicate the equivalent amount in gold francs, at all events for the totals and for sums figuring in the accounts of the Secretariat.

The drawback to which I have referred is obviously much more serious in the case of the Permanent Court; it is absolutely essential that the latter, even if it continues to keep its accounts in florins, should present a second copy of its financial documents giving the items as converted into gold francs. Subject to final adjustment, the florin—gold franc parity — might be adopted as a basis for this conversion, unless some other positive factor is present (for example, in the case of payment to the Court of contributions and of advances, if any, out of the Working Capital Fund, or in that of the transfer of the annual surplus by the Court to the Secretariat).

¹ Not including the contributions of Germany for the years 1922 and 1924, the total of which, amounting to 540,192.47 gold francs (equal to 538,879.05 Swiss francs), was paid to the Secretariat in 1926.

The need for arrangements on this point is made even more imperative by the presentation of the general balance-sheet of the League, which reproduces the figures shown in the balance-sheets of the other organisations.

III. As regards the drawing-up of the document mentioned in paragraph II, it is essential, further, that an absolutely uniform arrangement should be adopted for the balance-sheets of the Secretariat and the autonomous Organisations.

I may quote an existing case.

The Secretariat and the Court show in their balance-sheets the assets on the capital account (movable and immovable property) at cost price, and set off on the liabilities side the sums set aside each year for the constitution of a depreciation or amortisation fund.

The Labour Office, on the other hand, shows the assets under this head after deducting annual depreciation.

This undoubtedly renders it less easy to combine the figures for the separate balance-sheets in the general balance-sheet.

IV. Appropriations in aid are a factor which makes the League accounts more complicated and less comprehensible.

It may be added that these appropriations are not always treated in the same way: in one case they may be set off against the total of a group of items of expenditure (as, for example, in Chapter II — "General Services" — of the Secretariat budget), while in another case they are deducted directly from individual items of expenditure (the expenditure of the Health Section is a case in point).

Accordingly, I would repeat the proposal which I submitted on a previous occasion, namely, that the budget should contain a statement of all receipts (including grants) and all expenditure, without deductions.

V. If this proposal is not approved, it is essential at all events to modify the form of the part of the budgetary accounts relating to the expenditure of the Health Section, as this is at present exceedingly complicated, despite the efforts made to improve it¹.

V. CONCLUSIONS.

As regards the large majority of States, contributions are being paid more and more regularly every year.

The only exceptions are a few States which have a considerable accumulation of arrears, payment of which cannot be counted upon, at any rate for the present.

The *surplus* for the financial year 1926 was much smaller than in the previous year, but it should be remembered that in 1925 a considerable sum was received on account of contributions the payment of which had been temporarily suspended.

In the near future, the League will have to face a considerable outlay for the building of the Assembly Hall and the new offices of the Secretariat. A fund has already been provisionally opened for this purpose, and such further sums as may be necessary will undoubtedly be forthcoming from contributions of the different States.

At the same time the estimates for this expenditure will have to be considered with great accuracy in order to avoid any unforeseen contingencies, and they must also be regularly approved. They must further be subject at the proper moment to strict and thorough supervision.

I cannot conclude the present report without expressing my great pleasure at the appointment of Mr. Jacklin as Treasurer of the League. I have already had occasion to appreciate his acuteness, his keenness of mind and his competence.

The Treasury of the League has been placed in good hands.

(Signed) A. CERESA,
Auditor.

¹ In the Appendix to the present report I have arranged the figures relating to this part of the budget in a form which I fancy is somewhat clearer.

Appendix

LEAGUE OF NATIONS — HEALTH ORGANISATION.

NAME OF APPROPRIATION	AMOUNT OF APPROPRIATION.			APPROPRIATION AS MODIFIED BY TRANSFER			ACTUAL EXPENDITURE		
	League Vote	Grants	Total	League Vote	Grants	Total	League Vote	Grants	Total
I. Secretariat.									
	Swiss francs								
Salaries: Health Section.	289,915.—			277,915.—			277,781.35		
Rockefeller I		57,039.—	} 451,248.—		41,180.25	} 412,764.92		39,632.79	} 410,887.20
Rockefeller II		78,424.—			67,799.67			67,647.91	
Rockefeller III		25,870.—			25,870.—			25,825.15	
Travelling and removal expenses	55,000.—	—	55,000.—	67,000.—	—	67,000.—	64,155.21	—	64,155.21
General printing and documentation	3,500.—	—	3,500.—	3,500.—	—	3,500.—	2,769.96	—	2,769.96
Cables, telegrams, etc.	10,000.—	—	10,000.—	10,000.—	—	10,000.—	9,406.80	—	9,406.80
Miscellaneous	2,500.—	—	2,500.—	2,500.—	—	2,500.—	1,783.85	—	1,783.85
	360,915.—	161,333.—	522,248.—	360,915.—	134,849.92	495,764.92	355,897.17	133,105.85	489,003.02
II. Epidemiological and Public Health Intelligence.									
Epidemiological and Public Health Intelligence	17,250.—			17,250.—			6,867.73		
Do. Rockefeller II		91,772.—	109,022.—		102,396.33	119,646.33		101,215.87	108,083.60
Publications	60,000.—	—	60,000.—	60,000.—	—	60,000.—	48,586.—	—	48,586.—
Sanitary Notifications	15,000.—	—	15,000.—	15,000.—	—	15,000.—	4,803.55	—	4,803.55
Epidemiological Enquiries	45,000.—	—	45,000.—	45,000.—	—	45,000.—	18,540.90	—	18,540.90
Collective and Individual Studies, etc.	—	82,965.—	82,965.—	—	82,965.—	82,965.—	—	80,835.19	80,835.19
	137,250.—	174,737.—	311,987.—	137,250.—	185,361.33	322,611.33	78,798.18	182,051.06	260,849.24
III. Health Committees and Conferences.									
Sessions of Health Committee	90,000.—	—	90,000.—	90,000.—	—	90,000.—	63,016.45	—	63,016.45
Special Investigations	150,000.—	—	150,000.—	150,000.—	—	150,000.—	126,315.72	—	126,315.72
Technical Conferences	100,000.—	—	100,000.—	100,000.—	—	100,000.—	77,917.05	—	77,917.05
	340,000.—	—	340,000.—	340,000.—	—	340,000.—	267,249.22	—	267,249.22
IV. Interchange of Public Health Personnel.									
Expenses in connection with a system of liaison between the various national Public Health Services	150,000.—	—	150,000.—	150,000.—	—	150,000.—	95,532.88	—	95,532.88
Collective, specialised and individual interchanges Rockefeller I	—	331,656.—	331,656.—	—	347,514.75	347,514.75	—	341,208.39	341,208.39
	150,000.—	331,656.—	481,656.—	150,000.—	347,514.75	497,514.75	95,532.88	341,208.39	436,741.27
Summary.									
I. Secretariat	360,915.—	161,333.—	522,248.—	360,915.—	134,849.92	495,764.92	355,897.17	133,105.85	489,003.02
II. Epidemiological and Public Health Intelligence	137,250.—	174,737.—	311,987.—	137,250.—	185,361.33	322,611.33	78,798.18	182,051.06	260,849.24
III. Health Committees and Conferences	340,000.—	—	340,000.—	340,000.—	—	340,000.—	267,249.22	—	267,249.22
IV. Interchange of Public Health Personnel	150,000.—	331,656.—	481,656.—	150,000.—	347,514.75	497,514.75	95,532.88	341,208.39	436,741.27
	988,165.—	667,726.—	1,655,891.—	988,165.—	667,726.—	1,655,891.—	797,477.45	656,365.30	1,453,842.75

Sixième Partie — Part VI

SOCIÉTÉ DES NATIONS — LEAGUE OF NATIONS
CAISSE DE PRÉVOYANCE DU PERSONNEL — STAFF PROVIDENT FUND

BILAN AU 31 DÉCEMBRE 1926.
BALANCE-SHEET AS AT DECEMBER 31ST, 1926.

Passif — Liabilities

COMPTE CAPITAL — CAPITAL ACCOUNT.

	Francs suisses Swiss Francs	Francs suisses Swiss Francs	Francs suisses Swiss Francs
<i>Secrétariat — Secretariat.</i>			
Contributions versées par les membres — Contributions by members	597,794.20		
Contributions versées par la Société — Contributions by League.	564,323.64		
		<u>1,162,117.84</u>	
<i>Bureau international du Travail — International Labour Office.</i>			
Contributions versées par les membres — Contributions by members	534,720.35		
Contributions versées par la Société — Contributions by League	532,183.11		
		<u>1,066,903.46</u>	
<i>Cour permanente de Justice internationale. — Permanent Court of International Justice.</i>			
Contributions versées par les membres — Contributions by members	25,800.56		
Contributions versées par la Société — Contributions by League	24,591.44		
		<u>50,392.—</u>	
CAISSE DE DÉCÈS ET D'INVALIDITÉ — DEATH AND INVALIDITY FUND.		<u>114,238.82</u>	2,393,652.12
PLACÉ AU FONDS DE RÉSERVE CRÉÉ POUR PARER ÉVENTUELLEMENT A UNE DÉPRÉCIATION DES VALEURS — INVESTMENTS RESERVE FUND . . .			9,000.—
EMPRUNT DU SECRÉTARIAT — LOAN FROM SECRE- TARIAT			81,000.—
COMPTE D'INTÉRÊTS — REVENUE ACCOUNT.			
Solde en report — Balance brought forward. .		4,467.29	
Plus intérêts nets pour l'année se terminant le 31 déc. 1926 — Add net revenue in respect of year ended December 31st, 1926.		98,362.68	
		<u>102,829.97</u>	
Moins somme portée au Compte Capital repré- sentant les intérêts à répartir à 5 % pour l'an- née — Less amount transferred to Capital Account, being distribution of interest at 5% for year	94,890.50		
Somme portée au Fonds de Réserve créé pour parer éventuellement à une dépréciation des valeurs — Amount transferred to Invest- ments Reserve Fund.	7,000.—		
		<u>101,890.50</u>	939.47
			<u>2,484,591.59</u>

SOCIÉTÉ DES NATIONS — LEAGUE OF NATIONS
CAISSE DE PRÉVOYANCE DU PERSONNEL — STAFF PROVIDENT FUND

BILAN AU 31 DÉCEMBRE 1926.
BALANCE-SHEET AS AT DECEMBER 31ST, 1926.

Actif — Assets

COMPTE PLACEMENTS (prix coûtant) — INVESTMENTS ACCOUNT (at cost).	Francs suisses Swiss Francs <i>Valeur nominale</i> <i>Nominal Value</i>	Francs suisses Swiss Francs	Francs suisses Swiss Francs
5% Ch. Fer Fédéraux 1924	100,000.—	98,222.50	
4% Ch. Fer Fédéraux 1923	100,000.—	87,727.50	
3½% Ch. Fer Fédéraux 1899-1902.	93,000.—	73,687.50	
4½% Ch. Fer Fédéraux 1922	100,000.—	94,205.—	
3% Ch. Fer Fédéraux 1903	98,500.—	72,996.50	
3½% Ch. Fer Jura Simplon 1894	100,000.—	75,986.—	
4% Ch. Fer Fédéraux 1900	99,750.—	84,528.40	
4½% Fédéral 1917 (VI)	100,000.—	95,830.—	
4½% Fédéral 1917 (VII)	100,000.—	97,900.—	
5% Fédéral 1923	100,000.—	99,498.—	
5% Fédéral 1924	100,000.—	98,913.—	
5% Fédéral 1925	150,000.—	147,000.—	
4½% Fédéral 1915	100,000.—	94,915.—	
6% Emprunt autrichien 1943 — 6% Austrian Loan 1943	100,000.—	95,440.—	
7% Emprunt belge 1926 — 7% Belgian Loan 1926	100,000.—	100,738.—	
7% Emprunt autrichien (tranche américaine) 1943 — 7% Austrian Loan (American <i>tranche</i>) 1943	\$38,000.—	198,380.24	
7½% Emprunt hongrois 1944 — 7½% Hunga- rian Loan 1944	\$20,000.—	101,709.11	
7% Emprunt allemand 1949 — 7% German Loan 1949	\$40,000.—	212,168.75	
6½% Emprunt japonais 1954 — 6½% Japa- nese Loan 1954	\$20,000.—	100,643.85	
5½% Emprunt danois 1955 — 5½% Danish Loan 1955	\$20,000.—	103,051.72	
6% Emprunt argentin 1959 — 6% Argentine Loan 1959	\$10,000.—	102,628.74	
5% Emprunt australien 1955 — 5% Australian Loan 1955	\$10,000.—	51,100.07	
6% Emprunt norvégien 1965 — 6% Norwegian Loan 1965	\$10,000.—	51,438.61	
		2,338,708.49	
Plus intérêts de ce compte au 31 décembre 1926 — <i>Add accrued interest to December 31st,</i> 1926		27,186.—	
EN BANQUE — CASH AT BANK.			2,365,894.49
			118,697.10
			2,484,591.59

(Signed) P. G. WATTERSON,
Chef comptable — Chief Accountant.

NOTES.

1. Les avances suivantes ont été faites à certains membres de la Caisse pour le service des primes d'assurances déposées à la Caisse. — The following advances have been made to members to satisfy premiums for policies deposited with the Fund:

	Francs suisses Swiss Francs
Secrétariat — Secretariat	27,399.15
Bureau international du Travail — International Labour Office.	53,800.05
Cour permanente de Justice internationale — Permanent Court of Inter- national Justice	1,439.12
	82,638.32

2. La valeur en bourse des placements de la Caisse s'élevait, le 31 décembre 1926, défalcation faite des intérêts, à 2,383,419 francs. — The market value of the investments held by the Fund as at December 31st, 1926, was, exclusive of interest, 2,383,419 francs.

COMPTE D'INTÉRÊTS — REVENUE ACCOUNT

*pour les douze mois se terminant le 31 décembre 1926.
for the twelve months ended December 31st, 1926.*

DÉPENSES — EXPENDITURE.

	Francs suisses Swiss Francs
A dépenses relatives à l'achat de valeurs y compris les frais de banque — To Sundry Expenses relative to purchase of securities, including bank charges . . .	4.292,51
A solde porté au Bilan — To Balance transferred to balance-sheet	98.362,68
	<hr/>
	102.655,19

COMPTE CAISSE — CASH ACCOUNT

*pour les douze mois se terminant le 31 décembre 1926.
for the twelve months ended December 31st, 1926.*

RECETTES — RECEIPTS.

	Francs suisses Swiss Francs	Francs suisses Swiss Francs	Francs suisses Swiss Francs
1 ^{er} janvier 1926 — January 1st, 1926			
DISPONIBILITÉS EN BANQUE — TO CASH AT BANK 31 décembre 1926 — December 31st, 1926			93.882,10
CONTRIBUTIONS — CONTRIBUTIONS.			
<i>Secretariat — Secretariat.</i>			
Contributions des membres — Contributions by members	229.234,55		
Contributions de la Société — Contributions by League	206.843,43		
	<hr/>	436.077,98	
<i>Bureau international du Travail — International Labour Office.</i>			
Contributions des membres — Contributions by members	207.778,68		
Contribution de la Société — Contributions by League	187.000,59		
	<hr/>	394.779,27	
<i>Cour permanente de Justice internationale — Permanent Court of International Justice.</i>			
Contributions des membres — Contributions by members	10.223,10		
Contributions de la Société — Contributions by League	9.200,86		
	<hr/>	19.423,96	
CAISSE DE DÉCÈS ET D'INVALIDITÉ — DEATH AND INVALIDITY FUND.		65.523,65	
		<hr/>	915.804,86
INTÉRÊTS DES PLACEMENTS — INCOME FROM INVESTMENTS		90.532,44	
INTÉRÊTS EN BANQUE — BANK INTEREST		1.132,75	
		<hr/>	91.665,19
EMPRUNT DU SECRÉTARIAT (SOLDE) — LOAN FROM SECRETARIAT (BALANCE)			81.000,—
VALEURS DES PLACEMENTS REMBOURSÉS — VALUE OF INVESTMENTS REPAID			18.837,50
			<hr/>
			1.201.189,65

COMPTE D'INTÉRÊTS — REVENUE ACCOUNT

*pour les douze mois se terminant le 31 décembre 1926.
for the twelve months ended December 31st, 1926.*

RECETTES — INCOME.

	Francs suisses Swiss Francs
A revenu net des placements montant perçu et à percevoir — By Net Revenue received and receivable from investments	102 655,19
	<u>102.655,19</u>

COMPTE CAISSE — CASH ACCOUNT

*pour les douze mois se terminant le 31 décembre 1926.
for the twelve months ended December 31st, 1926.*

VERSEMENT — PAYMENTS.

	Francs suisses Swiss Francs	Francs suisses Swiss France	Francs suisses Swiss Francs
31 décembre 1926 — December 31st, 1926.			
VERSEMENTS A DES MEMBRES DÉMISSIONNAIRES — BY REFUNDS CONSEQUENT ON RESIGNATION, ETC.			
<i>Secrétariat — Secretariat.</i>			
Compte des membres — On members' account	21.483,70		
Compte de la Société — On League account .	19.989,69		
	<u>41.473,39</u>		
<i>Bureau international du Travail — International Labour Office.</i>			
Compte des membres — On members' account	22.846,37		
Compte de la Société — On League account .	20.559,87		
	<u>43.406,24</u>		
AVANCES AFFÉRENTES AUX PRIMES D'ASSURANCES — BY ADVANCES IN RESPECT OF INSURANCE PREMIUMS.			84.879,63
Secrétariat — Secretariat.		14.394,80	
Bureau international du Travail — Inter- national Labour Office		25.096,50	
Cour permanente de Justice internationale — Permanent Court of International Justice .		526,67	
		<u>40.017,97</u>	
ALLOCATIONS PRÉLEVÉES SUR LA CAISSE DE DÉCÈS ET D'INVALIDITÉ — BY GRANTS FROM DEATH AND INVALIDITY FUND			50.060,80
DÉPENSES GÉNÉRALES — BY GENERAL EXPENSES			4.292,51
COMPTE PLACEMENTS — BY INVESTMENTS ACCOUNT			903.241,64
DISPONIBILITÉS EN BANQUE — BY CASH AT BANK			118.697,10
			<u>1.201.189,65</u>

REPORT BY M. A. CERESA (AUDITOR).

Capital Account.

The following table shows the capital of the Fund at December 31st, 1926, together with the corresponding figures on the same date in the previous year, and the differences between the two:

	December 31st, 1926.	December 31st, 1925.	Difference at December 31st, 1926.
		Swiss Francs	
Secretariat	1,162,117.84	736,518.95	+ 425,598.89
Labour Office	1,066,903.46	698,521.73	+ 368,381.73
Court	50,392.—	29,580.66	+ 20,811.34
Total	2,279,413.30	1,464,621.34	+ 814,791.96
Death and Invalidity Fund	114,238.82	93,293.82	+ 20,945.—
Grand total	2,393,652.12	1,557,915.16	+ 835,736.96

The increase of 814,791.96 francs is made up as follows:

	Swiss Francs
Contributions by members	408,473.49
Contributions by League	406,318.47

The balance-sheet at December 31st, 1926, shows a sum of 81,000 francs due by the Provident Fund for a loan of that amount from the Secretariat. This loan, however, was refunded before the Secretariat accounts were finally closed (that is to say, before February 15th, 1927), and consequently does not appear in the Secretariat accounts.

The balance-sheet of the Provident Fund shows that investments in securities, which amounted to 1,454,304.35 francs at the end of the previous year, had risen to 2,338,708.49 francs at December 31st, 1926 — an increase of 884,404.14 francs.

The figure of 2,338,708.49 francs represents the purchase price of the securities. Their market value at December 31st, 1926, was 2,383,419 francs = 44,711 francs more than the purchase price.

The *Investments Reserve Fund*, which amounted to only 2,000 francs at December 31st, 1925, was 9,000 francs on December 31st, 1926. It is still too low, however, in proportion to the large and increasing amount of the investments, and I would urge the necessity of increasing it.

The cash balance (at bank) was 118,697.10 francs on December 31st, 1926, as against 93,882.10 francs at the same date in 1925.

Receipts and Expenditure Account.

The annual yield from investments was 102,655.19 francs in 1926, as against 57,771.20 francs in 1925.

From this sum of 102,655.19 francs must be deducted, however, 4,292.51 francs for expenses in connection with the purchase of investments, bank charges for their safe deposit, and other bank charges.

The remaining 98,362.38 francs was added to the Revenue Account (excess of assets over liabilities), which, at December 31st, 1926, showed a balance of 4,467.29 francs, carried forward to 1927. Out of the resulting total of 102,829.97 francs: (a) 94,890.50 francs were added to the Capital Account for interest at 5 per cent credited to members' individual accounts; (b) 7,000 francs were added to the reserve intended to meet a possible depreciation of bond investments. The balance of 939.47 francs was carried forward to 1927.

I have no observations to make on my audit of the Provident Fund Accounts.

(Signed) A. CERESA,
Auditor.

ANNEX 6.

A.47.1627.X.

FINANCIAL POSITION OF THE LEAGUE ON AUGUST 31ST, 1927.

MEMORANDUM BY THE SECRETARY-GENERAL.

The Secretary-General is directed by Article 21, paragraph 4, of the Financial Regulations to present to each Assembly a statement on the general financial position of the League, similar in form and substance to that which he prepares monthly for the information of the Council. He is also requested to include in his statement a résumé of the steps which he has taken to notify Member States as to the amounts due and overdue by way of contributions towards the expenses of the League.

The following statement is presented in accordance with these instructions.

The Budget for 1927 was communicated by the Secretary-General, on November 5th, 1926, to all the Members of the League, together with a statement showing the amount of the contribution which fell to be borne by each State.

Payments in respect of the ninth financial period (1927) were received during the first eight months as follows:

	Gold Francs
January	3,173,076.19 ¹
February	1,750,901.01
March	664,696.23
April	2,103,886.63
May	1,072,358.88
June	1,059,129.96
July	5,255,403.79
August	1,599,979.56
	<u>16,679,432.25¹</u>

The amount to be apportioned between the Members of the League for 1927 being 24,512,341 gold francs, it will be seen that, in the eight months that have elapsed since the beginning of the current period, the total receipts in respect of 1927 have been 16,679,432.25 gold francs, or approximately 68 per cent of the authorised budget (for details, see Appendix A). In the case of Members that have not made payments or advised the Secretary-General of the date when payment would be made, the request of the Secretary-General has been repeated, as directed by Article 21 (2) of the Financial Regulations.

OVERDUE CONTRIBUTIONS.

At the close of 1926, there was due to the League by way of unpaid contributions appertaining to the second, third, fourth, fifth, sixth, seventh and eighth financial periods, as well as to the adjusted arrears account, a total sum of 9,647,329.91 gold francs. This was distributed as follows:

	Balances due on December 31st, 1926	Balances due on August 31st, 1927
	Gold Francs	
1. Second financial period (July 1st to December 31st, 1920)	29,947.47	29,947.47
2. Third financial period (1921)	208,333.—	208,333.—
3. Fourth financial period (1922)	384,386.—	384,386.—
4. Adjusted arrears account	260,607.97	246,837.60
5. Fifth financial period (1923)	2,194,131.42	2,194,131.42
6. Sixth financial period (1924)	1,900,286.33	1,900,286.33
7. Seventh financial period (1925)	1,623,631.29	1,623,631.29
8. Eighth financial period (1926)	3,046,006.43	1,413,891.26
	<u>9,647,329.91</u>	<u>8,001,444.37</u>

¹ This figure includes the sum of 1,400,000 francs which, in accordance with a decision taken by the last Assembly, was taken from the Building Fund, in order to be refunded to those States Members of the League who are entitled to such refund. This refund being affected by reducing, *pro tanto*, most of the contributions receivable for 1927, the sum of 1,400,000 francs was considered as having actually been paid by the Members of the League on January 1st, 1927.

The total sum on account of arrears received during the first eight months of the current year amounts to 1,645,885.54 gold francs, leaving yet outstanding the sum of 8,001,444.37 gold francs (see Appendices B and C).

It will be seen that there has been collected:

In respect of the first period	100 %	of the revised total of contributions.
In respect of the second period (1920) approximately	99.5%	» » » »
In respect of the third period (1921) »	99 %	» » » »
In respect of the fourth period (1922) »	98 %	» » » »
In respect of the fifth period (1923) »	92 %	» » » »
In respect of the sixth period (1924) »	91 %	of the Budget.
In respect of the seventh period (1925) »	93 %	» »
In respect of the eighth period (1926) »	94 %	» »

The cash receipts of the League from contributions have been, for the period January 1st to August 31st, 1927, as follows:

	Gold Francs
(a) From arrears of contributions	1,645,885.54
(b) From payments on 1927 Budget	16,679,432.25
Total	<u>18,325,317.79</u>

The amount receivable is:

(a) From arrears of contributions	8,001,444.37
(b) From balances due in respect of 1927 . . .	7,834,500.96
Total	<u>15,835,945.33</u>

WORKING CAPITAL FUND.

On December 31st, 1926, the total paid-up Working Capital of the League amounted to Gold Francs 4,560,229.58

Receipts of Working Capital during the period from January 1st, 1927, to August 31st, 1927, increased this sum to 4,622,105.92

The Working Capital Fund is regarded as belonging to the States which contribute towards it, and is reckoned in terms of gold francs. From it advances may be made, from time to time, to the financially autonomous organisations in accordance with the provisions of the Financial Regulations.

The Secretary-General is the custodian of the Working Capital Fund, and sums advanced to autonomous organisations, when no longer required by them, return to his keeping.

On August 31st, 1927, the Working Capital Fund was employed thus:

(1) With the International Labour Organisation	208,530.51
(2) With the Permanent Court of International Justice	100,000.—
(3) With the Secretary-General	4,313,575.41
Total	<u>4,622,105.92</u>

The Working Capital with the Secretary-General was, on August 31st, 1927, thus employed:

(1) Advances to the Iraq Commission (balance not reimbursed)	197,472.—
(2) Advances to the Danzig High Commissariat	51,617.76
(3) Advances to the Greco-Bulgarian Military Commission	20,266.86
(4) Polish Government (Question of Schools in Upper Silesia)	4,271.55
(5) On special deposit in bank	4,039,947.24
Total	<u>4,313,575.41</u>

Voluntary Contributions to the Working Capital Fund.

The following sums have been paid in as voluntary contributions towards the Working Capital Fund in response to the letter of the Secretary-General drawing attention to the Fourth Assembly's recommendation on this subject:

	Gold Francs
Abyssinia	15,613.98
Finland	783.19
Latvia	21,830.98
Total	<u>38,228.15</u>

BUILDING FUND OF THE LEAGUE.

The Building Fund amounted on August 31st, 1927, to the total sum of 17,413,927.10 francs. This sum was made up as follows:

	Gold Francs
1. Net surplus of the financial year 1923	1,139,580.45
2. Total surplus of the financial year 1924	9,395,721.35
3. Payments by the Argentine for the fourth and fifth financial years	1,927,184.35
4. Payment by the Argentine for the sixth financial year	872,507.79
5. Surplus of the financial year 1925:	
(a) Secretariat	2,365,985.98
(b) International Labour Office (including the amount entered in the suspense account)	949,527.25
(c) Permanent Court of International Justice	52,334.05
6. Interest and other receipts	711,085.88
	<u>17,413,927.10</u>

It should be noted that the sum of 17,413,927.10 francs does not include the amount of 4 million francs which corresponds to the guaranteed sale price of the building now occupied by the Secretariat.

On the other hand, the following expenses have actually been paid for:

	Gold Francs	Gold Francs
1. Payments for the new International Labour Office building	3,310,000.—	
2. Payments for the Assembly Hall, the new Secretariat building	2,687,575.55	
3. Refund to States Members	25,000.—	
	<u>6,022,575.55</u>	

The payments under No. 2 may be further subdivided as follows:

1. Cost of land	1,880,000.—
2. Cost of building subsequently joined by means of temporary bridge to the present Palais des Nations	270,000.—
3. Internal and external alterations to the above-mentioned building	122,401.60
4. Legal expenses	11,003.95
5. Travelling expenses and subsistence allowance of the Jury of Architects appointed to examine the plans for the new buildings	116,721.50
6. Travelling expenses and subsistence allowance of the Building Committee	4,657.80
7. Expenses of competition (including printing)	246,149.45
8. Salaires of special staff	17,044.80
9. Sundry and unforeseen expenses	19,596.45
	<u>2,687,575.55</u>

Appendix A.
CONTRIBUTIONS AU BUDGET DE 1927
SOMMES VERSÉES ET SOLDES DUS AU 31 AOUT¹.
CONTRIBUTIONS TO THE BUDGET OF 1927
SUMS PAID AND BALANCES DUE AS ON AUGUST 31ST¹.

Etats	Montant de la contribution Amount of contribution	Sommes versées Paid	Soldes dus Balance due	States
	Francs-or — Gold Francs	Francs-or — Gold Francs	Francs-or — Gold Francs	
Somme prélevée sur le « Fonds pour les constructions » venant en déduction des contributions pour 1927 (voir note page 160)	1.400.000,—	1.400.000,—	—	Sum taken from the Building Fund in deduction of Contributions for 1927 (See note page 160)
Afrique du Sud	323.711,29	323.711,29	—	South Africa
Albanie	22.360,69	6.069,76	16.290,93	Albania
Allemagne	1.907.857,09	1.430.889,22	476.967,87	Germany
Argentine	647.840,25	—	647.840,25	Argentina
Australie	596.928,09	397.951,96	198.976,13	Australia
Autriche	191.603,68	143.368,66	48.235,02	Austria
Belgique	402.207,51	207.304,—	194.903,51 ^a	Belgium
Bolivie	96.600,36	—	96.600,36	Bolivia
Brésil	648.971,89	648.971,89	—	Brazil
Empire Britannique	2.417.128,95	1.381.184,25	1.035.944,70	British Empire
Bulgarie	109.782,49	—	109.782,49	Bulgaria
Canada	781.417,53	779.463,97	1.953,56	Canada
Chili	317.590,61	317.590,61	—	Chile
Chine	1.110.904,11	—	1.110.904,11	China
Colombie	132.132,12	132.132,12	—	Colombia
Costa-Rica	—	—	—	Costa Rica
Cuba	205.052,90	—	205.052,90	Cuba
Danemark	266.202,73	266.202,73	—	Denmark
Républ. Dominicaine	23.914,20	23.914,20	—	Dominican Republ.
Espagne	903.338,33	—	903.338,33	Spain
Estonie	68.214,08	34.112,57	34.101,51	Estonia
Ethiopie	47.363,28	47.363,28	—	Abyssinia
Finlande	223.438,57	119.786,57	103.652,—	Finland
France	1.802.404,36	1.359.598,40	442.805,96	France
Grèce	154.082,78	154.082,78	—	Greece
Guatemala	22.981,66	11.491,68	11.489,98	Guatemala
Haïti	18.863,51	18.863,51	—	Haiti
Honduras	24.150,09	—	24.150,09	Honduras
Hongrie	189.797,49	94.898,80	94.898,69	Hungary
Inde	1.260.713,58	621.912,—	638.801,58	India
Irlande (Etat libre d')	236.816,43	118.408,20	118.408,23	Irish Free State
Italie	1.360.006,15	1.360.006,15	—	Italy
Japon	1.354.010,20	1.354.010,20	—	Japan
Lettonie	67.313,46	67.313,46	—	Latvia
Libéria	24.150,09	12.353,43	11.796,66	Liberia
Lithuanie	91.396,24	—	91.396,24	Lithuania
Luxembourg	20.871,56	20.871,56	—	Luxemburg
Nicaragua	24.150,09	—	24.150,09	Nicaragua
Norvège	194.955,15	194.955,15	—	Norway
Nouvelle-Zélande	228.235,05	228.235,05	—	New Zealand
Panama	21.797,05	—	21.797,05	Panama
Paraguay	22.874,10	—	22.874,10	Paraguay
Pays-Bas	518.118,36	518.118,36	—	Netherlands
Pérou	217.350,81	—	217.350,81	Peru
Perse	112.093,93	12.234,14	99.859,79 ^b	Persia
Pologne	720.289,57	99.821,33	620.468,24	Poland
Portugal	124.177,12	124.177,12	—	Portugal
Roumanie	484.729,84	484.729,84	—	Roumania
Salvador	24.150,09	24.150,09	—	Salvador
Royaume des Serbes, Croates et Slovènes	446.088,47	446.088,47	—	Kingd. of the Serbs, Croats & Slovenes
Siam	204.084,97	153.063,75	51.021,22	Siam
Suède	399.303,75	399.303,75	—	Sweden
Suisse	378.057,40	378.057,40	—	Switzerland
Tchécoslovaquie	650.346,34	650.346,34	—	Czechoslovakia
Uruguay	158.688,56	—	158.688,56 ^c	Uruguay
Venezuela	112.324,21	112.324,21	—	Venezuela
	24.513.933,21	16.679.432,25	7.834.500,96	
à déduire, remboursement à la République de Costa-Rica	1.592,21	—	—	Less Costa Rica refund
	24.512.341,—	—	—	

¹ Compte tenu de la déduction pour part du fonds de construction. — Taking in to account the Building Fund annuity deduction.

^a Solde payé le 3 septembre. — Balance paid on September 3rd.

^b Un nouvel acompte a été payé le 1^{er} septembre. — A further payment was received on September 1st.

^c Payé le 2 septembre. — Paid on September 2nd.

Appendix B.

UNPAID CONTRIBUTIONS.

The contributions yet unpaid in respect of the first eight financial periods and of the adjusted arrears account are as follows:

	Gold Francs	Gold Francs	
<i>First financial period (1919/20):</i>			
All contributions have been paid or adjusted.			
<i>Second financial period: July 1st to December 31st, 1920:</i>			
Peru (unpaid balance)		29,947.47	
99.5 % of the revised total of contributions for 1920 has been paid.			
<i>Third financial period (1921):</i>			
Peru		208,333.—	
99 % of the revised total of contributions for 1921 has been paid.			
<i>Fourth financial period (1922):</i>			
China (unpaid balance)	182,119.—		
Peru (entire contribution)	202,267.—		
	<hr/>	384,386.—	
98 % of the revised total of contributions for 1922 has been paid.			
<i>Adjusted arrears account of States (Decisions of the Fourth and Fifth Assembly):</i>			
	<i>Reduced amount</i>	<i>Paid on account</i>	<i>Balance due payable in instalments</i>
	Gold Francs	Gold Francs	Gold Francs
Salvador	60,850.—	30,425.—	30,425.—
Nicaragua	55,326.58	—	55,326.58
Honduras	55,326.58	—	55,326.58
Guatemala	25,618.—	20,494.40	5,123.60
Paraguay	25,618.—	10,247.20	15,370.80
Liberia	106,581.30	21,316.26	85,265.04
	<hr/>	<hr/>	<hr/>
	329,320.46	82,482.86	246,837.60
<i>Fifth financial period (1923):</i>			
Bolivia (unpaid balance)			100,000.—
China (entire contribution)			1,767,773.28
Honduras " "			27,196.51
Nicaragua " "			27,196.51
Peru " "			271,965.12
			<hr/>
			2,194,131.42
91 % of the revised total of contributions for 1923 has been paid.			
<i>Sixth financial period (1924)¹:</i>			
Bolivia (entire contribution)			115,871.12
China " "			1,506,324.51
Honduras " "			23,174.23
Nicaragua " "			23,174.23
Peru " "			231,742.24
			<hr/>
			1,900,286.33
91 % of this budget has been paid.			
<i>Seventh financial period (1925):</i>			
Bolivia (entire contribution)			121,166.51
China " "			1,211,665.15
Honduras " "			24,233.30
Nicaragua " "			24,233.30
Peru " "			242,333.03
			<hr/>
			1,623,631.29
93 % of this budget has been paid.			
<i>Eighth Financial Period (1926):</i>			
Bolivia (entire contribution)			97,889.58
China (unpaid balance)			1,022,094.81
Honduras (entire contribution)			24,472.39
Nicaragua (entire contribution)			24,472.39
Panama (unpaid balance)			1,993.70
Paraguay (unpaid balance)			22,716.84
Peru (entire contribution)			220,251.55
			<hr/>
			1,413,891.26
94 % of the 1926 budget has been paid.			

¹ The figures shown hereunder represent the *revised* contributions, i.e. the contributions less the amount included for the reimbursement of the Temporary Contribution to the Working Capital Fund which was repaid in 1925, to the States which had paid their quota for 1924. (See Reports of the Auditor and of the Supervisory Commission, documents A.3. 1926. X., page 69, and A.3. 1926. X., paragraph 10.)

Résumé of contributions in arrears on August 31st, 1927:

	Francs-or	
Second financial period (1920)	29,947.47	
Third financial period (1921)	208,333.—	
Fourth financial period (1922)	384,386.—	
Adjusted Arrears Account	246,837.60	
Fifth financial period (1923)	2,194,131.42	
Sixth financial period (1924)	1,900,286.33	
Seventh financial period (1925)	1,623,631.29	
Eighth financial period (1926)	1,413,891.26	
Total	8,001,444.37	

Appendix C.

RELEVÉ DES ARRIÉRÉS PERÇUS ET A PERCEVOIR (au 1^{er} janvier et au 31 août 1927).
STATEMENT SHOWING ARREARS COLLECTED AND DUE
(January 1st and August 31st, 1927.)

Etats	Montant dû au 1 ^{er} janvier 1927	Acomptes versés sur les arriérés, au cours des huit premiers mois de 1927	Solde des arriérés encore impayés au 1 ^{er} septembre 1927	TOTAL DES SOLDES DUS AU 1 ^{er} SEPT. 1927	States
	Amount due on January 1st, 1927	Payments on account of arrears made during eight months of 1927	Balance of arrears yet unpaid as on September 1st, 1927	TOTAL OF BALANCE DUE SEPT. 1st, 1927	
Afrique du Sud	—	—	—	—	South Africa
Albanie	18 368,84 (1926)	18.368,84	—	—	Albania
Argentine	—	—	—	—	Argentina
Australie	—	—	—	—	Australia
Autriche	—	—	—	—	Austria
Belgique	—	—	—	—	Belgium
Bolivie	{ 100.000,— (1923) 115.871,12 (1924) 121.166,51 (1925) 97.889,58 (1926)	—	{ 100.000,— 115.871,12 121.166,51 97.889,58	434.927,21	Bolivia
Bésil	—	—	—	—	Brazil
Empire Britann.	—	—	—	—	British Empire
Bulgarie	—	—	—	—	Bulgaria
Canada	716.603,59 (1926)	716.603,59	—	—	Canada
Chili	—	—	—	—	Chile
Chine	{ 182.119,— (1922) 1.767.773,28 (1923) 1.506.324,51 (1924) 1.211.665,15 (1925) 1.022.094,81 (1926)	—	{ 182.119,— 1.767.773,28 1.506.324,51 1.211.665,15 1.022.094,81	5.689.976,75	China
Colombie	—	—	—	—	Colombia
Costa-Rica	—	—	—	—	Costa Rica
Cuba	—	—	—	—	Cuba
Danemark	—	—	—	—	Denmark
République Domi- nicaine	—	—	—	—	Dominican Republic
Espagne	—	—	—	—	Spain
Estonie	10,82 (1926)	10,82	—	—	Estonia
Finlande	—	—	—	—	Finland
France	284.653,68 (1926)	284.653,68	—	—	France

Appendix C (suite).

RELEVÉ DES ARRIÉRÉS PERÇUS ET A PERCEVOIR (au 1^{er} janvier et au 31 août 1927).

STATEMENT SHOWING ARREARS COLLECTED AND DUE
(January 1st and August 31st, 1927).

Etats	Montant dû au 1 ^{er} janvier 1927	Acomptes versés sur les arriérés, au cours des huit premiers mois de 1927	Solde des arriérés encore impayés au 1 ^{er} septembre 1927	TOTAL DES SOLDES DUS AU 1 ^{er} SEPT. 1927	States
	Amount due on January 1st, 1927	Payments on account of arrears made during eight months of 1927	Balance of arrears yet unpaid as on September 1st, 1927	TOTAL OF BALANCE DUE SEPT. 1st, 1927	
Grèce	—	—	—	—	Greece
Guatémala	12.808,97 (C.A. ¹) 9.674,36 (1926)	7.685,37 9.674,36	5.123,60 —	5.123,60 ¹	Guatemala
Haiti	—	—	—	—	Haiti
Honduras	{ 55.326,58 (C.A. ¹) 27.196,51 (1923) 23.174,23 (1924) 24.233,30 (1925) 24.472,39 (1926)	{ — — — — —	{ 55.326,58 27.196,51 23.174,23 24.233,30 24.472,39	154.403,01	Honduras
Hongrie	—	—	—	—	Hungary
Inde	—	—	—	—	India
Italie	—	—	—	—	Italy
Japon	—	—	—	—	Japan
Lettonie	—	—	—	—	Latvia
Libéria	85.265,04 (C.A. ¹)	—	85.265,04	85.265,04 ¹	Liberia
Lithuanie	77.159,18 (1926)	77.159,18	—	—	Lithuania
Luxembourg	6.527,12 (1926)	6.527,12	—	—	Luxemburg
Nicaragua	{ 55.326,58 (C.A. ¹) 27.196,51 (1923) 23.174,23 (1924) 24.233,30 (1925) 24.472,39 (1926)	{ — — — — —	{ 55.326,58 27.196,51 23.174,23 24.233,30 24.472,39	154.403,01	Nicaragua
Norvège	—	—	—	—	Norway
Nouvelle-Zélande	—	—	—	—	New Zealand
Panama	1.993,70 (1926)	—	1.993,70	1.993,70	Panama
Paraguay	15.370,80 (C.A. ¹) 22.716,84 (1926)	— —	15.370,80 22.716,84	38.087,64	Paraguay
Pérou	{ 29.947,47 (1920) 208.333,— (1921) 202.267,— (1922) 271.965,12 (1923) 231.742,24 (1924) 242.333,03 (1925) 220.251,55 (1926)	{ — — — — — — —	{ 29.947,47 208.333,— 202.267,— 271.965,12 231.742,24 242.333,03 220.251,55	1.406.839,41	Peru
Pays-Bas	—	—	—	—	Netherlands
Perse	51.848,97 (1926)	51.848,97	—	—	Persia
Pologne	467.268,61 (1926)	467.268,61	—	—	Poland

¹ Compte des contributions arriérées ayant fait l'objet d'un réajustement; ces contributions seront versées par acomptes échelonnés sur un certain nombre d'années (Décisions de la quatrième et de la cinquième Assemblée).
¹ Compounded arrears account payable in instalments spread over a number of years (Decisions of the fourth and fifth Assemblies).

Appendix C (*fin*).

RELEVÉ DES ARRIÉRÉS PERÇUS ET A PERCEVOIR (au 1^{er} janvier et au 31 août 1926).
STATEMENT SHOWING ARREARS COLLECTED AND DUE
(January 1st and August 31st, 1927).

Etats	Montant dû au 1 ^{er} janvier 1927	Acomptes versés sur les arriérés, au cours des huit premiers mois de 1927	Solde des arriérés encore impayés au 1 ^{er} septembre 1927	TOTAL DES SOLDES DUS AU 1 ^{er} SEPT. 1927	States
	Amount due on January 1st, 1927	Payments on account of arrears made during eight months of 1927	Balance of arrears yet unpaid as on September 1st, 1927	TOTAL OF BALANCE DUE SEPT. 1st, 1927	
Portugal. . . .	—	—	—	—	Portugal
Roumanie . . .	—	—	—	—	Roumania
Salvador . . .	36.510,— (C.A.)	6.085,—	30.425,—	30.425,— ¹	Salvador
Royaume des Serbes, Croates et Slovènes	—	—	—	—	Kingdom of the Serbs, Croats and Slovenes
Siam	—	—	—	—	Siam
Suède	—	—	—	—	Sweden
Suisse	—	—	—	—	Switzerland
Tchécoslovaquie	—	—	—	—	Czechoslovakia
Uruguay . . .	—	—	—	—	Uruguay
Venezuela . . .	—	—	—	—	Venezuela
Total . .	9.647.329.91	1.645.885.54	8.001.444.37	8.001.444.37	Total

ANNEX 7.

A.46.1927.X.

NEW WORK INVOLVING NEW EXPENDITURE ON THE PART OF THE
LEAGUE.

REPORT OF THE COUNCIL OF THE LEAGUE AND OF THE GOVERNING BODY OF
THE INTERNATIONAL LABOUR OFFICE.

The following is an extract from the report of the Fourth Committee adopted by the Assembly at its fifth ordinary session:

" The Committee asked the competent officials of the Secretariat and the other autonomous organisations to follow up the present practice and in future to prepare a report of the new work involving new expenditure on the part of the League.

" The Committee thanked the Secretariat for having added to this report a new section for decisions of the Council which may subsequently lead to further expenditure, and suggested that the Secretary-General should continue, in future, to supply information on that point."

The report of the Fourth Committee adopted by the Assembly at its sixth ordinary session contains the following passage:

" The Committee noted the report of the Council and of the Governing Body of the International Labour Office on new work involving additional expenditure on the part of the League and it expressed the desire that this report should be continued in future."

The present document is therefore divided into two parts:

- (a) New work involving new expenditure immediately or in the near future.
- (b) New work which might lead to expenditure in the future.

I. SECRETARIAT AND SPECIAL ORGANISATIONS OF THE LEAGUE.

(Report adopted by the Council on September 2nd, 1927.)

A. *New Work involving New Expenditure immediately or in the Near Future.*

It is to be noted that, since the last ordinary session of the Assembly, the Council has taken no decision involving charges to item 3 of the Budget — "Unforeseen expenditure, subject to special vote of Council".

The following decisions will, however, result in expenditure, immediately or in the near future:

1. *Rapid Working of the Organs of the League in case of Emergency* (Articles 11 and 16 of the Covenant).

The following are extracts from the resolutions adopted by the Council on December 8th, 1926:

"The Council notes that the Committee attaches the very greatest importance to questions concerning the improvement of communications and other facilities for permitting the rapid working of the organs of the League in case of emergency, not only as regards the application of Articles 15 and 16, but in particular as regards the application of Article 11.

"The Council requests the Secretary-General to invite the Governments of the States Members of the League to consider favourably the technical measures proposed in the report of the Advisory and Technical Committee for Communications and Transit as regards communications by rail, air, telegraph, and radio-telegraph of importance to the League at times of emergency, and to take such measures as they deem possible to facilitate the application of these measures.

"The Council thanks the Advisory and Technical Committee for Communications and Transit for the remarkable report which it has submitted, and requests it:

"(a) To communicate as soon as possible the supplementary report which it is preparing on long-distance telephony in Europe;

"(b) To keep in touch with all the administrations and organisations concerned, in order to facilitate the application of the measures named in its report, and to ensure that every possible improvement shall be effected in communications of all kinds between the seat of the League and the different capitals;

"(c) To institute immediately, in co-operation with the Secretary-General, with a view to submitting a report to the Council at the earliest possible date, the necessary enquiries in order that the League may have at its disposal a radio-telegraphic station of its own sufficiently powerful to enable it to communicate independently with the greatest possible number of States Members of the League."

(43rd Session, Minute 1837.)

2. *Conference of Official Statisticians.*

The following resolution was adopted by the Council on March 11th, 1927:

"The Council approves in principle the Economic Committee's proposal to convene a Conference of Official Statisticians some time in 1928, with a view to the adoption of uniform methods for the establishment of economic statistics".

(44th Session, Minute 1905.)

B. *New Work which might lead to Expenditure in the Future.*

Nil

II. INTERNATIONAL LABOUR ORGANISATION.

(Letter addressed to the Secretary-General by the Director of the International Labour Office.)

"In accordance with the decision taken at the fourth ordinary session of the Assembly, I have the honour to inform you that, since August 24th, 1926, date on which I made a similar statement on the subject, the International Labour Organisation has not undertaken any new work immediately involving additional expenditure for the League of Nations, or which might eventually lead to additional expenditure."

ANNEX 8.

A.4 (I). 1927. X.

GENERAL BUDGET FOR THE TENTH FINANCIAL PERIOD (1928).

STATEMENT OF INCOME AND EXPENDITURE.

Expenditure	Gold Francs	Income	Gold Francs
I. Secretariat and Special Organisations:		I. Ordinary Contributions:	
Ordinary expenditure	13,246,243	(a) Towards upkeep of Secretariat and Special Organisations. .	13,246,243
Capital expenditure .	183,000	(b) Towards upkeep of the International Labour Organisation. .	7,834,275
II. International Labour Organisation :		(c) Towards upkeep of Permanent Court of International Justice	2,159,647
Ordinary expenditure	7,834,275	II. Extraordinary Contributions:	
Capital expenditure .	70,000	(a) Towards Buildings at Geneva	1,375,000
III. Permanent Court of International Justice:		(b) Towards Permanent Equipment, etc. . .	264,457
Ordinary expenditure	2,159,647		
Capital expenditure .	11,457		
IV. Buildings at Geneva .	1,375,000		
	24,879,622		24,879,622

GENERAL SUMMARY.

PART I. — SECRETARIAT AND SPECIAL ORGANISATIONS OF THE LEAGUE¹.

Section I. — Ordinary Expenditure.

Chapter	Estimates			Expenditure
	1928	1927	1926	1926
			Gold Francs ²	
I. Assembly and Council (See page 171)	967,900	967,900	1,025,000	422,074
II. General Services of Secretariat (See page 171)	7,425,876	7,208,274	6,569,034	6,055,954
III. Special Organisations of the League (See page 172)	4,852,467	5,197,666	4,770,970	3,788,172
IV. Profit and Loss on Exchange (See page 173)	—	—	—	6,861
Total of ordinary expenditure	13,246,243	13,373,840	12,365,004	10,273,061

Section II. — Capital Expenditure.

V. Permanent Equipment, etc. (See page 173)	183,000	188,000	168,000	165,434
Total expenditure of the Secretariat and of the Special Organisations of the League	13,429,243	13,561,840	12,533,004	10,438,495

PART II. — INTERNATIONAL LABOUR ORGANISATION.

(See document A. 4. (a.) (x) 1927. X.)

Section I. — Ordinary expenditure	7,834,275	7,606,490	7,314,720	7,222,094
Section II. — Capital expenditure	70,000	91,000	75,000	77,919
Total	7,904,275	7,697,490	7,389,720	7,300,012
<i>Less:</i>				
German contributions for 1925 and 1926 ³	—	265,766	274,782	273,782
Amount to be included in general Budget	7,904,275	7,431,724	7,114,938	7,026,230

PART III. — PERMANENT COURT OF INTERNATIONAL JUSTICE⁴.

(See document A. 4. (b). 1927. X.)

Section I. — Ordinary expenditure	2,159,647	2,122,947	1,900,401	1,642,769
Section II. — Capital expenditure	11,457	20,830	7,290	6,528
Total	2,171,104	2,143,777	1,907,691	1,649,297

PART IV. — BUILDINGS AT GENEVA⁵.

Terminable annuity payable on account of building operations of the League	1,375,000	1,375,000	1,375,000	1,375,000
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PART V. — WORKING CAPITAL FUND.

(See note, page 203.)

Definitive contribution to the Working Capital Fund	—	—	—	—
Total Budget of the League of Nations	24,879,622⁷	24,512,341	22,930,633	20,489,022⁸

¹ The figures below do not always exactly represent the amounts in the 1926 or 1927 Budget or correspond with the audited accounts (document A. 3. 1927. X). These discrepancies are due to the new arrangement of certain items in the Budget. It has been found necessary, in order to facilitate comparison, to rearrange not only the 1928 Budget figures but also the figures in the two previous Budgets and in the audited accounts for 1926. For example, the salaries of the officials dealing with intellectual co-operation and questions relating to international bureaux have been transferred from Chapter II to Chapter III.

² The totals of the schedules, the details of which are given in Swiss francs, are represented in the Summaries of Chapters and Items by an equivalent total of gold francs, the two currencies being at the moment of almost equal value.

³ See Regulations for the financial administration of the League, Article 22, paragraphs 1 and 2, and document A. 110. 1926. X, page 1.

⁴ The rate of exchange adopted for the conversion from florins into gold francs is one florin = 2.083 gold frs.

⁵ The Assembly, at its seventh ordinary session, approved the proposals which had been made to it by the Supervisory Commission in regard to the terminable annuity payable on account of the building operations of the League (see document A. 5. 1926. X, paras. 19 *et seq.*). The sum of 1,375,000 francs has therefore been included in the Budget for 1928; it should be pointed out that, as this sum is, from year to year, entered in the Budget, reimbursements to the States which advanced the sums necessary for the formation of the Building Fund must be made. For 1928 the reimbursement will amount to 1,400,000 francs.

⁶ The sum of 20,836,124 francs appears under the head of "Expenditure" in the audited accounts of the Secretariat. The difference between these two figures is due to the fact that the sum of 20,836,124 francs includes the amounts which, according to the budget, should have been paid to the International Labour Office and the Permanent Court of International Justice, and not, as the total given above, the actual expenditure of those organisations.

⁷ The difference between this figure and the total of 24,873,272 francs shown in the original edition of the Budget (dated May 15th, 1927) is due to the approval by the Supervisory Commission at its July session of the Budget of the Work on Behalf of Refugees (International Labour Office), amounting to 331,675 francs, or 6,350 francs more than the amount provisionally included in the original edition of the Budget.

PART I.
SECRETARIAT AND SPECIAL ORGANISATIONS.

A. SUMMARY OF ITEMS.

Section I. — Ordinary Expenditure.

CHAPTER I.

ASSEMBLY AND COUNCIL.

	Estimates			Expenditure
	1928	1927	1926	1926
		Gold	France ¹	
1. Session of the Assembly (See Schedule A, page 174)	392,900	392,900	435,000	321,690
2. Sessions of the Council (See note, page 174)	75,000	75,000	90,000	18,660
3. Unforeseen expenditure (subject to special vote of Council) (See note, page 174)	500,000	500,000	500,000	81,724
	967,900	967,900	1,025,000	422,074

CHAPTER II.

GENERAL SERVICES OF THE SECRETARIAT² and³

4. Salaries, wages and allowances:				
(a) Secretariat (See Schedule B, page 175)	5,086,112	4,896,061	4,381,834	4,185,974
(b) House staff at Geneva (See Schedule C, page 181)	355,273	344,829	249,361	288,111
5. Contribution to the Staff Provident Fund (See note, page 182)	280,000	250,000	220,000	229,458
6. Liaison with Latin-America (See Schedule D, page 182)	119,447	105,535	116,072	82,721
7. Branch Offices (See Schedule E, page 182)	133,459	136,764	151,227	104,443
8. Travelling expenses of officials of the League: (See note, page 184)				
(a) Travelling expenses and subsist- ence allowances in connection with General Services	168,000	190,000	160,000	140,642
(b) Travelling expenses of members of the Secretariat returning home on leave	45,000	45,000	50,000	42,398
(c) Removal expenses to and from Geneva	50,000	60,000	25,000	44,675
(d) Passports and visas	—	—	500	239
9. Frais de représentation (See Schedule F, page 184)	162,500	162,500	150,000	137,506

¹ See Note 2, page 170.

² See Note 1, page 170.

³ It will be noted that in the case of certain items the expenditure figure exceeds the Budget appropriation. This excess expenditure has been covered by transfers made in conformity with the Financial Regulations. The list of transfers is contained in the document dealing with the accounts for 1926 (A.3.1927.X).

CHAPTER II. GENERAL SERVICES OF THE SECRETARIAT (*continued*).

	Estimates			Expenditure
	1928	1927 Gold France ^a	1926 ¹	1926 ¹
10. Property Account: maintenance:				
(a) Headquarters at Geneva (See Schedule G, page 184)	214,225	229,225	212,220	179,919
(b) House allowance of the Secretary-General (£1,000)	25,220	25,220	25,220	25,220
11. Publication Department (See Schedule H, page 185)	418,500	395,500	394,000	334,427
12. General office expenses (See Schedule I, page 186)	445,000	388,000	394,000	381,585
13. Special staff charges (See Schedule J, page 187)	96,540	119,040	81,000	53,305
14. Interest charges: bank account	1,000	1,000	1,000	—
15. Unforeseen and miscellaneous expenses of the Secretariat	50,000	50,000	80,000	4,710
16. Unpaid Liabilities Fund (See note, page 189)	7,500	5,000	10,000	5,243
17. Supervision of revenue and expenditure:				
(a) Auditors' travelling and subsistence allowances	15,000	12,500	15,000	13,412
(b) Expenses of Supervisory Commission	15,000	17,500	20,000	11,063
(c) Expenses of Salaries Adjustment Committee	100	100	100	—
(d) Expenses of Committee on Allocation of Expenses	12,000	7,500	15,000	2,839
	7,699,876	7,441,274	6,751,534	6,267,890
<i>Deduct: Appropriations in Aid:</i>				
(a) Sale of publications	220,000	175,000	125,000	160,488
(b) Interest earned	45,000	50,000	50,000	44,385
(c) Miscellaneous cash receipts	7,000	8,000	7,500	7,063
(d) Sale of cinematograph films	2,000	—	—	—
	274,000	233,000	182,500	211,936
	7,425,876	7,208,274	6,569,034	6,055,954

CHAPTER III. SPECIAL ORGANISATIONS OF THE LEAGUE.

18. Administrative Commissions and Minorities Questions (See Schedule K, page 189)	356,817	352,739	329,107	275,354
19. Economic and Financial Organisation (See Schedule L, page 190)	1,217,031	1,171,746	1,100,594	887,463
20. Provision for the development of the Economic and Financial Organisation following the General Economic Conference (including staff) (See note, page 192)	100,000	320,000 ^b	200,000 ^b	195,249 ^b
21. Mandates (See Schedule M, page 193)	260,884	259,038	203,878	248,979
22. Transit (See Schedule N, page 194)	334,551	366,983	332,484	308,292
23. International Health Organisation (See Schedule O, page 195)	992,638	996,700	988,165	797,477
24. Social Questions: Suppression of Traffic in Women and Protection of Children, Supervision of Opium Traffic, etc. (See Schedule P, page 197)	286,817	275,181	356,914	304,200

¹ See Note 3, page 171.

² See Note 2, page 170.

³ These figures refer to the expenditure of the Conference or to the expenses entailed by its preparation.

CHAPTER III. SPECIAL ORGANISATIONS OF THE LEAGUE (*continued*).

	Estimates			Expenditure
	1928	1927	1926 ¹	1926 ¹
	Gold Francs ²			
25. Reduction of Armaments (See Schedule Q, page 199)	982,523	1,097,047	838,475	398,310
<i>Commission for the Protection of Women and Children in certain territories in the Near East</i>	—	—	75,000	75,000
26. Intellectual Co-operation, Interna- tional Bureaux and miscellaneous questions (See Schedule R, page 201)	230,206	207,132	201,353	142,072 ³
<i>Settlement of Armenian Refugees</i>	—	15,100	50,000	64,781
27. International Convention on Slavery. (See note, page 202)	1,000	1,000	—	—
28. Legal Assistance for the Poor (<i>ad memoriam</i>) (See note, page 202)	—	—	—	—
29. Experts' Committee for the Progressive Codification of International Law (See note, page 202)	75,000	75,000	50,000	47,297
30. International Federation for Mutual Assistance in the Relief of Peoples overtaken by Disaster (See note, page 203)	15,000	30,000	15,000	15,000
<i>Committee of Press Experts</i>	—	30,000	30,000	28,698
	4,852,467	5,197,666	4,770,970	3,788,172

CHAPTER IV.

PROFIT AND LOSS ON EXCHANGE.

31. Loss on exchange	100,000	100,000	25,000	15,628
<i>Deduct:</i>				
Profit on exchange	100,000	100,000	25,000	8,767
	—	—	—	6,861

Section II. — Capital Expenditure.

CHAPTER V.

PERMANENT EQUIPMENT, ETC.

32. Further additions to property	—	—	25,000	1,902
33. Further purchases of furniture, equip- ment, etc.:				
For annex	80,000	40,000	55,000	76,515
Current requirements	—	45,000	—	—
34. Library:				
(a) Books, maps	55,000	55,000	50,000	38,272
(b) Binding	25,000	25,000	17,000	23,075
(c) Periodicals	13,000	13,000	13,000	15,368
(d) Equipment, shelving, etc.	10,000	10,000	8,000	10,302
	183,000	188,000	168,000	165,434

¹ See Note 3, page 171.

² See Note 2, page 170.

³ See Note 1, page 170.

B. SCHEDULES AND EXPLANATORY NOTES.

SCHEDULE A

TO CHAPTER I, ITEM I.

	Estimates			Expenditure
	1928	1927	1926 ¹	1926 ¹
	Swiss Francs			
SESSION OF THE ASSEMBLY	392,900	392,900	435,000	321,690
1. Salaries of additional temporary clerical and house staff	112,000	123,200	138,000	89,296
2. Overtime payments of permanent staff	7,000	8,000	10,000	5,179
3. Travelling expenses and subsistence allowances of temporary staff brought expressly to Geneva. . .	12,000	13,000	15,000	9,939
4. Assembly hall, rent, lighting, heating, etc.	28,000	25,000	35,000	26,035
5. Special printing	192,050	190,700	200,000	157,915
6. Cables, telegrams and telephones .	1,000	1,000	1,000	227
7. Supplies and stores	16,850	13,000	14,000	13,483
8. Automobile and cyclist service . .	9,000	10,000	12,000	6,997
9. Incidental expenses	15,000	9,000	10,000	12,619

It should be noted that in 1926 the Assembly sat for only three weeks, whereas the estimates for 1927 and 1928 are based on the assumption that the session will last four weeks.

NOTE ON ITEM 2 OF CHAPTER I: "SESSIONS OF THE COUNCIL".

The amount estimated for sessions of the Council, although less than the expenditure in certain years, would be sufficient to meet the expenses of one regular session and of two extraordinary sessions held away from Geneva. From the experience gained since 1921, it has been found that different political circumstances may at times render it desirable to hold the meetings of the Council elsewhere than at Geneva.

NOTE ON ITEM 3 OF CHAPTER I: "UNFORESEEN EXPENDITURE (SUBJECT TO SPECIAL VOTE OF COUNCIL)".

A sum of 500,000 francs is provided for in each Budget in order that the Council should have sufficient funds at its disposal to meet any political contingencies which might arise during the year. The Third Assembly fully recognised the necessity of this measure; but, in order to give full publicity to any expenditure incurred under this head, it decided to add the following clause to Article 36 of the Financial Regulations:

"A statement showing for the past financial year any expenses borne on a vote for unforeseen expenditure and incurred only by special resolution of a competent authority shall be annexed to the accounts."

¹ See Note 3, page 171.

² See Note 2, page 170.

SCHEDULE B TO CHAPTER II, ITEM 4a.
SALARIES, WAGES AND ALLOWANCES OF THE SECRETARIAT.

Number of Posts provided for in Budget for		Sections	Estimates			Expenditure
			1928	1927	1926	1926
I. General Organisation. (See Sub-Schedule No. 1.)						
I	I	Secretary-General (£4,000 ¹) . . .	100,880 ²	100,880 ²	100,880 ²	99,568 ²
6	5	Secretary-General's Office . . .	89,496	96,649	95,404	84,100
I	I	Deputy Secretary - General (£3,000 ¹)	75,660	75,660	75,660	74,676
5	5	Deputy Secretary - General's Office	91,856	92,839	91,514	85,322
I	I	Under - Secretary - General (£3,000 ¹)	75,660	75,660	75,660	74,676
5	5	Under - Secretary - General's Office	74,013	71,595	68,520	65,767
I	I	Under - Secretary - General	75,000	75,000	75,660	74,676
2	3	Under - Secretary - General's Office	35,370	23,700	—	—
I	I	Under-Secretary-General . . .	75,000	75,000	—	—
<i>(Director's salary included in the figures for the Political Section.)</i>						
2	2	Under - Secretary - General's Office	28,526	27,385	26,340	25,638
II	II	Political Section	221,876	221,711	221,586	215,999
43	47	Information Section	898,522	845,703	740,530	695,566
17	18	Legal Adviser's Branch	356,713	356,940	244,064	183,373
4	4	Treasurer's Office	89,000	88,150	94,550	79,905
<i>(a) Replacements, temporary engagements, overtime, etc., for the General Organisation (sub-heads 1 to 14)</i>						
			5,000	10,000	15,000	554
<i>(b) Allowances for special languages and family allowances</i>						
			2,500	2,500	2,500	1,140
100	105	TOTAL: General Organisation .	2,295,072	2,239,372	1,927,868	1,760,960
II. Internal Administrative Services. (See Sub-Schedule No. 2.)						
8	8	Staff Branch	77,863	90,748	58,890	53,292
10	10	Precis-Writing	174,861	174,733	143,115	140,502
23	25	Publication and Printing Department	206,879	172,153	139,437	135,169
2	2	Drafting Committee	25,942	25,497	24,542	23,591
29	33	Interpreting and Translating .	556,364	513,110	495,858	471,762
18	18	Library	158,454	157,954	144,701	148,205
20	21	Registry	217,374	209,563	205,558	181,021
8	8	Indexing of Publications . . .	77,372	77,448	76,470	71,424
9	9	Accounting Branch	92,282	91,808	88,688	87,031
8	8	Internal Control	79,045	78,600	72,225	70,731
10	11	Internal Services	135,978	128,578	122,420	119,509
<i>Central Services:</i>						
66	68	Stenographer's Branch	531,970	519,031	486,680	447,528
34	34	Duplicating and Multigraph Service	180,725	179,582	176,017	168,899
28	32	Distribution of Documents . .	190,562	169,663	160,920	158,955
14	15	Miscellaneous services	90,258	81,641	58,980	57,248
<i>(a) Replacements, temporary engagements and overtime for all Internal Services</i>						
			100,000	90,000	92,000	90,147
<i>(b) Family allowances</i>						
287	302	TOTALS: Internal Services . .	2,895,929	2,760,109	2,546,501	2,425,014
387	407	TOTALS: General Organisation and Internal Services . . .	5,191,001	4,999,481	4,474,369	4,185,974
<i>Deduct: Reductions in salaries due to lower cost of living² and³</i>						
			104,889	103,420	92,535	— ³
GRAND TOTALS			5,086,112	4,896,061	4,381,834	4,185,974

¹ The pound sterling and the dollar are taken at par (£1=25.22 Swiss fr.; \$1=5.1826 Swiss fr.). In the Budget for 1926 the value adopted for the French franc was 0.40 Swiss franc, in the Budget for 1927 0.24 Swiss franc, and in that for 1928 0.21 Swiss franc.

² The figures shown in the first three columns (estimates for 1928, 1927 and 1926) correspond to the gross figures for salaries, whereas those in the fourth column (expenses in 1926) represent net salaries, i.e., less, in each case, the reduction in consequence of the fall in the cost of living. In the first three columns the estimated reduction of salaries in consequence of the fall in the cost of living is subtracted in the penultimate line of the Schedule (see also note 3).

³ In accordance with a decision of the Second Assembly, a portion of the salaries of international officials engaged

SUB-SCHEDULE No. I TO SCHEDULE B.

SALARIES OF THE GENERAL ORGANISATION OF THE SECRETARIAT.

Posts		Sections and Grades	Scales	Total Salaries of	
1927	1928			Grades	Sections
				1928 Swiss Francs	
I	I	1. <i>Secretary-General</i> (£4,000) ¹		100,880	100,880
2. <i>Secretary-General's Office:</i>					
I	2	Member of Section, Class A	19,000-800-28,000	51,534 ²	
I	—	Member of Section, Class B	13,700-800-19,000	—	
I	I	Private Secretary	10,000-300-16,250	16,200	
3	2	Secretary-Shorthand-typists	8,700-250-11,250	21,762	
<u>6</u>	<u>5</u>				89,496
I	I	3. <i>Deputy Secretary-General</i> (£3,000) ¹ (Responsible for the supervision of special organisations)		75,660	75,660
4. <i>Deputy Secretary-General's Office.</i>					
2	2	Members of Section, Class A	19,000-800-28,000	53,667	
I	I	Private Secretary	10,000-300-16,250	16,175	
2	2	Secretary-Shorthand-typists	8,700-250-11,250	22,014	
<u>5</u>	<u>5</u>				91,856
I	I	5. <i>Under-Secretary-General</i> (£3,000) ¹ (In charge of internal administration).		75,660	75,660
6. <i>Under-Secretary-General's Office.</i>					
I	2	Member of Section, Class A	19,000-800-28,000	47,013	
I	—	Member of Section, Class B	13,700-800-19,000	—	
I	I	Private Secretary	8,700-250-11,250	12,375 ³	
I	I	Secretary Shorthand-typist	8,700-250-11,250	8,825	
<i>Locally recruited Staff.</i>					
I	I	Shorthand-typist	5,000-200- 8,000	5,800	
<u>5</u>	<u>5</u>				74,013
I	I	7. <i>Under-Secretary-General.</i> (Director of Section of International Bureaux and Intellectual Co-ope- ration)		75,000	75,000
8. <i>Under-Secretary-General's Office</i> ⁴ .					
I	I	Member of Section, Class B	13,700-800-19,000	17,724	
I	2	Secretary-Shorthand-typists	8,700-250-11,250	17,646	
<u>2</u>	<u>3</u>				35,370
I	I	9. <i>Under-Secretary-General</i> (in charge of Political Section)		75,000	75,000
10. <i>Under-Secretary-General's Office.</i>					
—	I	Member of Section, Class A	19,000-800-28,000	19,526	
I	—	Member of Section, Class B	13,700-800-19,000	—	
I	I	Secretary-Shorthand-typist	8,700-250-11,250	9,000	
<u>2</u>	<u>2</u>				28,526
II. <i>Political Section.</i>					
7	7	Members of Section, Class A	19,000-800-28,000	183,400	
I	I	Secretary of Section	10,000-300-14,400	10,250	
2	2	Secretary Shorthand-typists	8,700-250-11,250	21,263	
<i>Locally recruited Staff.</i>					
I	I	First-class clerk	5,400- 175- 8,000	6,963	
<u>11</u>	<u>11</u>				221,876

on long-term contracts varies with the fluctuations in the cost of living. The Fourth Assembly decided that the variable portion should amount to 20% of the total salary, that reductions and increases in salaries should be examined once a year (taking as a basis of comparison the figures published by the Swiss Federal Government), and that the year should be taken as ending on July 31st. The figure shown in the 1928 Budget for reductions in salaries due to the fall in the cost of living is calculated on the same basis as the reductions made since 1924 (decrease of 13% on the variable portion).

¹ See Note 1, page 175.

² Including allowance of 3,600 francs in respect of one of these posts.

³ Including allowance of 1,800 francs in respect of this post.

⁴ For the rest of the staff of the Under-Secretary-General in charge of the Section of International Bureaux, see Item 26, "Intellectual Co-operation", etc.

Posts		Sections and Grades	Scales	Total Salaries of Grades Sections		
1927	1928			1928		
				Swiss Francs		
12. Information Section.						
(i) Geneva Office:						
I	I	Director	41,000-2,500-53,000		53,000	
I	I	Member of Section	£2,000		50,440	
II	I3	Members of Section, Class A	19,000-800-28,000		319,220	
6	4	Members of Section, Class B	13,700-800-19,000		65,200	
I	I	Secretary of Section	10,000-300-16,250		13,800	
3	3	Member of Intermediate Class B	10,000-300-14,400		39,150	
2	2	Senior Assistants	8,700-250-11,250		17,800	
3	2	Secretary-Shorthand-typists	8,700-250-11,250		19,640	
3	3	Bilingual Shorthand-typists	7,500-250-10,000		26,079	
7	II	Shorthand-typists and Junior Assistants	7,000-200- 9,500		90,235	
<i>Locally recruited Staff.</i>						
I	I	First-class Clerk	5,000-200-8,000		6,321	
I	I	Shorthand-typist	4,800-150-7,000		5,507	
3	4	Messengers and fifth-class Clerks.	1,800-100-4,200		11,467	
43	47	Temporary Engagements			717,859	
(ii) London Office ¹ :						
I	I ²	Member of Section	£1,000			
I	I	Assistant	£ 325			
I	I	Shorthand-typist	£ 208			
				£1,533		
				Swiss Francs	38,663	
(iii) Paris Office:						
—	—	Staff, including Member of Section	25,000		25,000	
(iv) Rome Office:						
—	—	Staff, including Member of Section and Office expenses	25,000		25,000	
(v) Tokio Office:						
—	—	Staff, including Member of Section and Office expenses	30,000		30,000	
(vi) Berlin Office						20,000
(vii) Other Offices						12,000
					898,522	
13. Legal Adviser's Branch (including Registration of Treaties):						
I	I	(i) Legal Adviser			75,000	
5	6	Members of Section, Class A	19,000-800-28,000		146,816	
3	3	Members of Section, Class B	13,700-800-19,000		47,000	
I	I	Secretary of Section	10,000-300-16,250		11,945	
2	2	Senior Assistants	8,700-250-11,250		20,497	
2	2	Secretary-Shorthand-typists	8,700-250-11,250		19,950	
2	2	Junior Assistant and Shorthand-typist	7,000-200- 9,500		15,505	
I	I	Bilingual Shorthand-typist	7,500-250-10,000		9,500	
17	18	Legal Adviser on Swiss Law (fees)			1,500	
					9,000	
					356,713	
14. Treasurer's Office.						
I	I	Treasurer	40,000-1,000-45,000		41,000	
I	I	Member of Section, Class A	19,000-800-28,000		22,400	
I	I	Member of Section, Class B	13,700-800-19,000		16,100	
I	I	Secretary-Shorthand-typist	8,700-250-11,250		9,500	
4	4				89,000	
15. (a) Replacements, temporary engagements, overtime, etc., for the General Organisation (sub-heads 1 to 14.						
					5,000	
(b) Miscellaneous allowances (special languages, etc.)						
					2,500	

¹ Rent and miscellaneous expenses are shown under Schedule E 1 (B).

² The staff of the various offices of the Information Section outside Geneva is not included in the general summary on page 175.

SUB-SCHEDULE No. 2 TO SCHEDULE B.

SALARIES OF THE INTERNAL ADMINISTRATIVE SERVICES OF THE SECRETARIAT.

Posts 1927	1928	Sections and Grades	Scales	Total Salaries of Grades 1928 Swiss Francs
1. Staff Branch.				
1	1	Member of Section, Class B	13,700-800-19,000	16,900
1	1	Member of Intermediate Class A	10,000-500-16,250	12,500
1	1	Member of Intermediate Class B	10,000-300-14,400	13,800
3	2	Secretary - Shorthand - typist and Senior Clerical Assistant	8,700-250-11,250	18,700
<i>Locally recruited Staff.</i>				
1	1	First-class Clerk	5,400-175-8,000	6,200
1	2	Second-class Clerks	4,500-175-7,000	9,763
8	8			77,863
2. Precise-Writing Department.				
<i>(1) English Section.</i>				
1	1	Chief of Service	19,000-800-28,000	28,000
2	2	Precis-writers	13,700-800-19,000	35,400
1	1	Member of Intermediate Class A (Editor Official Journal)	10,000-500-16,250	16,250
1	1	Secretary-Shorthand-typist	8,700-250-11,250	11,235
<i>(2) French Section.</i>				
1	1	Chief of Service	19,000-800-28,000	24,640
3	3	Precis-writers	13,700-800-19,000	49,836
1	1	Stenographer	7,000-200-9,500	9,500
16	10			174,861
3. Printing and Publication Department.				
1	1	Chief of Service	19,000-800-28,000	24,634
—	1	Member of Intermediate Class	10,000-300-16,250	15,250
—	1	Secretary-Shorthand-typist	8,700-250-11,250	8,700
<i>(a) Publication:</i>				
1	1	Senior Assistant	8,700-250-11,250	10,492
1	1	Secretary-Shorthand-typist	8,700-250-11,250	9,874
<i>Locally recruited Staff.</i>				
2	1	Shorthand-typist	4,000-150-6,000	4,500
1	2	Second-class Clerks	4,500-175-7,000	9,850
<i>(b) Printing:</i>				
1	1	Head of Service	10,000-500-16,250	16,250
5	5	Senior Assistants (proof-readers)	8,700-250-11,250	50,100
<i>Locally recruited Staff.</i>				
5	5	First-class Clerks (proof-readers)	6,400-175-8,000	38,717
1	1	First-class Clerk	5,000-200-8,000	6,452
1	1	Fifth-class Clerk	2,400-100-4,000	3,000
4	4	Copyholders	—	9,060
23	25			206,879
4. Drafting Committee.				
1	1	Member of Intermediate Class A	10,000-500-16,250	16,250
1	1	Secretary Shorthand-typist	8,700-250-11,250	9,692
2	2			25,942
5. Interpreting and Translating.				
<i>(i) French Section.</i>				
1	1	Head of Service	19,000-800-28,000	25,800
1	1	Translator-Reviser	19,000-800-28,000	22,000
1	1	Interpreter and Translator	19,000-800-21,000	21,000
1	1	Interpreter	—	20,000
9	10	Translators and Interpreters	13,700-800-19,000	164,994
1	1	Secretary-Shorthand-typist	8,700-250-11,250	10,860
<i>Locally recruited Staff.</i>				
—	1	Fourth-class Clerk	3,500-125-5,000	3,500

Posts		Sections and Grades	Scales	Total Salaries of Sections	
1927	1928			Grades	1928
(ii) English Section.					
I	I	Head of Service	19,000-800-28,000	25,747	
I	I	Translator-Reviser	19,000-800-22,000	22,000	
I	I	Interpreter and Translator	19,000-800-22,000	22,000	
I	I	Interpreter and Translator	19,000-800-21,000	21,000	
I	I	Translator-Reviser	19,000-800-21,000	21,000	
8	10	Translators and Interpreters	13,700-800-19,000	162,263	
I	I	Second-class Clerk	7,000-200- 9,500	8,700	
<i>Locally recruited Staff.</i>					
—	I	Fourth-class Clerk	3,500-125- 5,000	3,500	
(iii) Miscellaneous.					
I	—	Interpreter and Translator for Slavonic languages	—	—	
29	33	(iv) Outside translations	—	2,000	556,364
6. Library.					
I	I	Librarian		24,600	
I	I	Assistant Librarian	13,700-300-16,250	16,250	
I	I	Secretary-Shorthand-typist	8,700-250-11,250	9,450	
7	7	Senior Assistants ¹	8,700-250-11,250	74,644 ¹	
<i>Locally recruited Staff:</i>					
6	6	Second-class Clerks	4,500-175- 7,000	28,310	
2	2	Messengers	1,800-100- 4,200	5,200	
18	18				158,454
7. Registry and Indexing of Publications.					
(I) Registry.					
I	I	Registrar	20,000-500-25,000	20,500	
I	I	Deputy Registrar	13,700-800-19,000	19,000	
I	I	Member of Intermediate Class A	10,000-500-16,250	15,400	
I	I	Member of Intermediate Class B	10,000-300-14,400	10,200	
I	I	Secretary-Shorthand-typist	8,700-250-11,250	11,250	
10	10	Senior Assistants	8,700-250-11,250	106,415	
2	2	First-class Clerks	5,400-175- 8,000	14,579	
<i>Locally recruited Staff.</i>					
I	I	First-class Clerk	5,400-175- 8,000	6,363	
I	I	Third-class Clerk	4,200-125- 6,000	5,550	
—	I	Fourth-class Clerk	3,500-125- 5,000	3,917	
I	I	Fifth-class Clerk	3,600-100- 4,200	4,200	
20	21				217,374
(II) Indexing of Publications.					
7	7	Senior Assistants	8,700-250-11,250	70,044	
<i>Locally recruited Staff.</i>					
I	I	First-class Clerk	5,000-200- 8,000	7,328	
8	8				77,372
8. Accounting Branch.					
I	I	Chief Accountant	19,000-800-28,000	24,000	
I	I	Member of Intermediate Class A	10,000-500-16,250	12,218	
I	I	Senior Assistant	8,700-250-11,250	11,170	
I	I	Secretary-Shorthand-typist	8,700-250-11,250	9,500	
2	2	Junior Assistants	7,000-200- 9,500	16,900	
<i>Locally recruited Staff.</i>					
3	3	First-class Clerks	5,000-200-8,000	18,494	
9	9				92,282
9. Internal Control.					
I	I	Internal Control Officer	19,000-800-28,000	21,567	
I	I	Member of Intermediate Class A	10,000-500-16,250	12,428	
I	I	Member of Intermediate Class B	10,000-300-14,400	12,000	
I	—	Secretary-Shorthand-typist	8,700-250-11,250	—	
—	I	Shorthand-typist	7,000-200- 9,500	7,600	
<i>Locally recruited Staff.</i>					
2	2	First-class Clerks	5,000-175- 8,000	14,875	
I	I	Temporary Clerk		5,400	
I	I	Second-class Clerk	4,500-175- 7,000	5,175	
8	8				79,045

¹ When the Library is reorganised, it will probably be found expedient to change two posts of First-class Assistant to posts of the Intermediate Class; the funds required for this purpose are included in the figure shown for First-class Assistants.

Posts		Sections and Grades	Scales	Total Salaries of	
1927	1928			Grades	Sections
				1928	
				Swiss Francs	
<i>(ii) English Section.</i>					
I	I	Head of Service	19,000-800-28,000	25,747	
I	I	Translator-Reviser	19,000-800-22,000	22,000	
I	I	Interpreter and Translator	19,000-800-22,000	22,000	
I	I	Interpreter and Translator	19,000-800-21,000	21,000	
I	I	Translator-Reviser	19,000-800-21,000	21,000	
8	10	Translators and Interpreters	13,700-800-19,000	162,263	
I	I	Second-class Clerk	7,000-200- 9,500	8,700	
<i>Locally recruited Staff.</i>					
—	I	Fourth-class Clerk	3,500-125- 5,000	3,500	
<i>(iii) Miscellaneous.</i>					
I	—	Interpreter and Translator for Slavonic languages	—	—	
29	33	<i>(iv) Outside translations</i>	—	2,000	556,364
6. Library.					
I	I	Librarian		24,600	
I	I	Assistant Librarian	13,700-300-16,250	16,250	
I	I	Secretary-Shorthand-typist	8,700-250-11,250	9,450	
7	7	Senior Assistants ¹	8,700-250-11,250	74,644 ¹	
<i>Locally recruited Staff:</i>					
6	6	Second-class Clerks	4,500-175- 7,000	28,310	
2	2	Messengers	1,800-100- 4,200	5,200	
18	18				158,454
7. Registry and Indexing of Publications.					
<i>(i) Registry.</i>					
I	I	Registrar	20,000-500-25,000	20,500	
I	I	Deputy Registrar	13,700-800-19,000	19,000	
I	I	Member of Intermediate Class A	10,000-500-16,250	15,400	
I	I	Member of Intermediate Class B	10,000-300-14,400	10,200	
I	I	Secretary-Shorthand-typist	8,700-250-11,250	11,250	
10	10	Senior Assistants	8,700-250-11,250	106,415	
2	2	First-class Clerks	5,400-175- 8,000	14,579	
<i>Locally recruited Staff.</i>					
I	I	First-class Clerk	5,400-175- 8,000	6,363	
I	I	Third-class Clerk	4,200-125- 6,000	5,550	
—	I	Fourth-class Clerk	3,500-125- 5,000	3,917	
I	I	Fifth-class Clerk	3,600-100- 4,200	4,200	
20	21				217,374
<i>(ii) Indexing of Publications.</i>					
7	7	Senior Assistants	8,700-250-11,250	70,044	
<i>Locally recruited Staff.</i>					
I	I	First-class Clerk	5,000-200- 8,000	7,328	
8	8				77,372
8. Accounting Branch.					
I	I	Chief Accountant	19,000-800-28,000	24,000	
I	I	Member of Intermediate Class A	10,000-500-16,250	12,218	
I	I	Senior Assistant	8,700-250-11,250	11,170	
I	I	Secretary-Shorthand-typist	8,700-250-11,250	9,500	
2	2	Junior Assistants	7,000-200- 9,500	16,900	
<i>Locally recruited Staff.</i>					
3	3	First-class Clerks	5,000-200-8,000	18,494	
9	9				92,282
9. Internal Control.					
I	I	Internal Control Officer	19,000-800-28,000	21,567	
I	I	Member of Intermediate Class A	10,000-500-16,250	12,428	
I	I	Member of Intermediate Class B	10,000-300-14,400	12,000	
I	—	Secretary-Shorthand-typist	8,700-250-11,250	—	
—	I	Shorthand-typist	7,000-200- 9,500	7,600	
<i>Locally recruited Staff.</i>					
2	2	First-class Clerks	5,000-175- 8,000	14,875	
I	I	Temporary Clerk		5,400	
I	I	Second-class Clerk	4,500-175- 7,000	5,175	
8	8				79,045

¹ When the Library is reorganised, it will probably be found expedient to change two posts of First-class Assistant to posts of the Intermediate Class; the funds required for this purpose are included in the figure shown for First-class Assistants.

Posts		Sections and Grades	Scales	Total Salaries of
1927	1928			Grades Sections
				1928
				Swiss Francs
10. Internal Services.				
I	I	Chief of Internal Services	28,000-1,000-33,000	31,000
I	I	Secretary Shorthand-typist	8,700- 250-11,250	11,250
<i>(i) Establishment Office.</i>				
I	I	Deputy Chief of Internal Services	13,700-800-19,000	19,000
I	I	Member of Intermediate Class	10,000-300-16,250	13,800
I	I	Secretary Shorthand-typist	8,700-250-11,250	9,863
<i>Locally recruited Staff.</i>				
I	I	Second-class Clerk	4,500-175- 7,000	4,631
<i>(ii) Contracts and Supplies Branch.</i>				
I	I	Head of Service		21,800
I	I	Junior Clerical Assistant	7,000-200-9,500	9,000
<i>Locally recruited Staff.</i>				
I	I	First-class Clerk	5,000-200-8,000	6,684
I	2	Third-class Clerk	4,000-150-6,000	8,950
<u>I0</u>	<u>II</u>			<u>135,978</u>
11. Central Services.				
<i>(i) Stenographers' Branch.</i>				
<i>(a) Verbatim Reporters.</i>				
I	I	Head Verbatim Reporters' Staff.	15,600-500-18,000	18,000
I	3	English Verbatim Reporters	10,000-300-14,400	30,375
5	5	French Verbatim Reporters	10,000-300-14,400	52,175
<i>(b) Pool of Typists.</i>				
I	I	Superintendent	10,000-500-16,250	14,350
I	I	Senior Assistant (Assistant Superintendent)	10,000-300-14,400	11,550
6	6	Bilingual Shorthand-typists	7,500-250-10,000	52,854
28	28	Shorthand-typists	7,000-200- 9,500	229,116
3	2	Shorthand-typists for special languages (Czech and Serbian)	7,000-200- 9,500	14,276
5	5	Copyists	6,000-175- 8,000	31,145
<i>Locally recruited Staff.</i>				
9	9	Shorthand-typists	{4,800-150-7,000 (O.S. ¹)	46,186
	I	Shorthand-typist for Polish	{4,000-150-6,000 (N.S. ²)	
			4,000-150-6,000	6,000
6	6	Copyists	4,200-125-6,000	25,943
<u>66</u>	<u>68</u>			<u>531,970</u>
<i>(ii) Duplicating and Multigraph Service.</i>				
I	I	Superintendent	10,000-500-16,250	15,000
2	2	Senior Assistants (Assistant Superintendents)	8,700-250-11,250	20,495
2	2	Junior Assistants	7,000-200- 9,500	16,800
6	6	Copyists	6,000-175- 8,000	41,025
<i>Locally recruited Staff.</i>				
15	15	Fourth-class Clerks (operators)	{4,200-125-6,000 (O.S. ¹)	68,915
			{3,500-125-5,000 (N.S. ²)	
8	8	Messengers (junior operators)	{1,800-100-4,200 (O.S. ¹)	18,490
			{2,400-100-4,000 (N.S. ²)	
<u>34</u>	<u>34</u>			<u>180,725</u>
<i>(iii) Distribution of Documents.</i>				
<i>(a) General Services.</i>				
I	I	Superintendent	10,000-500-16,250	16,250
I	I	Assistant Superintendent	10,000-300-14,400	13,200
I	I	Member Intermediate Class B	10,000-300-14,400	10,000
2	3	Senior Assistants	8,700-250-11,250	33,360
3	3	Junior Assistants	7,000-200- 9,500	27,700
<i>Locally recruited Staff.</i>				
3	3	First-class Clerks	5,000-200-8,000	18,942
2	I	Second-class Clerks	4,500-175-7,000	4,675
2	3	Third-class Clerks	{4,000-150-6,000 (N.S. ¹)	14,501
			{4,200-125-6,000 (O.S. ²)	
3	3	Fourth-class Clerks	3,500-125-5,000	12,080
5	6	Messengers and Fifth-class Clerks	{2,400-100-4,000 (N.S. ²)	16,006
			{1,800-100-4,200 (O.S. ¹)	

¹ O. S. = Old scale.
² N. S. = New scale.

Posts		Sections and Grades	Scales	Total Salaries of Grades Sections	
1927	1928			1928	
(b) Distribution of Publications:					
1	1	Third-class Clerks	4,200-125-6,000		4,350
2	3	Fourth-class Clerks	3,500-125-5,000		11,561
2	3	Messengers and Fifth-class Clerks	2,400-100-4,000 (N.S. ²) 1,800-100-4,200 (O.S. ¹)		7,937
28	32				190,562
(iv) Miscellaneous Services.					
<i>Locally recruited Staff.</i>					
1	1	(a) Nurse	—		9,600
		(b) Consulting Medical Officer (fees)	—		6,000
6	6	(c) Telephone operators	4,800-150-7,000 (O.S. ¹) 3,500-125-5,000 (N.S. ²)		28,906
(d) Postal Service:					
2	2	First-class Clerks	5,400-175-8,000		12,900
1	1	Second-class Clerk	4,800-150-7,000		5,700
2	2	Fourth-class Clerks	3,500-125-5,000		8,132
(e) Draughtsmen:					
1	1	Senior Assistant (recruited inter- nationally)	8,700-250-11,250		8,700
1	2	First-class Clerks	5,000-200- 8,000		10,320
14	15				90,258
12. (i) Replacements, Temporary Engage- ments and Overtime for all Internal Services					
				100,000	100,000
(ii) Family Allowances					

SCHEDULE C

TO CHAPTER II, ITEM 4(b).

Posts		Grades	Estimates			Expenditure
			1928	1927	1926	1926
		WAGES OF HOUSE STAFF AT GENEVA	355,273	344,829	249,361	288,111
				Swiss Francs		Total Salaries of Grades 1928
1	1	Superintendent	—		11,500	
(a) Staff employed in the Main Building.						
1	1	Head Office-keeper	—		7,575	
2	2	Hall Porters	5,400-175-7,500		11,221	
18	18	Office-keepers	4,800-150-7,000 (O.S. ¹) 3,500-125-5,000 (N.S. ²)		85,969	
5	5	Engineers, Chauffeurs, Night Watch- man, Gardener	4,800-150-7,000		29,450	
2	2	Caretaker and Housekeeper	—		9,210	
2	2	Furnacemen (seven months)	3,500-125-5,000		5,369	
9	9	Lift Attendants, Messengers, etc.	1,800-100-4,200 (O.S. ¹) 2,400-100-4,000 (N.S. ²)		26,184	
		Cleaners (26, employed mornings and evenings)	—		80,721	
		Attendants	—		9,036	
40	40				276,235	
(b) Staff employed in the Annexes.						
4	5	Office-keepers	3,500-125- 5,000		20,173	
1	1	Night-watchman	3,500-125- 5,000		4,336	
1	1	Furnaceman (seven months)	—		2,205	
6	5	Lift attendants, messengers, etc.	2,400-100- 4,000		13,264	
		Cleaners (8, employed mornings and evenings)	—		18,000	
		Attendants	—		3,060	
12	12				61,038	
(c) Overtime, Temporary Engage- ments and Replacements						15,000
(d) Family Allowances						3,000

¹ O.S. = Old scale.
² N.S. = New scale.

NOTE ON ITEM 5 OF CHAPTER II: CONTRIBUTION TO THE STAFF PROVIDENT FUND.

The regulations of the Staff Provident Fund of the League of Nations, which have been drawn up by the Supervisory Commission and approved by the Fifth Assembly, provide that a payment equal to 5 per cent of his salary "shall be contributed monthly by the League in respect of the member", and that all permanent officials, except those receiving the highest salaries, shall be held to participate in the Fund.

The Fund is administered by a Board of Management appointed by the Council of the League of Nations. The Financial Committee of the Economic and Financial Organisation has been entrusted with the duty of advising the Board of Management as to the employment of the assets of the Fund, investments, etc.

The accounts of the Fund for 1926 are published in the document containing the audited accounts for 1926 (A.3.1927.X).

**SCHEDULE D
TO CHAPTER II, ITEM 6.**

		Estimates			Expenditure
		1928	1927	1926	1926
		Swiss Francs ¹			
LIAISON WITH LATIN-AMERICA		119,447	105,535	116,072	82,721
I. Secretariat		39,447	45,535	86,072	55,464
Posts	Scales	Total Salaries			
1927	1928	of Grades			
I	I	Member of Section A	19,000-800-28,000	24,000	
I	I	Secretary-Shorthand-			
		typist	8,700-250-11,250	8,930	
2	I	Shorthand-typists	7,000-200- 9,500	7,200	
—	—	Allowance for special languages		360	
4	3	<i>Deduct:</i> Reductions in salaries due to lower cost of living		1,043	
II. Other Expenses:					
	(a)	Correspondents, cables, travelling and removal expenses, etc.	80,000	30,000	30,000
	(b)	Technical investigations to be undertaken in Latin America	—	30,000	27,257

NOTE ON SCHEDULE D.

The credit included for correspondents has been raised from 30,000 francs in 1927 to 80,000 francs in the present budget, in order to allow of the appointment of a number of additional correspondents in Latin America.

**SCHEDULE E
TO CHAPTER II, ITEM 7.**

		Estimates			Expenditure
		1928	1927	1926	1926
		Swiss francs ¹			
BRANCH OFFICES		133,459	136,764	151,227	104,443
I. London Sub-Office.					
A. Staff		27,869	26,607	26,481	23,320
Posts	Grades	Total Salaries			
1927	1928	of Grades			
		1928	1927	1926	
		£ s.	£ s.	£ s.	
I	I	(i) Establishment Clerk	400	350	352
I	I	Secretary-Shorthand-typist	208	208	208
I	I	Office-keeper	208	208	208
2	2	Messengers	136	135 4	124 16
I	I	Telephone-operator	104	104	104
	(ii)	Overtime, temporary engagements and replacements	49	49 16	53 4
6	6				
		Swiss francs	£1,105 27,869	£1,055 26,607	£1,050 26,481

¹ See Note 1, page 175.

		Estimates			Expenditure 1926
		1928	1927	1926	
		Swiss Francs ¹			
B. Property account and general office expenses²		49,583	50,970	53,466	44,462
		£	£	£	
(i)	Rent and rates	1,344	1,344	1,344	
(ii)	Lighting	17	17	17	
(iii)	Heating	30	30	30	
(iv)	Cleaning	85	85	85	
(v)	Repairs and renewals	100	60	100	
(vi)	Telephones	80	100	150	
(vii)	Stationery	80	100	100	
(viii)	National Health and Unemployment Insurance	25	25	24	
(ix)	Postage	75	50	75	
(x)	Cables and telegrams	20	20	25	
(xi)	Newspapers	30	40	50	
(xii)	Miscellaneous and unforeseen expenses	80	150	120	
		<u>£ 1,966</u>	<u>£ 2,021</u>	<u>£ 2,120</u>	
	Swiss Francs ¹	49,583	50,970	53,466	
2. Paris Sub-Office.					
A. Staff		31,962	27,696	37,200	17,956
Posts		Total Salaries of Grades			
1927	1928	1928	1927	1926	
		French Francs ¹			
I	I	(i) First-class Clerk (Establishment Clerk)	15,000	15,000	14,700
I	I	First-class Clerk (Document and Dis- tribution Officer)	12,600	12,300	12,000
I	I	Bilingual Secretary	15,000	15,000	14,700
I	I	Concierge	6,500	6,500	6,500
I	I	Office-keeper	5,400	5,400	5,400
2	2	Telephone-operators	13,200	13,200	13,200
2	2	Messengers	10,000	10,000	10,000
<hr/>					
9	9	(ii) Temporary staff and overtime	8,000	8,000	8,000
		(iii) Allowance for rise in the cost of living .	35,000	—	—
		(iv) Family allowances	1,500	—	—
		(v) Provision for possible increase in salaries and exchange fluctuations .	30,000	30,000	8,500
		French francs	<u>152,200</u>	<u>115,400</u>	<u>93,000</u>
		Swiss francs ¹	31,962	27,696	37,200
		Estimates			
		1928	1927	1926	
		Swiss Francs ¹			
B. Property account and general office expenses		24,045	27,744	34,080	19,705
		French Francs ¹			
(i)	Rent	53,500	48,000	48,000	
(ii)	Lighting	2,500	2,500	2,500	
(iii)	Heating	12,000	12,000	10,000	
(iv)	Cleaning	1,500	1,500	1,500	
(v)	Repairs and renewals	4,000	2,000	2,000	
(vi)	Telephones	20,000	15,000	10,000	
(vii)	Cables and telegrams	1,500	500	1,000	
(viii)	Stationery	4,000	3,000	5,000	
(ix)	Postage	1,000	600	100	
(x)	Newspapers	500	500	100	
(xi)	Miscellaneous expenses	8,000	10,000	5,000	
(xii)	Reserve to meet increase in prices . . .	6,000	20,000	—	
		<u>French francs</u>	<u>114,500</u>	<u>115,600</u>	<u>85,200</u>
		Swiss francs ¹	24,045	27,744	34,080

¹ See Note 1, page 175.

² Including the expenditure of the London Office of the Information Section.

NOTE ON SCHEDULE E.

It may be noted that the fairly large discrepancy between the estimates and the expenditure for 1926 is partly due to the rate of exchange of the French franc having been lower than that estimated.

NOTE ON ITEM 8 OF CHAPTER II: TRAVELLING EXPENSES OF OFFICIALS OF THE LEAGUE.

The Staff Regulations, drawn up in accordance with a recommendation of the Second Assembly, set forth in detail the conditions under which expenditure on official journeys and removal expenses of officials may be reimbursed. It will be remembered that the Second Assembly provided that members of the Secretariat would be entitled, at stated intervals, to proceed home on leave, their actual travelling expenses being reimbursed.

The rates of subsistence allowances payable to members of the Secretariat travelling on duty were fixed by the Second Assembly.

SCHEDULE F
TO CHAPTER II, ITEM 9.

	Estimates			Expenditure 1926
	1928	1927	1926	
	Swiss Francs			
FRAIS DE REPRÉSENTATION	162,500	162,500	150,000	137,506
(a) Secretary-General (£2,500)	63,050	63,050	63,050	63,050
(b) Deputy Secretary-General (£1,000)	25,220	25,220	25,220	25,220
(c) 3 Under-Secretaries-General (2 previous to 1927)	37,720	37,720	25,220	25,220
(d) General Fund	36,510	36,510	36,000	23,505
(e) Reserve for the payment in 1926 of accounts appertaining to 1924	—	—	510	511

SCHEDULE G
TO CHAPTER II, ITEM 10(a).

	Estimates			Expenditure 1926
	1928	1927	1926	
	Swiss Francs			
PROPERTY ACCOUNT, MAINTENANCE: Headquarters at Geneva	214,225	229,225	212,220 ¹	179,919 ¹
I. Main Building:				
(a) Water rates	5,500	5,500	4,000	4,000
(b) Repairs and renewals:				
(i) Building	45,000	60,000	60,000	54,174
(ii) Furniture	20,000	25,000	25,000	14,834
(iii) Equipment	5,500	6,000	5,000	4,927
(c) Lighting	18,000	18,000	25,000	19,972
(d) Heating	29,500	25,000	40,000	29,526
(e) Power:				
(i) Water power	1,000	1,000	3,200	859
(ii) Electric power (lift)	2,500	2,000		
(f) Insurance and protection:				
(i) Building and furniture	1,700	1,700	3,320	1,700
(ii) Securitas (police)	1,200	1,200		
(g) Employers' liability	250	250	200	192
(h) Telephones, local service	29,000	22,000	20,000	24,500
(i) Uniforms	3,000	3,000	3,000	2,990
(k) Automobiles and bicycles: replacements, upkeep and insurance	1,500	2,000	3,500	902
(l) Office laundry	9,000	10,500	8,000	5,098
(m) Sundry supplies	5,000	4,500	4,500	4,482
	8,000	10,000	7,500	8,089
	185,650	197,650		
2. Annexes:				
(a) Water rates	500	500		
(b) Lighting	8,000	8,000		
(c) Heating	8,000	8,000		
(d) Electric power	1,500	1,500		
(e) Insurance	575	575		
(f) Telephones — local service	6,000	8,000		
(g) Uniforms	1,000	2,000		
(h) Chimneys — repairs to flues, etc.	500 ^e	500		
(i) Laundry	500	500		
(j) Sundry supplies	2,000	2,000		
	28,575	31,575		

¹ See Note 3, page 171.

NOTE ON SCHEDULE G.

As the new annexe was only in use during four months of 1926, the exact expenditure incurred by the Secretariat under this head cannot be ascertained until the end of 1927; accordingly the appropriations in the 1928 budget for the various classes of expenditure are almost identical with the 1927 appropriations. Increases have, however, been found necessary under the head of "Telephones, local service" owing to the installation of a new telephone exchange; under the head of "Heating" owing to the rise in the price of coal; and under the head of "Lighting", which also covers the cost of current for electric machines, the number of which has recently been considerably increased. On the other hand, it has been found possible to reduce certain items as compared with 1927.

SCHEDULE H

TO CHAPTER II, ITEM II.

	Estimates			Expenditure 1926
	1928	1927	1926	
PUBLICATION DEPARTMENT (exclusive of salaries)	418,500	395,500	394,000 ¹	334,427 ¹
(a) General printing not covered by special appropriations:				
(i) Council documents and <i>Official Journal</i>	120,000	90,000	120,000	117,156
(ii) Internal administration and miscellaneous	12,000	4,000	13,000	10,108
(b) <i>Treaty Series</i>	140,000	140,000	140,000	123,384
(c) <i>Monthly Summary</i>	50,000	60,000	60,000	44,009
Other publications of the Information Section	40,000	30,000	25,000	12,705
(d) Travelling, transport charges, advertising for Sales Department, catalogues, etc.	50,000	50,000	30,000	16,837
(e) Publications for free distribution	2,000	4,500	4,000	8,978
(f) Working capital for cinematographic films and photographs.	4,500	2,000	2,000	1,250
(g) Consultation of experts for the development of the sale of the publications	—	15,000	—	—

NOTE ON SCHEDULE H.

(a) *General Printing.*

This estimate provides for the cost of printing publications prepared by the various Sections and Departments belonging to the General Organisation of the Secretariat, such as Council and other documents dealing with political, legal and budgetary questions.

"Official Journal".

The *Official Journal* of the League contains the minutes of all the sessions of the Council as well as the most important official documents received or sent out by the Secretariat.

(b) *"Treaty Series".*

In accordance with Article 18 of the Covenant, every treaty or international engagement entered into by any Member of the League is forthwith registered with the Secretariat and must be published by it as soon thereafter as possible.

The budget estimate for 1928 is based approximately on what the actual expenditure would have been in 1926, if the printing of one volume had not been unexpectedly delayed.

(c) *"Monthly Summary" and other Publications of the Information Section.*

The *Monthly Summary*, which is published in six languages, aims at setting out the various activities of the League. It enables delegates to the Assembly, members of various Commissions, publicists, professors and others interested in the League to follow its work and realise its development. It is placed on sale, subscriptions increasing every year. The sale of the English edition covers approximately its cost. The receipts are not deducted from the figure which appears above, but are included under the heading "Sale of Publications" (Chapter II: "Appropriations in aid").

The appropriation of 60,000 francs made last year for expenses in connection with the *Monthly Summary* has been reduced to 50,000 francs, the actual expenditure having been about

¹ See Note 3, page 171.

44,000 francs. It has been thought necessary to keep a margin of 6,000 francs for emergencies; this is certainly not excessive in view of the increase in printing costs in France, where nearly all the printing of the *Monthly Summary* is done.

The appropriation for other publications of the Information Section has been raised from 30,000 to 40,000 francs. The publications in question are a series of 17 pamphlets describing the principal activities of the League. All these pamphlets have appeared in French and English, and most of them in Italian, Spanish and German also. One pamphlet describing the *organisation* and *constitution* of the League has been published in 16 different languages. Including the original pamphlets, translations and reprints, the Information Section has so far published 111 pamphlets.

The increase in the appropriation for the publication of these pamphlets is due to the fact that it is proposed next year to organise their publication on a new and permanent basis, in order to avoid the needless expense of frequent revisions. The idea is that all the French and English pamphlets should be brought up to date at January 1st, 1928, and for the next five years the Information Section will simply publish one volume every year on the work of the League. After five years each pamphlet will be either revised or supplemented by a second volume. Pamphlets in languages other than English or French will be similarly brought up to date in due course during the following years (1929, 1930, etc.). If this system is adopted a special effort will have to be made next year, and that is the reason for the proposal to raise the appropriation from 30,000 to 40,000 Swiss francs.

(d) *Travelling, Advertising, etc.*

In order to keep in touch with the agents employed by the League for the sale of its publications, it is necessary for the Head of the Publication Department to travel from time to time, particularly to supervise sales. This item, "Travelling, advertising, etc.", is also intended to cover the expenses incurred in obtaining the necessary publicity for the sale of the publications of the League, particularly by means of periodical catalogues; moreover, the transport charges of publications, when sent to the agents responsible for their sale, are met from this item.

(e) *Publications for free distribution.*

(f) *Working capital for cinematographic films and photographs.*

The internal arrangement of these two items has been altered in the present Budget; subhead (e), which formerly covered photographs, will in future be limited to the purchase of publications for free distribution, while the appropriations for films and photographs have been amalgamated in one subhead.

The combined estimate for the two subheads remains the same as in 1927. The proceeds of the sale of films, estimated at 2,000 francs, are entered as "Appropriations in aid" at the end of Chapter II (see page 172).

General Observation.

The receipts from the sale of publications, which are estimated for 1928 at 220,000 francs, are shown as "Appropriations in aid".

SCHEDULE I
TO CHAPTER II, ITEM 12

	Estimates			Expenditure
	1928	1927	1926	1926
	Swiss Francs			
GENERAL OFFICE EXPENSES.	445,000	388,000	394,000 ¹	381,585 ¹
(a) Upkeep of office equipment	8,500	10,000	10,000	10,997
(b) Stationery and stationery stores:				
1. Ordinary	60,000	50,000	40,000	39,967
2. Supplies for the Duplicating Department	105,000	80,000	90,000	92,012
(c) Cables, telegrams, long-distance telephone calls on general business	35,000	30,000	45,000	29,873
(d) Postage	165,000	140,000	125,000	143,228
(e) Freight and carriage	5,500	6,000	7,500	4,133
(f) Newspapers:				
(i) General	10,500	12,000	14,000	10,246
(ii) Information Section				
(iii) Library and Reading Room				
(g) Subscriptions and Press cuttings	31,000	36,000	33,500	32,873
(h) Courier service between Geneva and Paris	17,500	20,000	25,000	14,858
(i) Advertising, etc., for tenders	1,000	1,000	1,000	590
(j) Miscellaneous petty cash disbursements, including purchase of miscellaneous publications of non-capital value	3,000	3,000	3,000	2,808

¹ See Note 3, page 171.

NOTE ON SCHEDULE I.

Owing to the large number of meetings of Commissions, the consumption of stationery of all kinds is still (at the beginning of 1927) increasing considerably as compared with previous years. In certain cases, therefore, it has seemed wise to base the estimates for 1928 on a figure higher than the actual expenditure for 1926.

As regards postage, expenditure has increased considerably owing to the rise in the French exchange and the increase in postal rates in France during 1926. Most League correspondence is, in fact, now posted at Geneva.

On the other hand, it has been possible to reduce certain items to lower figures than those in the 1927 Budget.

SCHEDULE J

TO CHAPTER II, ITEM 13.

	Estimates			Expenditure
	1928	1927 Swiss Francs	1926	1926
SPECIAL STAFF CHARGES	96,540	119,040	81,000 ¹	53,305 ¹
(a) Indemnities provided in the Staff Regulations	24,000	60,000	25,000	10,017
(b) Reserve Fund for Death and Invalidity Fund	15,000	15,000	15,000	—
(c) Contribution to Sickness Insurance Association	22,000	21,000	20,000	20,000
(d) Fidelity guarantee	4,540	4,540	2,500	2,452
(e) Welfare	5,000	2,500	2,500	4,260
(f) Gratuities given in accordance with local custom to House Staff and others on New Year's Day	5,500	4,500	4,500	4,385
(g) Recruitment of Staff (advertising, expenses of examinations, special travelling)	12,000	10,000	10,000	9,928
(h) Medical examination	1,500	1,500	1,500	2,263
(i) Expenses of the administrative tribunal.	6,000			
(j) Indemnities granted by the administrative tribunal.	1,000			

NOTE ON SCHEDULE J.

(a) *Indemnities.*

In conformity with a decision taken by the Fifth Assembly, the Supervisory Commission considered in 1925 the joint proposals of the Secretary-General and the Director of the International Labour Office regarding the revision of the Staff Regulations in consequence of the entry into force of the Staff Provident Fund Regulations.

Whilst reducing the scale of indemnities originally allowed, and even abolishing them entirely in certain cases, the Commission admitted that the provisions of the Provident Fund Regulations did not cover all the cases in which the Staff Regulations contemplate the payment of an indemnity (for example, the Provident Fund Regulations do not provide for indemnities in cases of accidents incurred or illnesses contracted on duty).

Further, Article 75 of the Staff Regulations lays down that an international official whose appointment is terminated by the Secretary-General at the close of a period of seven years' service, for reasons unconnected with the personal conduct or the capacity of the official, is entitled to compensation.

The reduction as compared with the 1927 Budget is due to the fact that the number of engagements terminating in 1928 will be much smaller than in 1927.

(b) *Reserve Fund for the Death and Invalidity Fund.*

The Fifth Assembly had invited the Supervisory Commission to study the question raised by the staff concerning the Death and Invalidity Fund which forms part of the Provident Fund.

It seemed to the Supervisory Commission that the chief anxiety of the representatives of the staff and of the Board of Management of the Fund was that, whilst desiring to regulate the allocation of the grants contemplated by Article 18 of the Provident Fund Regulations, they feared that in certain years the Death and Invalidity Fund might find itself with insufficient resources to meet an unusual number of claims. The Commission therefore decided to include in the budgets of the Secretariat and the International Labour Organisation a sum of 15,000 francs as a reserve fund for the Death and Invalidity Fund.

The sum included in the budgets will form a contingent reserve which the competent authorities of the organisations will be able to place, should it be necessary, at the disposal of the Board of Management of the Fund to the amount required. The unexpended balances at the end of the year will form part of the surplus of the financial period.

¹ See Note 3, page 171.

(c) *Contribution to Sickness Insurance Association.*

The object of this credit is to render possible the continuance in the Secretariat of the existing mutual insurance scheme against sickness and accidents which was established in 1922, the expenses of which are borne in equal parts by the League and the participating officials. The operation of this scheme is not affected by the establishment of the Provident Fund, since this Fund does not constitute any insurance against sickness or accident occurring while an official remains in the service, but is established to provide payments to officials leaving the service.

It will be remembered that the Second Assembly, in adopting the report of the Fourth Committee on the Organisation of the Secretariat, expressly recognised the principle of assurance against sickness and accidents.

(d) *Fidelity Guarantees.*

The Supervisory Commission decided at its second session that the officials of the League who handle funds should be bonded by a fidelity insurance company. A new policy was taken out in 1927 covering the treasurers of commissions sent away from Geneva.

(e) *Welfare.*

Expenditure not properly chargeable to other items of the Budget and incurred, under the authority of the Secretary-General, for the benefit of the Staff, is charged to the item "Welfare".

(f) *Gratuities to House Staff and Others on New Year's Day.*

In accordance with local custom, the lowest-paid local employees of the Secretariat, as well as the messengers, postmen, telegraph boys and other employees of firms, State or civic departments, who have continuous dealings with the League, are given small gratuities on New Year's Day.

(g) *Recruitment of Staff.*

Competitive examinations are held in London, Paris and Geneva for the posts of the Secretariat which necessarily have to be filled by French- or English-speaking officials (interpreters, translators, shorthand-typists, etc.). The travelling expenses of the examiners and, in certain special cases, of the candidates, the rent of rooms, etc., are covered by this item.

(h) *Medical Examination.*

As all the permanent officials of the League are held to participate in the Provident Fund, and may, therefore, benefit from the Death and Invalidity Fund, the Supervisory Commission thought it desirable as a precautionary measure to insert in the Staff Regulations the following clause:

"At the end of . . . his first year of service, every official shall be re-examined at the expense of the Secretariat by a medical practitioner, or if the Secretary-General so desires, a Medical Board of three persons appointed by the Secretary-General, for the purpose of finally determining whether he is physically fit for permanent employment in the Secretariat."

(i) *Expenses of the Administrative Tribunal.*

The report on the establishment of an Administrative Tribunal (Document 6.1927.X), submitted to the Assembly, states that:

"The Supervisory Commission recommends that the sum of 6,000 francs be inserted in the Budget of the Secretariat for the year 1928 to cover its share of the expenses occasioned by sessions of the Tribunal and any costs occasioned by resisting complaints before the Tribunal, and that a credit to the same amount be inserted for the same purposes in the budget of the International Labour Office."

"The Supervisory Commission recommends that the judges and deputy-judges should receive subsistence allowance at approximately the same rate as judges of the Permanent Court of International Justice, namely, 100 Swiss francs for each twenty-four hours' absence from their homes occasioned by the business of the Tribunal. It recommends that they should receive their travelling expenses on the scale for the time being in force for members of League commissions."

(j) *Compensation granted by the Administrative Tribunal.*

The report also states that:

"Provision is already made annually in the League Budget to cover compensation payable when an official meets with an accident or incurs a disease in the course or in consequence of his service. It does not seem to the Supervisory Commission that it would be possible or appropriate to calculate and insert in the Budget the amount likely to be required to pay awards of compensation made by the Tribunal in respect of breaches of officials' rights. The Commission recommends that a nominal amount of 1,000 francs be inserted in the budgets of the Secretariat and the International Labour Office so as to provide an item to which such compensation can be charged if it becomes payable, and that any sums actually required in excess of this nominal vote be provided by a transfer under the usual guarantees."

NOTE ON ITEM 16 OF CHAPTER II: UNPAID LIABILITIES FUND.

Article 30 of the Financial Regulations reads as follows: "There shall be included in each part of the Budget for each year a fund known as the 'Unpaid Liabilities Fund' for the purpose of enabling the competent officials to pay debts which are due in respect of transactions covered by the Budget for the previous year, but which could not be paid in time to be chargeable to such year owing to unavoidable or excusable delay in the presentation or settlement of the accounts."

SCHEDULE K

TO CHAPTER III, ITEM 18.

		Estimates			Expenditure	
		1928	1927	1926	1926	
		Swiss Francs				
ADMINISTRATIVE COMMISSIONS AND MINORITIES QUESTIONS		356,817	352,739	329,107	275,354	
<i>Posts</i>						
1927	1928					
I. Salaries		307,317	299,239	261,607	236,893	
1	1	Director (41,000-2,500-53,000)	53,000			
4	4	Members of Section Class A (19,000-800-28,000)	99,400			
5	5	Members of Section Class B (13,700-800-19,000)	86,782			
1	1	Secretary of Section (10,000-300-16,250)	13,550			
2	2	Members of Intermediate Class (10,000-300-16,250)	27,175			
2	2	Secretary-Shorthand-typists (8,700-250-11,250)	20,805			
2	1	Shorthand-typist (7,000-200-9,500)	9,282			
<i>Locally recruited Staff:</i>						
1		Shorthand-typist (4,000-150-6,000)	5,382			
<i>Deduct:</i>						
		Reductions in salaries due to lower cost of living	8,059			
17	17	2. Travelling (including removal) expenses	35,000	39,000	40,000	28,822
		3. Printing and documentation	12,000	12,000	8,000	7,829
		4. Cables, telegrams and long-distance telephones	1,500	2,000	2,000	878
		5. Miscellaneous expenses	1,000	500	2,500	932
		6. Provision for development of the Section	—	—	15,000	—

NOTE ON SCHEDULE K.

This Section deals with all matters of international administration in which the League is concerned (in particular, the Saar Basin and the Free City of Danzig), and all questions relating to racial, religious and linguistic minorities entrusted to its protection.

The budget voted for 1924 was 333,394 francs, for 1925, 330,481 francs, for 1926, 329,107 francs, and for 1927, 352,739 francs. The credits claimed for 1928 amount in all to 356,817 francs.

The special duty of the Section is to keep in close and personal touch with the officials of many Governments in execution of the resolutions of the Assembly on minorities questions. In 1926, 28,822 francs were spent out of the 40,000 francs voted for travelling and removal expenses. The amount spent in 1927 will probably be a little more. It was considered inadvisable to place the

estimate of expenditure in 1928 at less than 35,000 francs, which is less than the amount of the appropriation voted for 1927.

The estimate for printing and documentation was reduced from 20,000 francs for 1924 to 10,000 francs for 1925 and 8,000 francs for 1926, but rose to 12,000 francs for 1927. The amount actually expended in 1925 was 11,065 francs, in 1926 7,829 francs, and it will probably be necessary to spend more in 1927 and 1928.

SCHEDULE L

TO CHAPTER III, ITEM 19.

	Estimates			Expenditure 1926
	1928	1927	1926	
	Swiss Francs			
ECONOMIC AND FINANCIAL ORGANISATION	1,217,031	1,171,746	1,100,594	887,463
1. General Conference (and preparatory work).	50,000	100,000	100,000	—
2. Sessions of the Economic and Financial Committees and of Sub-Committees of Experts:				
(a) Subsistence, travelling and other expenses	155,000	140,000	160,000	136,491
(b) Printing and publications for the Committees	55,000	35,600	50,000	43,437
3. Administrative expenses:				
(a) Salaries of secretariat	717,031	655,846	594,594	588,766
(b) Travelling and removal expenses of secretariat	50,000	50,000	50,000	37,078
(c) Printing and publishing	145,000	117,800	110,500	64,499
(d) Cables, telegrams, and long-distance telephones	15,000	12,500	17,500	12,940
4. Miscellaneous and unforeseen expenses . .	30,000	60,000	18,000	4,252

Detailed Explanation.

I. GENERAL CONFERENCE AND PREPARATORY WORK.

Credits claimed 50,000 francs.

For the year 1928 it was anticipated that the work of the Economic Committee and the Financial Committee would be sufficiently advanced to enable two Conferences to be held — one on bills of exchange or on arbitral awards, and the other on the prevention of double taxation and tax evasion. The Supervisory Commission held, however, that, in accordance with the general principle approved by the Assembly, the Economic and Financial Organisation should not convene more than one Conference in any given year.

2. SESSIONS OF COMMITTEES AND SUB-COMMITTEES.

(a) *Subsistence, Travelling and Other Expenses.*

Credits claimed 155,000 francs.

The difference between the credits claimed for 1928 and the expenditure for 1926 is due to increase in the membership of the Economic and Financial Committees.

The following Sub-Committees are also expected to meet in 1928:

Under the Financial Committee.

- Sub-Committee for the Prevention of Counterfeiting.
- Preparatory Committee for the Conference on Double Taxation.

Under the Economic Committee.

Sub-Committee of Legal Experts on Arbitral Awards.
Preparatory Committee of Experts on Bills of Exchange.

To this subhead are charged, in addition to the expenses of the Committee itself, the travelling expenses of the Secretariat in connection with each Committee.

(b) *Printing and Publications for the Committees.*

Credits claimed 55,000 francs.

The difference between the 1927 estimates and the credits claimed for 1928 is due partly to the publication, in addition to the ordinary reports of the Economic Committee and the Financial Committee to the Council and Assembly, of reports on Bulgaria, Danzig, Counterfeiting, and the application of Customs Formalities; partly to the printing of a green book on Bills of Exchange and of the documents required for the Conference to be held in 1928.

3. ADMINISTRATIVE EXPENSES.

(a) *Salaries of the Secretariat of the Economic and Financial Organisation.*

Posts		Grades	1928 Swiss Francs
1927	1928		
I	I	Director (£2,500)	63,050
II	II	Members of Section, Class A. (19,000-800-28,000)	272,047
8	8	Members of Section, Class B. (13,700-800-19,000)	139,270
I	2	Members of Intermediate Class (10,000-300-14,400)	21,750
5	6	Secretary-Shorthand-typists (8,700-250-11,250)	60,560
5	6	Senior Assistants (8,700-250-11,250)	60,721
3	3	Shorthand-typists and Junior Assistants (7,000-200-9,500)	22,051

Locally recruited Staff.

8	9	First-class Clerks and Secretary-Shorthand-typists (5,400-175-8,000 O.S. ¹) (5,000-200-8,000 N.S. ²)	56,754
4	6	Second-class Clerks (4,800-150-7,000 O.S. ¹) (4,500-175-7,000 N.S. ²)	30,600
I	I	Fourth-class Clerk (3,500-125-5,000)	3,500
I	I	Messenger (2,400-100-4,000)	2,532
48	54		732,835
		<i>Deduct: Reductions in salaries due to lower cost of living</i>	15,804
			717,031

Note. — It should be observed that for administrative reasons, and in order to make the Budget clearer, the subvention of 20,000 francs, formerly made by the Reduction of Armaments Section to the Economic and Financial Section to meet the cost of the statistical enquiry on disarmament is omitted from the Budget for 1928.

¹ O.S. = Old scale.
² N.S. = New scale.

	1928 Swiss Francs
(b) <i>Travelling and Removal Expenses of the Secretariat</i>	50,000

The increase as compared with the expenditure for 1926 is due to the additional work entailed for the Section in execution of the decisions of the Assembly and the Council.

Further, it is probable that, owing to the large number of committees, sub-committees and conferences which will meet in 1928, members of the Economic Section will have to travel more frequently in connection with the preparatory work involved.

(c) <i>Printing and Publishing</i>	145,000
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The cost of the following publications and periodicals is charged to this subhead of the Budget:

	Swiss Francs
<i>Monthly Bulletin of Statistics</i>	20,000
<i>Statistical Year-Book</i>	25,000
Balance of Payments and Foreign Trade Balances (2 volumes)	35,000
Currency and Central Banks (2 volumes)	25,000
Volume on Private Banks	15,000
Public Finance	25,000
Volume on Essential Laws and Regulations concerned with the Monetary System and Banks of Issue	15,000
Memorandum on Production and Trade	10,000
	170,000

At the request of the Supervisory Commission, the estimated figure has been reduced to 145,000 francs. The Commission held that, in the first place, the Assembly should decide whether it was desirable to print the Volume on Essential Laws and Regulations concerned with the Monetary System and Banks of Issue, and, secondly, that the full execution of the printing programme would, doubtless, not fall within the budget year 1928.

(d) <i>Cables, Telegrams and Long-distance Telephones</i>	15,000
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It has been thought desirable to make a slight increase in the estimates under this head, because the meeting of a greater number of Conferences and Committees will most probably involve the sending of a greater number of telegrams to European countries, and still more to other parts of the world.

4. MISCELLANEOUS AND UNFORESEEN EXPENSES	30,000
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These expenses are intended to cover all investigations necessitated by new questions which the Council may refer to the Economic Committee or the Financial Committee.

NOTE ON ITEM 20 OF CHAPTER III: PROVISION FOR THE DEVELOPMENT OF THE ECONOMIC AND FINANCIAL ORGANISATION FOLLOWING THE GENERAL ECONOMIC CONFERENCE.

At the time when the Budget was drawn up, it was impossible to estimate the additional expenditure which would be incurred by the Economic and Financial Organisation following the General Economic Conference. It was, however, to be expected that the Secretariat would be entrusted with fresh work which could not be undertaken with the funds hitherto available. Definite proposals will doubtless be made to the Assembly at its next session; meanwhile, in order to guard against any abrupt increase in the Budget at the time of the Assembly, it has been thought wise to put down a sum of 100,000 francs under the head of "Provision for the Development of the Economic and Financial Organisation following the General Economic Conference."

SCHEDULE M

TO CHAPTER III, ITEM 21.

	Estimates			Expenditure	
	1928	1927	1926	1926	
	Swiss Francs				
MANDATES	260,884	259,038	203,878 ¹	248,979 ¹	
1. Sessions of Permanent Mandates Commission	77,500	77,500	45,000	110,521	
2. Salaries of secretariat	137,384	135,038	100,878	101,050	
Posts					
1927	1928				
1	1 (a) Chief of Section (28,000-1,000-33,000)			33,000	
2	2 Members of Section, Class A (19,000-800-28,000)			53,000	
1	1 Member of Section, Class B (13,700-800-19,000)			18,500	
1	1 Secretary of Section (12,000-300-16,250)			13,785	
1	1 Secretary-Shorthand-typist (8,700-250-11,250)			8,700	
	<i>Locally recruited Staff.</i>				
1	1 Secretary-Shorthand-typist (5,000-200-8,000)			6,600	
1	1 First-class Clerk (5,000-200-8,000)			5,100	
8	8				
	(b) Temporary engagements and replacements			2,000	
	<i>Deduct: Reductions in sala-</i> <i>ries due to lower</i> <i>cost of living</i>			3,301	
3.	Travelling and removal expenses	12,000	12,000	10,000	4,366
4.	Printing and documentation	33,000	33,000	45,000	32,369
5.	Cables, telegrams, long-distance telephones, unforeseen contingencies and miscella- neous petty expenses	1,000	1,500	3,000	673

NOTE ON SCHEDULE M.

1. The Permanent Mandates Commission consists of nine members and one extraordinary member appointed by the Council on December 11th, 1924. Four of them are nationals of mandatory Powers and six of other States. The members of the Commission, who are chosen for their personal merit and knowledge of colonial affairs, do not represent their Governments. Their travelling expenses, like those of members of other Commissions, are reimbursed by the League, and they receive an allowance for other expenses. In addition, in virtue of a decision reached at the seventh ordinary session of the Assembly, an allowance of 2,000 Swiss francs is granted to members of the Commission who have sat more than thirty days during any one given year.

In accordance with Article 22 of the Covenant, the Commission is entrusted with the duty of advising the Council on all matters relating to the observance of the mandates which have been conferred on certain Powers for those territories outside Europe which have ceased to be under the sovereignty of Germany and Turkey.

2. The duties of the Mandates Section of the Secretariat concern the question of Mandates as well as slavery. They are:

A. As regards mandates:

- (a) To prepare the work of the Council and of the Assembly on this question;
- (b) To correspond with the Governments of the mandatory Powers;
- (c) To serve as a permanent secretariat for the Mandates Commission, which meets at least twice a year;
- (d) To collect and classify, for the information of the Assembly, the Council and the Permanent Mandates Commission, data, in public and private documents, on the mandated areas, policy of the Mandatory Powers with regard to these areas, and general questions of colonial administration.

B. As regards slavery, to prepare the work of the Council and of the Assembly on this question.

3. The estimates for sessions of the Permanent Mandates Commission include provision for the expenditure which will be involved if an additional member is appointed.

¹ See Note 3, page 171.

Of the 33,000 francs shown under No. 4, 18,000 francs represent the estimated printing costs for the Mandates Section, notably minutes, reports, and other documents of the Permanent Mandates Commission, and 15,000 francs are for the purchase of the annual reports of the Mandatory Powers in order to make them accessible to the public as recommended by the Fifth Assembly. The proceeds of the re-sale of these reports to the public are not deducted from the figure for printing and documentation, but are entered under "Sale of Publications" (Chapter II, Appropriations in Aid). Printing and documentation expenses for the Mandates Commission and Section alone thus amount to only 18,000 francs.

SCHEDULE N

TO CHAPTER III, ITEM 22.

	Estimates			Expenditure
	1928	1927	1926	1926
	Swiss Francs			
COMMUNICATIONS AND TRANSIT ORGANISATION	334,551	366,983	332,484 ¹	308,292 ¹
1. General Conference	—	40,000	—	—
2. Regional conferences	16,000	16,000	25,000	12,364
3. Sessions of the Advisory and Technical Committee	70,000	75,000	95,000	63,412
4. Temporary committees and technical work of experts	50,000	40,000	38,000	79,350
5. Printing of documents for the meetings of the Committee and publication of information to Governments	18,000	19,700	15,000	25,219
6. Conciliation of disputes submitted to the Committee (fees to technical advisers and experts and other expenditure arising out of the enquiries)	20,000	20,000	30,000	3,301
7. Salaries of permanent secretariat	134,051	132,783	111,484	106,176
Posts				
1927 1928				
1 1 (a) Chief of Section (28,000-1,000-33,000)				30,000
2 2 Members of Section, Class A (19,000-800-28,000)				47,800
1 1 Member of Section, Class B (13,700-800-19,000)				17,500
1 1 Secretary of Section (10,000-300-16,750)				12,180
1 1 Secretary-Shorthand-typist (8,700-250-11,250)				11,250
1 1 Senior Assistant (8,700-250-11,250)				8,920
1 1 Shorthand-typist (7,000-200-9,500)				7,600
8 8				
(b) Replacements, temporary engagements and overtime				2,000
<i>Deduct:</i> Reduction in salaries due to lower cost of living				3,199
8. Travelling and removal expenses of the secretariat	18,000	20,000	15,000	14,135
9. Cablegrams, telegrams and long-distance telephone communications	3,000	3,000	2,500	2,413
10. Miscellaneous petty expenses and unforeseen contingencies	500	500	500	1,922
<i>Supplementary credit:</i> Work in connection with communications affecting the League of Nations in times of crisis	5,000	—	—	—

NOTE ON SCHEDULE N.

The Communications and Transit Organisation is an advisory organisation to the Council, the Assembly, and the Members of the League. It also assists the other technical organisations of the League on all questions referred to the League in accordance with Article 23 of the Covenant

¹ See note 3, page 171.

and the articles of the various Treaties of Peace and other international conventions, such as those adopted at Barcelona in April 1921 and at Geneva in December 1923, which place under the jurisdiction or supervision of the League questions relating to international communications, ports, railways, navigable waterways and the utilisation of electric power.

DETAILED EXPLANATION.

The Budget estimates call for the following observations:

As regards No. 2, it is to be anticipated that either a European conference on certain questions of private law in inland navigation or a conference on the buoyage and lighting of coasts will be held in 1928.

As regards No. 4 (temporary committees and technical work of experts), the actual expenditure in 1926 was appreciably higher than the estimate; but the Committee on the Reform of the Calendar has now concluded its work, and either the Committee on the Buoyage and Lighting of Coasts, which has occasioned considerable expense, will not meet at all in 1928 or its meeting will be less expensive than the 1926 meeting.

As regards No. 5, it has been thought possible to reduce the estimates, although printing in 1926 cost even more than the estimate for 1927. Since the last Assembly, however, in deference to a resolution then adopted, minutes, except of plenary meetings, are not as a rule published, their place being taken by short reports.

The supplementary credit is in respect of the permanent work entrusted to the secretariat of the Organisation for Communications and Transit, with a view to the preparation of a plan of communications of importance to the League at times of emergency, to be kept constantly up to date, since special measures will have to be taken. This estimate does not, of course, exclude the possibility of supplementary estimates having to be submitted to the Assembly should detailed technical investigations with a view to the construction of a wireless station be contemplated as early as 1928. The Advisory and Technical Committee had estimated that the sum of 10,000 francs would be required.

SCHEDULE O

TO CHAPTER III, ITEM 23.

		Estimates			Expenditure 1926
		1928	1927 Swiss Francs	1926	
INTERNATIONAL HEALTH ORGANISATION		992,638	996,700	988,165 ¹	797,477 ¹
I. Secretariat:					
I. Salaries of the Health Section					
Posts					
1927	1928				
I	I	Medical Director			53,000
		(41,000-2,500-53,000)			
3	4	Members of Section, Class A			86,001
		(19,000-800-28,000)			
4	3	Members of Section, Class B			53,130
		(13,700-800-19,000)			
I	I	Member of Intermediate Class			10,500
		(10,000-300-14,400)			
I	I	Secretary of Section			11,960
		(10,000-300-14,400)			
2	2	Secretary-Shorthand-typists			18,749
		(8,700-250-11,250)			
I	I	Senior Assistant			10,022
		(8,700-250-11,250)			
I	I	Senior Assistant (draughtsman)			9,950
		(8,700-250-11,250)			
2	3	Bilingual Shorthand-typists			25,484
		(7,500-250-10,000)			
I	I	Shorthand-typist			7,926
		(7,000-200-9,500)			
<i>Locally recruited Staff:</i>					
4	5	First-class Clerks			34,300
		(5,000-200-8,000)			
5	4	Second-class Clerks			22,238
		(4,500-175-7,000)			
I	2	Shorthand-typists			9,057
		(3,500-150-6,000)			
27	29	Overtime, etc.			3,000
		Family allowances			600

¹ See Note 3, page 171.

SCHEDULE O TO CHAPTER III, ITEM 23 (continued).

		Estimates			Expenditure 1926
		1928	1927 Swiss Francs	1926	
		<i>Deduct: Reductions in salaries due to lower cost of living</i>			
					7,454
	2.	<i>Salaries of temporary staff, chargeable to Rockefeller Foundation Grants I and II</i>			
		187,451	178,555	161,333	133,106
					Grant I 72,437
					Grant II 115,014
	Posts				
1927	1928				
I	I	Chief of Epidemiological Intelligence Service 37,830			
—	I	Official in charge of special investigations 33,687			
2	I	Member of Section, Class A 25,470			
5	5	Members of Section, Class B 83,200			
—	I	Junior Assistant (7,000-200-9,000) 7,160			
		<i>Locally recruited Staff:</i>			
2	I	Second-class Clerk 4,975			
		(4,500-175-7,000)			
IO	IO				
		<i>Deduct: Reductions in salaries due to lower cost of living</i>			
					4,871
	3.	63,000	50,000	55,000	64,155
	4.	2,800	2,000	3,500	2,770
	5.	9,675	8,885	10,000	9,407
	6.				
		2,000	2,000	2,500	1,784
	II.	Epidemiological and Public Health Intelligence.			
	1.	Special reports, enquiries and collective and individual studies of public health statistics			
		100,000	117,250	167,250	133,184
		144,116	90,769	91,772	101,216
		—	82,215	82,965	80,835
	2.	45,000	60,000	60,000	48,586
	3.	Sanitary notifications and epidemiological enquiries			
		60,000	60,000	60,000	23,344
	4.	Contribution to the Singapore Office			
		15,000	15,000		
	III.	Health Committee, Technical Sub-Committees and Conferences.			
	1.	Sessions of Health Committee and Technical Sub-Committees:			
	(a)	Daily allowances and travelling expenses, etc.			
		65,000	75,000	90,000	63,016
	(b)	Printing and publication for the Committees			
		31,700	31,700		
	2.	100,000	100,000	100,000	77,917
	IV.	Interchange of Public Health Personnel.			
	1.	Expenses in connection with a system of liaison between the various national public health services			
		150,000	150,000	150,000	95,933
	2.	Collective, specialised and individual interchanges.			
		57,128	186,622	331,656	341,208
		<i>Expenses chargeable to Rockefeller Grant I.</i>			
		1,381,333	1,534,861	1,655,891	1,453,843
		TOTAL EXPENDITURE OF THE INTERNATIONAL HEALTH ORGANISATION .			
		<i>Deduct: Rockefeller Grants:</i>			
					Grant I: Salaries 72,437
					Interchanges 57,128
					<u>129,565</u>
					Grant II: Salaries 115,014
					Epidemiological Intelligence Service and Study of Demographic and Public Health Statistics 144,116
					<u>259,130</u>
		388,695	538,161	667,726	656,365
		992,638	996,700	988,165	797,477
		Total Contribution of the League of Nations			

SCHEDULE O TO CHAPTER III, ITEM 23 (continued)

	Estimates			Expenditure
	1928	1927	1926	1926
		Swiss Francs		
<i>Summary of Appropriations in Aid.</i>				
Rockefeller Foundation Grants	388,695	538,161	667,726	656,365
I. For Interchanges of Public Health Personnel:				
\$25,000 =	129,565	259,130	388,695	380,841
II. For Epidemiological Intelligence Service and Study of Demographic and Public Health Statistics: \$50,000 =	259,130	{ 170,196 108,835	{ 170,196 108,835	{ 168,864 106,660

NOTE ON SCHEDULE O.

The Health Organisation derives its mandate from Article 23, paragraph (f), of the Covenant of the League of Nations, which provides that Members of the League shall "take steps in matters of international concern for the prevention and control of disease".

The only important difference between the Budget for 1927 and that for 1928 is due to the amalgamation of the grants hitherto made separately by the Rockefeller Foundation for the Epidemiological Intelligence Service and for the study of demographic and public health statistics. The re-casting of Section II, "Epidemiological and Public Health Intelligence", is due to this new arrangement. It should also be observed that the 1926 figures (estimates and expenditure) under the subhead "Special reports, enquiries, and collective and individual investigations of public health statistics" include the estimates and expenditure previously shown under "Special Investigations (this includes expenses of technical sub-committees appointed by the Health Committee)", a subhead which has not appeared in the budgets since 1926. The budget of the Far Eastern Epidemiological Intelligence Bureau — to which the International Health Board of the Rockefeller Foundation has granted a subsidy not to exceed \$125,000 for a period of five years as from 1925 — appears as an appendix (see page 204).

SCHEDULE P
TO CHAPTER III, ITEM 24.

	Estimates			Expenditure
	1928	1927	1926	1926
		Swiss francs		
SOCIAL QUESTIONS (INCLUDING SUPPRESSION OF TRAFFIC IN WOMEN AND PROTECTION OF CHILDREN, AND SUPERVISION OF OPIUM TRAFFIC, ETC.) . . .	286,817	275,181	356,914 ¹	304,200 ¹
I. <i>Salaries of Secretariat</i>	185,817	182,681	149,414	148,518
Posts				
1927 1928				
I I Chief of Section				33,000
(28,000-1,000-33,000)				
I I Member of Section A				25,000
(19,000-800-28,000)				
4 4 Members of Section B				68,168
(13,700-800-19,000)				
I I Secretary of Section				11,980
(10,000-300-16,250)				
— I Member of Intermediate Class B (10,000-300-14,400)				11,500
2 2 Secretary-Shorthand-typists				18,175
(8,700-250-11,250)				
I — Bilingual Shorthand-typist.				—
(7,500-250-10,000)				
I I Shorthand-typist				8,000
(7,000-200-9,500)				
(Temporary experts: see Pro- tection of Children.)				
<i>Locally recruited Staff:</i>				
I I Shorthand-typist				6,650
(5,000-200-8,000)				
I I First-class Clerk				6,000
(5,000-200-8,000)				
Replacements, overtime				1,465
<i>Deduct:</i>				
— — Reductions in salaries due to lower cost of living				4,571
13 13				

¹ See Note 3, page 171.

SCHEDULE P TO CHAPTER III, ITEM 24 (continued).

	Estimates			Expenditure 1926
	1928	1927	1926	
2. Travelling and Removal Expenses	8,000	8,000	8,000	5,741
3. Control of Traffic in Opium and Other Dangerous Drugs:				
(i) Sessions of the Advisory Committee	8,500	10,000	13,000	7,077
(ii) Printing and documentation of the Com- mittee	18,000	12,500	12,000	18,900
(iii) Cables, telegrams, etc.	1,000	2,000	3,500	799
(iv) Miscellaneous petty expenses and unfore- seen contingencies	500	500	500	—
(v) Commission of Enquiry on Opium-poppy Cultivation in Persia	—	—	100,000	100,000
4. Protection and Welfare of Children and Young People:				
(i) Sessions of the Committees	2,500	2,500	5,000	—
(ii) Suppression of Traffic in Women and Children:				
(a) Printing and documentation	15,000	8,500	10,000	9,715
(b) Cables, telegrams, etc.	1,000	1,000	1,000	217
(c) Miscellaneous petty expenses and unforeseen contingencies	500	500	500	—
(d) Enquiry into traffic in women and children			(ad memoriam)	
(iii) Protection of Children:				
(a) Sessions of Sub-Committees	14,000	14,000	50,000	12,863
(b) Work of experts	16,000	16,000		
(c) Printing and documentation	13,000	10,000		
(d) Cables, telegrams, etc.	1,000	1,000		
(e) Miscellaneous petty expenses and un- foreseen contingencies	1,000	4,000		
5. Other Social Questions entrusted to the Section, and Unforeseen Contingencies	1,000	2,000	4,000	370

NOTE ON SCHEDULE P.

Salaries of the Secretariat.

The strength of the Section is the same as in the Budget for 1927.

Control of Traffic in Opium and Other Dangerous Drugs.

The Advisory Committee on Traffic in Opium and Other Dangerous Drugs was set up by the Council of the League at its session in February 1921 in accordance with a resolution of the First Assembly.

Its duties are to supervise the execution of agreements with regard to the traffic in opium and other dangerous habit-forming drugs and to consider all international questions relative to this traffic which may be submitted to it.

The Committee held its ninth session from January 17th to February 3rd, 1927.

Suppression of the Traffic in Women and Children and Protection of Children.

The Advisory Committee on Traffic in Women and Children was set up by the Council of the League on the recommendation of the International Conference on Traffic in Women and Children which met in July 1921 to advise the Council on all matters relative to the traffic in women and children. The Committee held its first meeting in July 1922. The Committee has drawn up a scheme for the co-ordination of international work in connection with the traffic. Under this scheme, the Secretariat of the League will keep closely in touch with the central authorities appointed by States signatory to the Agreement of 1904, as well as with the voluntary organisations, in order that there may be a free exchange of information and that complaints and reports may be forwarded without delay to the proper quarter for investigation and action.

At its meeting of March 14th, 1924, the Council decided, subject to ratification by the Assembly, that the work hitherto accomplished by the International Association for the Protection of Children would henceforward be entrusted to the Secretariat of the League of Nations. By a resolution dated September 26th, the Fifth Assembly ratified the decision of the Council and outlined the programme of work to be undertaken.

At its meetings in Rome in December 1924, the Council decided to reconstitute the Advisory Committee on Traffic in Women and Children in order that it should have additional assessors to deal with the question of the protection of children. The first meeting of the reconstituted Committee took place on May 20th, 1925.

At its session in June 1925, the Council, on the proposal of the Advisory Committee, decided that this Committee should in future be called the Advisory Commission for the Protection and Welfare of Children and Young People, and that it should consist of two Committees, the Government delegates having the right to sit upon each of them.

The first Committee is called the "Traffic in Women and Children Committee"; it deals with questions which were previously submitted to the former Advisory Committee on the Traffic in Women and Children. To this Committee are attached assessors appointed to deal with the traffic in women and children.

The Second Committee is called the "Child Welfare Committee"; it is entrusted with the study of questions relating to this subject and has assessors attached to it appointed to deal with the protection of children.

The two Committees normally hold their sessions at the same time of year, one immediately following the other.

At the Fifth Session of the Traffic in Women and Children Committee, the Secretariat was instructed to collect information as to the suppression of the traffic in and the circulation of obscene publications. This additional expenditure partly explains the necessity of increasing the appropriation for printing from 8,500 to 15,000 francs.

Further, the estimate for printing in connection with child welfare has had to be increased to meet the cost of publishing certain documents which may prove to be somewhat long, such as the reports on the laws in force on the subject of infant welfare, and the results of the Legal Sub-Committee's work.

SCHEDULE Q

TO CHAPTER III, ITEM 25.

	Estimates			Expenditure 1926
	1928	1927	1926	
		Swiss Francs		
REDUCTION OF ARMAMENTS	982,523	1,097,047	838,475 ¹	398,310 ¹
I. Secretariat:				
1. Salaries of the Secretariat				
	251,523	266,572	234,475	211,359
Posts				
	1927	1928		
1	1	Director (41,000-2,500-53,000)	43,500	
3	3	Military Members of Section	72,000	
2	2	Members of Section, Class A (19,000-800-28,000)	44,000	
—	1	Member of Section, Class B (13,700-800-19,000)	15,300	
2	1	Members of Intermediate Class B (10,000-300-14,400)	11,405	
1	1	Secretary of Section (10,000-300-16,250)	11,650	
2	1	Secretary-Shorthand-typists (8,700-250-11,250)	10,191	
1	—	First-class Clerk (8,700-250-11,250)	—	
—	3	Bilingual Shorthand-typists (7,500-250-10,000)	27,575	
1	1	Shorthand-typist (7,000-200-9,500)	7,940	
2	—	Temporary Shorthand-typists	—	
—	1	Copyist	6,000	
<i>Locally recruited Staff:</i>				
—	1	First-class Clerk (5,000-200-8,000)	8,000	
15	16	Family allowances	450	
		<i>Deduct:</i> Reduction in salaries due to fall in the cost of living	6,488	
		2. Travelling and removal expenses of the Secretariat	12,000	6,139
II. Permanent Advisory Commission				
		1. Meetings of the Permanent Advisory Commission	1,000	—
		2. Printing and documentation	500	150
		3. Cables, telegrams and unfore- seen expenses	500	98

¹ See Note 3, page 171.

SCHEDULE Q TO CHAPTER III, ITEM 25 (continued)

	Estimates			Expenditure 1926
	1928	1927 Swiss Francs	1926	
III. <i>Investigations</i>	200,000	200,000	250,000	—
IV. <i>Organ of the Council for Disarmament Work</i> . .	135,000	126,475	130,000	39,443
I. Commissions, collaboration of experts and technical work. 70,000				39,214
2. General Services:				
(a) Printing and document- ation 50,000				216
(b) Cables, telegrams and other unforeseen expenses 5,000				13
V. <i>Statistical Yearbooks</i>	67,000	62,000	40,000	54,550
I. "Armaments Yearbook" 55,000				50,550
2. "Statistical Information on the Trade in Arms, Ammunition and Implements of War" 12,000				4,000
VI. <i>International Conference for the Control of the Private Manufacture of Arms, Munitions and Implements of War (printing of Records of Conference)</i>	25,000	130,000	160,000	4,159
VII. <i>International Disarmament Conference</i>	300,000	300,000	—	82,212

NOTE ON SCHEDULE Q.

The Disarmament Section was constituted as a result of a resolution adopted by the First Assembly of the League of Nations.

It comprises the Secretariat of the Permanent Advisory Commission, which is composed of three military officers, as well as a number of other members of Section and the statistical personnel.

The duties of the Section are as follows:

1. It carries out the secretarial work of the Permanent Advisory Commission created in accordance with Article 9 of the Covenant, which provides that "a permanent commission shall be constituted to advise the Council on the execution of the provisions of Articles 1 and 8 and on military, naval and air questions generally".

2. It carries out the secretarial work in connection with the right of "investigation" which the Council holds in virtue of Articles 213 of the Treaty of Versailles, 159 of the Treaty of St. Germain, 143 of the Treaty of Trianon and 104 of the Treaty of Neuilly.

3. It acts as secretariat of the Preparatory Commission for the Disarmament Conference, whose constitution was determined by the Council in December 1925, and modified at a later date. The organisation includes:

The Preparatory Commission itself, composed of the official delegates of twenty Governments;

 Sub-Commission A consisting of 50 experts (military, naval and air);

 Sub-Commission B consisting of 20 experts (non-military);

 The Joint Commission, consisting of fourteen experts chosen by the Council.

In allotting the credits to the several Commissions, allowance was made for the fact that the Preparatory Commission and the Permanent Advisory Commission consist of official delegations, whose travelling expenses and subsistence allowances are borne by their own Governments, whereas the Joint Commission is composed of experts whose expenses come under the League's budget.

4. It is responsible for the preparation, editing and publication of the two *Statistical Year-Books*, one dealing with peace-time armaments in all countries and the other with the traffic in arms, munitions and material of war. Owing to the increasing importance of these publications, the sums allotted to them in the Budget are 55,000 and 12,000 francs respectively; the increase of 5,000 francs over 1927 is due to the introduction in the *Year-Books* of a number of graphs giving a ready idea of the military position of each country.

SCHEDULE R.

TO CHAPTER III, ITEM 26.

		Estimates			Expenditure																																										
		1928	1927 Swiss Francs	1926	1926																																										
INTELLECTUAL CO-OPERATION, ETC. ¹		230,206	207,132	201,353 ²	142,072 ³																																										
A. INTELLECTUAL CO-OPERATION:																																															
I. Salaries of Secretariat (including the officials who deal with questions relating to international bureaux)																																															
		81,706	69,632	58,433	57,861																																										
<table border="0" style="width: 100%;"> <tr> <td style="text-align: right;">Posts</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">1927</td> <td style="text-align: right;">1928</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">I</td> <td style="text-align: right;">I</td> <td>Member of Section, Class A (19,000-800-28,000)</td> <td style="text-align: right;">23,802</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">I</td> <td style="text-align: right;">2</td> <td>Member of Section, Class B (13,700-800-19,000)</td> <td style="text-align: right;">27,400</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">I</td> <td style="text-align: right;">I</td> <td>Secretary of Section (10,000-300-16,250)</td> <td style="text-align: right;">13,800</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">2</td> <td style="text-align: right;">2</td> <td>Secretary Shorthand-typists (8,700-250-11,250)</td> <td style="text-align: right;">18,885</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">5</td> <td style="text-align: right;">6</td> <td></td> <td></td> <td></td> <td></td> </tr> </table>						Posts						1927	1928					I	I	Member of Section, Class A (19,000-800-28,000)	23,802			I	2	Member of Section, Class B (13,700-800-19,000)	27,400			I	I	Secretary of Section (10,000-300-16,250)	13,800			2	2	Secretary Shorthand-typists (8,700-250-11,250)	18,885			5	6				
Posts																																															
1927	1928																																														
I	I	Member of Section, Class A (19,000-800-28,000)	23,802																																												
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2	2	Secretary Shorthand-typists (8,700-250-11,250)	18,885																																												
5	6																																														
<p style="margin-left: 40px;"><i>Deduct:</i></p> <p style="margin-left: 40px;">Reductions in salaries due to lower cost of living 2,181</p>																																															
		65,000	65,000	55,000	54,377																																										
		10,000	20,000	8,000	—																																										
		10,000	20,000	20,000	—																																										
		10,000	8,000	6,000	7,917																																										
		11,500	11,500	14,000	9,968																																										
		—	—	1,000	299																																										
		25,000	—	—	—																																										
		5,000	3,000	10,000	4,638																																										
		—	—	14,920	—																																										
B. INTERNATIONAL BUREAUX AND MISCELLANEOUS QUESTIONS		12,000	10,000	14,000	4,685																																										

A. INTELLECTUAL CO-OPERATION.

The Committee on Intellectual Co operation now contains fifteen members. The Committee is divided into four sub-committees, consisting of members of the Committee and assistant members selected for their special qualifications.

The aim of the Committee is to promote intellectual co-operation between States by the exchange of publications, the loan of books and documents, collaboration of libraries and museums, etc. With the approval of the Assembly, a congress on popular art will be held in 1928.

In the sphere of university relations, the Committee aims more particularly at effecting an exchange of professors and students and at obtaining more complete information on studies of an international character. It also seeks to place the question of intellectual rights on a more equitable basis.

Further, the Committee is undertaking the duties entrusted to the Secretariat by the Assembly and the Council with regard to the instruction to be given to young persons in the work and aims of the League of Nations. It has summoned a meeting of experts to consider this question; the experts have made certain recommendations to the Committee, which has submitted them to the Council and the Assembly.

The Committee has under its direction and supervision the International Institute of Intellectual Co-operation recently created in Paris as the result of a gift to the League of Nations by the French Government. The bulk of the expenses of this organ of the Committee is borne by the French Government, which makes it an annual grant of two million French francs. Other Governments, following the example of France, are making grants to the Institute.

The object of the Institute is to prepare the Committee's work and to facilitate the carrying-out of its decisions.

¹ See Note 1, page 170.
² See Note 3, page 171.

B. INTERNATIONAL BUREAUX AND MISCELLANEOUS QUESTIONS.

By Article 24 of the Covenant, "all international bureaux already established by general treaties, if the parties to such treaties consent", and "all bureaux hereinafter constituted, shall be placed under the direction of the League".

1. It is the duty of the competent Section to keep in touch with the different international bureaux and associations, especially with those placed under the direction of the League, and to perform any special tasks entrusted to the Secretariat by the Assembly or Council which may involve close collaboration with international bureaux. Although no direct financial grant is made to any of these bureaux, expenses are incurred by indirect assistance. For instance, the members of the Section are often asked to attend their meetings, certain bureaux ask the Secretariat to audit their accounts, and the Section publishes information about their work in the *Quarterly Bulletin*. It has issued a *Handbook of International Organisations*, which will have to be reprinted in 1928.

2. The Section is also called upon to perform certain miscellaneous tasks which do not fall within the competence of other Sections of the Secretariat: such, for instance, as the preparation for the Sixth Assembly of the report on the instruction of children and youth on the existence and aims of the League of Nations, which was asked for by the Fifth Assembly.

3. The Council has authorised the Section to open a register of international associations and institutions of a social, scientific, artistic or literary character.

NOTE ON ITEM 27 OF CHAPTER III.

INTERNATIONAL CONVENTION ON SLAVERY.

As the result of the adoption of a resolution by which the Assembly expressed the desire that the League of Nations should continue to interest itself in securing the progressive abolition of slavery and conditions analogous thereto, the credit of 1,000 francs shown in the Budget for 1927 to cover the cost of the necessary printing has again been included in the Budget for 1928.

NOTE ON ITEM 28 OF CHAPTER III.

LEGAL ASSISTANCE TO THE POOR.

The Fifth Assembly invited the Secretariat to prepare and keep up to date a list of the measures taken or institutions created in each country for the purpose of giving to poor persons legal assistance in connection with litigation in the courts or free legal advice and consultation. The Assembly also requested the Secretariat to collect and publish the various laws and provisions regulating legal assistance to poor persons in different countries.

It was understood that, in undertaking this new work, the League would not incur new expenditure, as the cost of the enquiry is furnished from unofficial sources.

NOTE ON ITEM 29 OF CHAPTER III.

COMMITTEE OF EXPERTS FOR THE PROGRESSIVE CODIFICATION OF INTERNATIONAL LAW.

The Committee for the Progressive Codification of International Law was constituted by the Council in accordance with a resolution adopted by the Assembly on September 22nd, 1924.

Under its terms of reference, the Committee has to draw up and communicate through the Secretariat to the various Governments, for their opinion, a provisional list of the subjects of international law the regulation of which by international agreement would seem to be most desirable and realisable at the present moment; it has then to examine the replies of the Governments and to report to the Council on the questions which are sufficiently ripe and on the procedure which might be followed with a view to preparing eventually for conferences for their solution.

The Committee held its third session in March-April 1927, as the result of which it has: (a) recommended seven subjects to the Council as ripe for treatment by way of international conventions; (b) addressed questionnaires to the Governments on four new subjects, proposing to examine the replies at a session to be held in 1928, and has made special reports to the Council on three other new subjects; (c) adjourned three subjects already on its programme to the session contemplated for 1928.

Until the Council, and eventually the Assembly, have considered the Committee's reports, it is not possible to estimate precisely what amount of work may fall to be performed by the Committee during 1928 or whether any additional special credits will be required in that year in connection with the codification of international law. In these circumstances, the credit asked for in respect of the Committee is fixed provisionally at the same amount as was voted for 1927, namely, 75,000 francs.

NOTE ON ITEM 30 OF CHAPTER III.

INTERNATIONAL FEDERATION
FOR MUTUAL ASSISTANCE IN THE RELIEF OF PEOPLES OVERTAKEN BY DISASTER.

An estimate of 15,000 francs has been included in the Budget for a meeting in 1928 of the Preparatory Committee of Enquiry into the Scheme for an International Federation for Mutual Assistance in the Relief of Peoples overtaken by Disaster.

NOTE ON PART V.

WORKING CAPITAL FUND.

The Second Assembly having decided that it was desirable gradually to increase the Working Capital Fund up to the maximum of 5,000,000 gold francs, which it had set, provision was made for the Working Capital Fund in the Budgets for 1920, 1921, 1923, 1924 and 1925.

The Sixth Assembly decided that from January 1st, 1926, the interest received on the Working Capital Fund should be added each year to the Fund instead of being applied to the budget as an appropriation in aid; in these circumstances, it did not think it desirable to include in the Budget of 1926 a further contribution towards the Working Capital Fund, and the Budgets for 1927 and 1928 contain no credit for that purpose.

It should perhaps be pointed out that the Fourth Assembly, considering that the Working Capital Fund should be regarded as a loan to the League of Nations by the States Members, inserted the following provisions in Article 31 of the Financial Regulations:

"2. The sums paid by Members of the League since January 10th, 1920, for the purpose of constituting or augmenting the Working Capital Fund shall be carried to the credit of the Members which have paid such sums.

"3. The Assembly may liberate all or part of the sums constituting the Working Capital Fund, and the sums so liberated shall be returned to the Members which have contributed to the Fund in proportion to their respective contributions "



Appendix I.

APPROPRIATIONS IN AID IN THE BUDGET FOR 1928.

Appropriations in Aid to Chapter II.

	Gold Francs
(a) Sale of publications	220,000
(b) Interest earned	45,000
(c) Miscellaneous cash-receipts	7,000
(d) Sale of cinematograph films	2,000

*Appropriations in Aid to Item 23 of Chapter III: "International Health Organisation"
(Rockefeller Foundation Grants).*

		Gold Francs
I. Interchange of Public Health Personnel	25,000 dollars	129,565
II. Epidemiological Intelligence Service and Study of Demographic and Public Health Statistics	50,000 "	259,130
Total		662,695



Appendix II.

FAR-EASTERN BUREAU FOR EPIDEMIOLOGICAL INTELLIGENCE¹

Estimates for 1928.

		Estimates for 1928	Expenditure in 1926
		Straits dollars	Straits dollars
I. Salaries of Staff		50,959	23,481
Number of Posts			
I	Director	18,000	
I	Deputy Director:		
	Salary	7,800	
	Allowance 20%	<u>1,560</u>	
		9,360	
I	Statistician:		
	Salary	6,000	
	Allowance 20%	<u>1,200</u>	
		7,200	
I	Financial Officer		
	Salary	2,940	
	Allowance 15%	<u>441</u>	
		3,381	
I	Correspondence clerk:		
	Salary	2,580	
	Allowance 15%	<u>385</u>	
		2,965	
I	Shorthand-typist for French:		
	Salary	2,220	
	Allowance 15%	<u>333</u>	
		2,553	
2	Second-class clerks:		
	Salary	3,120	
	Allowance 15%	<u>468</u>	
		3,588	
2	Second-class clerks:		
	Salary	2,880	
	Allowance 15%	<u>432</u>	
		3,312	
2	Office boys:		
	Salary	480	
	Allowance 15%	<u>72</u>	
		552	
I	Lift boy — Overtime	48	
II. Travelling expenses (including expenses in connection with co-ordination of research work) and removal		3,500	2,467
III. Cables and postage:			
	1. Cables	18,580	
	2. Postage	420	
		19,000	27,537
IV. Printing, office supplies and equipment:			
	1. Printing	1,500	
	2. Office supplies	650	
	3. <i>Weekly Bulletin</i>	2,950	
	4. <i>Half-yearly Bulletin</i>	1,000	
	5. Periodicals	520	
	6. Supplies	180	
	7. Purchase of books	<u>200</u>	
		7,000	4,784
V. Rent, electricity and telephone:			
	1. Rent	3,000	
	2. Electricity	54	
	3. Telephone	<u>166</u>	
		3,220	3,209
VI. Miscellaneous:			
	1. Medical attendance (for staff)	200	
	2. Auditors' fees	300	
	3. Miscellaneous	<u>1,000</u>	
		1,500	1,080
Total		<u>85,179</u>	<u>62,558</u>

¹ The expenses of the Far-Eastern Bureau for Epidemiological Intelligence will be met, in 1928, by contributions from:

- (a) The Rockefeller Foundation (International Health Board);
- (b) Certain Governments;
- (c) The League of Nations.

The following Governments are contributing towards the expenses of the financial year 1927: Ceylon, China, Federated Malay States, French Indo-China, Japan, Straits Settlements.

ANNEX 9.

A.21.1927 (including C.245.1927.)

PRESENT CONDITIONS OF WORK IN THE SECRETARIAT.

Extract from the Minutes of the Forty-Fifth Session of the Council

SECOND MEETING

Held at Geneva on Tuesday, June 14th, 1927, at 11 a.m.

The SECRETARY-GENERAL said that the Council, at the request of the representative of the British Empire, had asked him to prepare a report on the present conditions of work in the Secretariat. That report was now before the Council. He thought that it spoke for itself and that any comment would be superfluous. The only point he would emphasise was that it would be quite clear from the report that the administrative and secretarial work falling on the Secretariat had increased in a proportion very much greater than the staff itself. The Secretariat had been able to cope with the work because of the increased experience which had now been acquired, but a limit would be reached and he would be very grateful if the Council would agree that the report which he had prepared should be forwarded to the Assembly so that the delegations would have full knowledge of what the Secretariat was now doing, and because it had felt bound to ask for some slight increase in staff in order to cope with the increase of work which had become very great. While in 1926 (as was shown in the first Sub-Appendix to his report) the number of meetings had been far greater than that for any other year, in 1927 that number would be far surpassed. The number of Committees and Sub-Committees remained about the same, but the number of Conferences had increased, with the result that the strain on the Secretariat had been very great.

On the proposal of the PRESIDENT, the Council decided that the report, together with the observations of the Secretary-General, should be communicated to the members of the Assembly

Appendix.

Report by the Secretary-General.

1. I have the honour to submit herewith to the Council the report called for by it at its meeting held on December 10th, 1926¹.

There can be no doubt that the work of the Secretariat in a material sense has increased continuously from its beginnings in 1919 up to the present time. This increase has shown a tendency to operate more rapidly during the last eighteen months than in the earlier periods.

A number of tables which illustrate the growth in the work of the Secretariat are annexed to the present report. They are as follows:

- I. Number of meetings for which the secretarial work was provided by the Secretariat, showing:
 - (a) Council Meetings (in days);
 - (b) Assembly Meetings (in days);
 - (c) Conferences (number of States represented and length of conference in days);
 - (d) Committee and Sub-Committee meetings (number of meetings and number of days such meetings were in session).

¹ Sir Austen Chamberlain drew the attention of the Council to the conditions under which the Secretariat worked at present. There did not appear to be one week in the year when there was not one or more Committees in session, and the Council knew from its own experience what additional heavy work a session involved for the Secretariat. The position of the members of the Secretariat was quite different now from what it had been at the beginning, and it did not seem possible to ask them to continue to work so hard all the year round.

The Council decided to instruct the Secretary-General to submit a report on the question at the next session of the Council.

- II. Number of documents officially filed in the Secretariat Registry.
- III. Ingoing and outgoing official¹ correspondence 1925 and 1926.
- IV. Roneoing statistics (1923-26).
- V. Volume of work done by the Translating Section.
- VI. Average annual total strength of Secretariat, excluding house staff.
- VII. Annual budgets.

2. These figures, though they relate directly to the actual work of particular branches of the Central Services of the Secretariat, may be regarded as a fairly accurate reflection of the general volume of work performed by the various Sections and by the Secretariat as a whole. Somewhat fuller explanations of the work of certain of the central departments in question are given and notes are added relating to two or three particular Sections the work of which has increased in a specially marked degree. These are not put forward as typical examples of the general rate of increase of work performed by the different Sections, though it is no doubt true that the work of all Sections shows a tendency to increase at a greater or lesser rate.

3. NOTES ON THE WORK OF CERTAIN OF THE CENTRAL DEPARTMENTS.

(i) DISTRIBUTION OF DOCUMENTS.

The work of despatching documents may be subdivided into the following categories:

- (a) Regular despatches to the States Members of the League;
- (b) Despatches to members of League Committees (this distribution includes postal despatches to members of Committees at their home addresses and to such members as are attending Committees and Conference meetings in Geneva);
- (c) Despatches in accordance with mailing lists;
- (d) Despatches with reference to various requests received from Governments, institutions, etc.

Category A.

In 1925, 1,200 documents, representing 475,000 copies, were despatched to the Members of the League. These despatches were made to 140 addresses. Out of this number, 540 documents, representing 113,000 copies, were despatched to the Members of the Council, that is to say to 30 addresses.

For 1926, the figures are as follows: 1,100 documents, representing 460,000 copies, were sent to all the Members of the League; of these, 460, representing 100,000 copies, were sent to the Council.

This figure shows a slight decrease; for 1927, however, there will undoubtedly be a considerable increase. During the first three months (January-March), 645 documents have already been distributed, representing roughly the following number of copies: 76,000 French, 51,000 English, 38,000 bilingual; altogether about 165,000 copies. This increase is largely due to the circulation of the preparatory documents for the Economic Conference.

Category B.

As far as Committee papers are concerned, statistics have only been kept as from July 1925. The following figures represent:

- (1) The number of League documents distributed (by post; to hotels and at meetings);
- (2) The number of copies distributed by post only;
- (3) The number of packages despatched by post.

	Total number of documents.	Number of documents despatched by post.	Number of packages despatched by post.
<i>July-December 1925</i>	1,100	850	7,800
<i>January-July 1926</i>	1,650	990	9,500
<i>July-December 1926</i>	2,200	1,400	14,400
<i>January-March 1927 (3 months)</i>	1,000	740	7,600

¹ It will be realised that the figures in this table take no account of the immense quantity of unofficial correspondence relating to the work of the League which takes place between members of the Secretariat and Government officials, members of Commissions, etc. This correspondence would probably exhibit about the same proportional increase as the official correspondence.

Moreover, during 1926, 3,840 Committee documents were received for circulation and altogether 458,609 copies distributed during that year either by post or in hotels in Geneva.

It will be clear from these figures to what an extent the work of that department of the Distribution Branch which is especially influenced by meetings of League Committees and League Conferences is constantly increasing. In the second half of 1926, nearly twice as many copies were distributed as during the second half of 1925, whereas the first three months of 1927 already equal the last six months of 1925, and it is probable, in view of the different meetings planned for the near future, that the proportionate increase will be maintained during the last nine months of the current year.

Categories C and D.

In 1925, 109,000 copies of documents were despatched according to the regular mailing lists (lists of institutions receiving "All the League Publications", all economic publications, the *Official Journal*, *Statistical Bulletin*, health publications), whereas 84,000 copies were despatched in reply to various requests either from Governments, institutions or private people.

For 1926, the figures are as follows: 116,000 according to mailing lists; 114,000 in reply to various requests.

The first three months of 1927 already show the following figures: 24,000 copies to mailing lists and 34,000 copies in reply to odd requests.

(ii) SHORTHAND AND TYPING DEPARTMENT.

The personnel of this department comprises at the moment about 62 stenographers and copyists, as compared with 50 in 1921, but for various reasons it is rarely at its full strength. In the first place, a large proportion of the stenographers are constantly engaged by the translators and précis-writers, who have no subordinate staff of their own beyond a secretary or two to assist with the general administrative work of the two departments. Other members of the department are constantly in demand by the various sections to replace absent secretaries or stenographers. A certain number are always absent on annual leave, sick leave or official business for the League away from Geneva. It is therefore but seldom that more than twenty stenographers in each language are present at the same time, and, in spite of all the measures taken to maintain this average by engaging temporary staff when necessary, it frequently falls below it. If, during one of these short-handed periods, the requests for assistance from the Sections increase, the pressure is greatly intensified, and the lot of the stenographers is by no means enviable, as they must work at high speed for seven hours or more without cessation, often leaving a task already begun to deal with one of greater urgency. Five years ago the average number of requests for stenographers received from the Sections was from 40 to 60 per day; they are now never less than 60 and sometimes amount to 120.

The copyists, of whom there are but ten, are detached during the sessions of the Council and other meetings for work with the verbatim reporters. As this branch functions intermittently more than six months in the year, it will be seen that the personnel of the main department is often seriously depleted by this cause. The ordinary routine duties of the copyists (circular letters, reference lists, statistical tables, etc.) are therefore accomplished by the stenographers during any odd intervals which may occur in their work.

Lastly, it should be added that the work of this department is not always done during normal hours. The Council and other meetings render it necessary to have a staff which will prepare during the night the documents needed for the next morning's session. This dislocation of the normal life of the staff now occurs with increasing frequency.

(iii) TRANSLATING SECTION.

Six years ago, the bulk of the translation work required of this department was of a political and general nature, for which the essential qualifications were a good style and accuracy. Since then its character has entirely changed; three-quarters of all the translation work is now highly technical, often involving specialised knowledge of such subjects as medicine, serology, epidemiology, transport, military and naval matters, aviation, economics, chemistry, public finance, international and commercial law. The work is done with the greatest possible accuracy, virtually everything being revised by the Editor and Assistant Reviser. The amount of translation is about twice as much as in 1921.

Since 1921, verbal interpreting has increased about five times. This calculation is based on the number of days the interpreters are on duty. The interpreters are engaged for about four-fifths of their time in interpreting; the remaining fifth is occupied in translation work.

It is hardly necessary to say that, as a natural consequence of this increase, the administrative work of the Section has been considerably augmented.

4. NOTES ON THE WORK OF CERTAIN SECTIONS.

(i) THE DISARMAMENT SECTION.

The work of the Disarmament Section has increased considerably owing, amongst others, to the following causes:

- (1) The gradual lapsing of the various systems of supervision of the disarmament clauses of several treaties of peace which has resulted in Council decisions implying preparatory work towards the application by the Council of the right of investigation invested in it by the same treaties.
- (2) The growing importance and bulk which, at the suggestion of successive Assemblies, has been given to the two Year-Books prepared and published by this Section. The *Trade in Arms Year-Book* has more than doubled in size since its inception; the *General and Statistical Year-Book on Armaments* now comprises data about nearly every nation of the world. As none but official sources are utilised, its preparation implies a close study of an immense number of official original documents emanating from the countries concerned.
- (3) The fact that the studies towards the application of Article 8 of the Covenant by means of a Convention of General Disarmament have entered an official phase, which has determined a period of intense activity, as shown by the considerable number of meetings which the Commission and its Sub-Commissions have held during 1926 and are holding in 1927. The Section has had to issue more than 480 printed pages in each language as a result of its 1926 work in this connection.

During the first three months of 1927, the Disarmament Section has been responsible for two hundred and sixty-six sittings (Committee of Experts on Civil Aviation, Committee of Experts on Budgetary Questions, Committee appointed to study Article 11 of the Covenant, Special Commission on the Private Manufacture of Arms, Council Committee, Sub-Commission B of the Preparatory Commission, Preparatory Commission for the Disarmament Conference).

During the last nine months of 1926, the Section was responsible for two hundred and fifty-eight sittings (Committee of the Council, Committee on the Private Manufacture of Arms, Preparatory Commission for the Disarmament Conference and its Sub-Commissions A and B, Joint Commission together with its Sub-Committees 1, 2 and 3).

These Commissions, etc., were in session almost without interruption. More than 1,000 documents, all of which had to be translated and duplicated, were received in connection with their work. It is calculated that, between May 19th and November 5th, 1926, 3,750,000 sheets of roneo paper were circulated on this subject.

(ii) ECONOMIC SECTION.

Since 1920, the work of this Section has developed in many different directions, particularly during the last three years.

The schemes for financial reconstruction in Austria and Hungary and for the settlement of refugees in Greece and Bulgaria were quite unforeseen at that time. Their preparation involved far-reaching technical enquiries into public finances and central banking; the establishment of special League organisations in the countries concerned; the publication of periodicals and special reports; and, in general, the whole responsibility for co-ordinating the work done in those countries with the decisions taken by the competent authorities in Geneva.

Apart from this, certain tasks in the financial field have involved additional labour and expenditure, e.g., a series of Committees on Double Taxation, Counterfeiting Currency, etc., and the preparation and publication of their reports.

On the economic side there have been, apart from the ordinary meetings of the Committee, a General Conference on Customs Formalities and a very large number of Technical Committees, e.g., on commercial arbitration, bills of exchange, unfair competition, economic crises, etc.

A very wide and important extension of the Section's work, i.e., in statistics, has taken place. There has gradually grown up during these five years a whole series of periodical technical publications, e.g., on Balance of Payments and Foreign Trade Balance, Currency and Central Banks, Public Finance and the *Monthly Bulletin of Statistics*, requiring a large mass of detailed and highly technical work.

In addition, it has been recently occupied with one of the most considerable tasks it has yet undertaken, i.e., the preparatory work for the International Economic Conference, which involved extensive enquiries and the preparation of over 60 technical memoranda.

(iii) REGISTRATION OF TREATIES OFFICE.

This office has experienced a steady development of work since its institution in May 1920, not only on account of the constantly increasing number of treaties registered annually but also on account of the other duties with which it is now charged in connection with the Conventions and Protocols concluded under the auspices of the League, *i.e.*, the preparation of the texts in their final form of these Conventions and Protocols, and all the relevant formalities and correspondence pertaining to the signatures, ratifications, adhesions and denunciations of such agreements.

The following table shows the increase in the number of treaties registered:

May 19th, 1920, to May 19th, 1921	112
„ 19th, 1921, „ „ 19th, 1922	151
„ 19th, 1922, „ „ 19th, 1923	161
„ 19th, 1923, „ „ 19th, 1924	189
„ 19th, 1924, „ „ 19th, 1925	251
„ 19th, 1925, „ „ 19th, 1926	305

(iv) INFORMATION SECTION.

The Information Section, as a general Section responsible for all matters of information, publicity and Press, has naturally had a very great increase in work, especially in the last year, with an Extraordinary Assembly, the Disarmament Conferences, the special Press Conference, and the Economic Conference, the latter alone bringing 200 journalists to Geneva and requiring the despatch by the Section of 47,000 documents.

The increase both in the amount and importance of League work in Geneva, and consequently in interest in the League outside Geneva, has been exactly reflected in the work thrown on this Section. The number of journalists regularly stationed in Geneva and requiring daily service has grown from a handful in 1920 to 83 at the present moment; the number who come to each Council has greatly increased with the recent presence of the Foreign Ministers; the number at the Assembly has grown from 196 in 1920 to 386 in 1926. Press *communiqués* and statements have necessarily greatly increased; the *Monthly Summary*, which in 1921 averaged 12 pages in two languages, now averages 30 pages in six languages; and, since 1923, 17 pamphlets on various activities of the League have been published, all in the two official languages, and one or two in fourteen languages.

Requests for information from abroad are constantly increasing; considerable groups of students, travellers, etc., are more and more coming to the headquarters of the League; and members of the Section are frequently called upon, whether for special work with League of Nations missions or for special conferences, as the Pan-Pacific Conference in Honolulu and the World Education Conference in Toronto.

Finally, the Assembly and the Council have authorised the convocation in August of a Conference of Press Experts, which has already required a very wide consultation of Press groups, the convocation this past year of three special Committees, and much research and study.

5. ORGANISATION AND INCREASE IN NUMBER OF MEETINGS.

The number of meetings held in connection with the various activities of the League has steadily increased from year to year, as will be seen on referring to Sub-Appendix I. Though many are only of short duration, it not infrequently happens that several take place simultaneously, while some of the more important Conferences and Commissions have been in session for periods varying from thirty to ninety days. The hours of work are greatly prolonged at such times, and though, in the case of certain Sections, it is possible to arrange for night and day shifts, as in the Shorthand and Typing and Duplicating Services, it is manifestly impossible to make a similar arrangement in the case of the more specialised or expert staff, who are thus obliged to be on duty for eight or ten hours a day, and occasionally even longer. Again, though Saturday afternoon is normally a half-holiday, many members of the Secretariat are rarely able to avail themselves of this privilege, either on account of the increasing work in their Section or because its staff is not at full strength. A certain amount of Sunday work is also unavoidable, especially during the period of preparation for an important Conference, as, for instance, the International Economic Conference.

A League meeting differs in some important features from purely national meetings. Perhaps the most important of these is due to the fact that the delegates called to a League meeting can, as a rule, dispose of but limited time for such meetings. In these conditions the work has to be done with the greatest possible celerity.

Again, the fact that all transactions must be carried on in two official languages adds special difficulty to the work of the Secretariat. In point of time, the duration of many meetings is nearly doubled owing to the necessity of interpreting all speeches. Then, as regards secretarial work, all documents must be translated and circulated in the two languages before they are discussed. This fact has obvious consequences upon the time, expense and number of staff necessitated by League work.

A special feature of the Secretariat's work in connection with Conference, Committee and other meetings is that of rendering proper assistance to the Press. The number of journalists present at such meetings, especially at the Council and the Assembly, has very greatly increased. In 1926, 386 were present, as compared with 196 in 1920. Eighty-three representatives of the foreign Press now reside permanently in Geneva.

The preliminary work which is undertaken before a Conference actually takes place is of great importance and often imposes almost as great a strain on the Section concerned as the Conference itself. The necessity of such work, however, will easily be realised; the success of such Conferences depends in no small measure on the thoroughness of the preparation, and this preparation, whether directly performed by the Secretariat or not, is inevitably a source of work in the material sense.

6. It will be seen from the figures shown in the various annexes to the present report that the output of work in a material sense has increased and is increasing at a considerably greater rate than either the staff of the Secretariat itself or the expenditure which has to be met by the Members of the League. This fact is due partly to the gradual improvement in organisation which any institution whose foundation has been so recent as that of the Secretariat should be able to show, partly also to the willingness which has been shown by all concerned not to spare themselves in any way but to make it their only object to carry out efficiently the work which had to be done. In illustration of the increasing strain which has thus been of necessity imposed on the Secretariat, I have attached a further table (Sub-Appendix VIII) showing the figures for the last three years of:

(a) *Overtime.*

In this connection it should be noted that overtime can only be claimed by members in receipt of a salary of less than 10,000 Swiss francs per annum; and all claims must show that the overtime was worked by the direction of a competent superior official, and (in the case of special overtime) that the work was unavoidable and could not be done in normal hours.

It should be noted that overtime is only counted when 44 hours have been worked, *i.e.*, an ordinary full week including Saturday afternoon, plus two additional hours, making a total of 44 hours. These hours, which were fixed by the Assembly in 1921, are generally considered to be exceptionally long.

(b) *Sick Leave.*

A very careful check is kept on the amount of sick leave granted: no member of the staff is allowed to be absent from the office on sick leave for more than three consecutive days without furnishing a medical certificate and without confirmatory advice from the Medical Adviser to the Secretariat.

Sub-Appendix I.

Year	Council		Assembly Days in session	Conferences			Committees and Sub-Committees	
	Number of Council Meetings	Days in session		Title of Conference	Number of States represented	Number of days in session	Number of Committees and Sub-Committees	Number of days in session
1920	II	47	34	International Health Conference	7	4	8	124
				International Financial Conference	39	15		
				Conference on Passports and Customs Formalities and Through Tickets	23	7		
1921	4	108	31	General Conference on Freedom of Communications and Transit	40	42	27	157
				International Conference on Traffic in Women and Children	34	6		
				Conference on Russian Refugees	10	3		
				Conference on Neutralisation of Aaland Islands.	10	11		
				German-Polish Conference on Upper Silesia.	2	4		
1922	7	47	27	European Health Conference	27	9	39	203
				German-Polish Conference on Upper Silesia.	2	(Feb. 14 to May 15)		
1923	5	45	27	International Customs Conference.	37	20	55	322
				Second General Conference on Communications and Transit	39	25		
				Conference on Obscene Publications.	35	13		
1924	5	37	32	First Opium Conference	8	59	80	421
				Second Opium Conference	41	45		
1925	5	36	20	First Opium Conference (<i>continued</i>)	8	41	79	342
				Second Opium Conference (<i>continued</i>)	41	32		
				Conference on Traffic in Arms	45	45		
				Conference on Measurement of Vessels employed in Inland Navigation	19	8		
1926	6	28	10 (Special Session), 20: Total 30	Passport Conference.	38	7	93	557

Sub-Appendix II.

STATISTICS OF DOCUMENTS DEALT WITH BY THE REGISTRY (JULY 1919 - MARCH 1927).

Year	Incoming	Outgoing	Total
1919 (6 months)	3,669	1,984	5,653
1920	13,230	7,043	20,273
1921	22,558	11,312	33,870
1922	23,018	14,401	37,419
1923	28,172	20,413	48,585
1924	31,515	22,138	53,653
1925	31,063	21,742	52,805
1926	34,067	24,369	58,436
1927 (first three months).	10,651	6,589	17,240

Sub-Appendix III.

STATISTICS OF LETTERS AND PRINTED DOCUMENTS DESPATCHED BY THE POSTAL SERVICE OF THE LEAGUE DURING 1925 AND 1926.

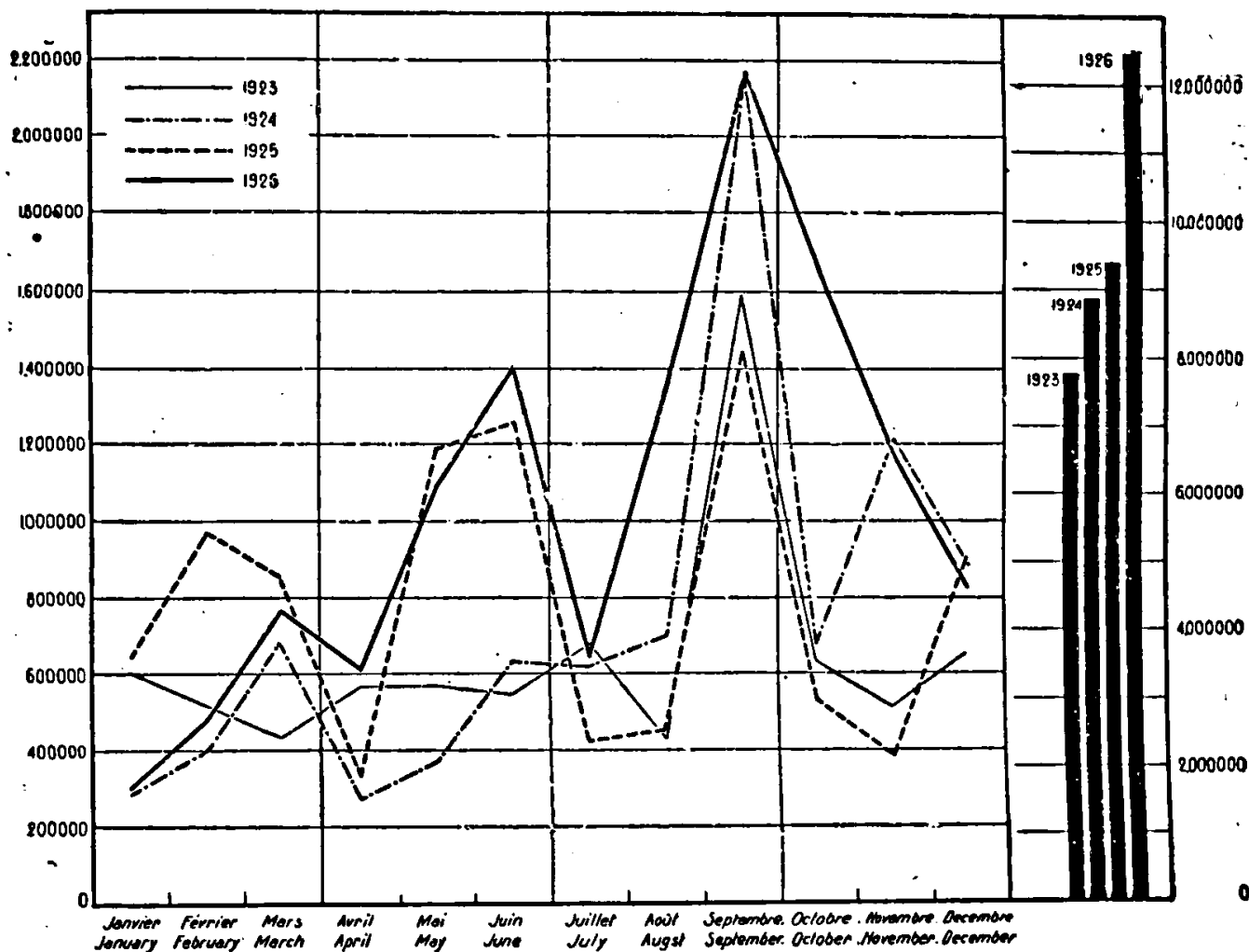
	1925		1926	
	Letters	Printed Documents	Letters	Printed Documents
January	7,117	15,881	6,102	11,488
February	5,036	10,363	7,145	12,113
March	5,444	15,355	8,894	15,467
April	4,687	10,489	5,717	13,586
May	4,654	13,980	5,185	14,594
June	4,519	13,843	5,220	15,917
July	4,517	15,189	5,650	15,091
August	4,355	15,500	5,897	16,841
September	3,827	17,406	5,231	21,066
October	6,246	17,392	6,580	17,279
November	5,263	12,722	6,144	17,036
December	7,902	15,899	5,968	14,263
Totals	63,567	174,019	73,733	184,741

Sub-Appendix IV.

STATISTICS OF STENCILS CUT AND NUMBER OF COPIES MADE BY THE DUPLICATING SERVICE FROM 1923 TO 1926.

Year	Stencils	Copies
1923	55,410	7,729,449
1924	62,300	8,844,715
1925	60,331	9,380,740
1926	89,348	12,438,306

DUPLICATING COPIES : MONTHLY AND YEARLY FIGURES — 1923, 1924, 1925 AND 1926.



Sub-Appendix V.

The following tables show:

(1) The increase in the actual amount of work and in the number of languages translated by the French Section of the Translation Department between 1922 and 1926;

(2) A record of the documentary work done annually by the English Section of the Translation Department.

Year	(1):	English.	German.	Italian.	Spanish.	Slav language	Scandinavian language	Number of Translators
1922	11,326	9,224	1,249	452	250	151	—	7
1926	21,506	14,222	4,529	951	816	642	356	9
Increase	10,180	4,998	3,280	499	566	491	356	2

(2):

Year	Number of pages handled
1919	300 (estimate)
1920	4,500
1921	10,500
1922	12,500
1923	16,800 (accurate record)
1924	17,000
1925	17,000
1926	21,400

Sub-Appendix VI.

FIGURES SHOWING INCREASE OF STAFF SINCE 1920, EXCLUDING HOUSE STAFF, ETC.

Year	Total	Permanent Staff	Number on probation	Temporary official
1920	183	183		
1921	347	285		31
1922	368	296	17	23
1923	386	268	39	40
1924	424	295	45	48
1925	442	288	69	47
1926	467	322	34	68

Sub-Appendix VII.

SECRETARIAT BUDGETS AND EXPENDITURE.

	Amount voted	Expenditure
	Gold francs	
First Period (1920)	—	£122,045 12s. (at 25.22) 3,077,989.53
Second Period (6 months)	10,041,600	4,526,771.86
Third Period — 1921	13,590,000	10,851,306.86
Fourth Period — 1922	13,238,335	10,074,504.50
Fifth Period — 1923	15,593,046	10,954,921.43
Sixth Period — 1924	14,376,223	11,232,784.86
Seventh Period — 1925	13,409,334	11,364,733.27
Eighth Period — 1926	13,908,004	11,199,437.42

Sub-Appendix VIII.

(a) OVERTIME.

Year	Number of persons	Ordinary hours	Special hours
1924	508	4,713	2,847
1925	934	4,952	4,798
1926	1,178	7,511	5,318
Total in 3 years	2,620	17,176	12,963

(b) SICK LEAVE TAKEN BY MEMBERS OF THE SECRETARIAT 1924 — 1926.

Year	Total staff	Number sick	Percentage on total staff	Days of illness	Number of cases	Average number of days per case	Average number of days per head on total staff
1924	471	157	33.7%	4,934	192	25	10.5
1925	490	167	34.9%	4,151	205	20	8.5
1926	514	220	42.8%	4,673½	279	16	9

ANNEX 10.

MEMORANDUM ON THE WORK OF THE INFORMATION SECTION

Submitted by the Secretary-General in Accordance with the Request of the Assembly at its Seventh Ordinary Session.

INTRODUCTION.

The Information Section deals with all questions of information, publicity and Press. Its work has naturally undergone a considerable increase.

The increase in quantity and importance of the work of the League of Nations at Geneva, and consequently the increase of outside interest in the League of Nations, has found an echo in the amount of the work which this Section is called upon to furnish. In 1920, there were but few journalists residing regularly at Geneva and requiring a daily news service. At the present moment there are 83. The number of those who come to Geneva for each session of the Council has increased considerably on account of the attendance of foreign ministers at recent sessions. The number of journalists attending the Assembly has risen from 196 in 1920 to 386 in 1926. The number of *communiqués* and Press notices has increased considerably. The *Monthly Summary*, which in 1921 published in two languages an average number of 12 pages, now publishes an average number of 30 pages in six languages. Since 1923, 17 pamphlets have been published on the various branches of the work of the League of Nations, all being issued in the two official languages and one or two in fourteen different languages.

The number of requests from abroad for information is increasing daily. More and more frequently large groups of students, travellers, etc., visit the Secretariat, and the members of the Information Section are constantly in request either for special work in connection with the missions of the League of Nations or for special lectures.

The Information Section has further prepared and directed the work of an International Conference of Press Experts, the preparatory work for which extended over a period of two years and necessitated the convening of three Committees of directors of news agencies, directors of Press bureaux and journalists. The Conference, which met at Geneva from August 24th to 29th, 1927, was attended by 63 experts, 20 assessors, and 35 technical advisers, from 38 countries Members or non-Members of the League of Nations, representing not only the different currents of world opinion but also the various categories of Press interests: newspaper proprietors, directors of news agencies, journalists and directors of Press bureaux.

For these various duties the Information Section has at its disposal a staff of 18 Members of Section.

CHAPTER I. — GENERAL CHARACTERISTICS OF THE WORK OF THE INFORMATION SECTION.

The Information Section has to follow all questions and explain them to people of various countries and classes. It has to work very rapidly, and furnish, when necessary, suitable staff for establishing relations or organising a news service.

1. *The Field covered.*

Whereas the Press bureau of a Foreign Office is called upon to explain questions concerning the foreign policy of a given country, the Information Section has to follow and explain to the Press the various and often extremely technical questions which are brought before the League: diplomatic conflicts, financial and economic problems, administrative questions concerning the Saar and Danzig, the Permanent Court of International Justice, Mandates, Disarmament, Communications and Transit, the Campaign against Epidemics, Traffic in Women, Traffic in Opium, Intellectual Co-operation, etc.

Whereas, again, the Press bureau of a Foreign Office has to explain matters to its national Press and from the purely national point of view, the Information Section has to be in touch with the Press of all countries, and to take account of the various currents of opinion in those countries.

2. *Simultaneous Meetings.*

Publicity work has often to be done in various directions at once, because it is frequently the case that several Committees meet at the same time at Geneva.

3. *Translations in Various Languages.*

To be accepted by the Press of the different countries, the articles written by the Section have generally to be translated into various languages. Besides being issued in English and French, which are the official languages of the League of Nations, they have to be translated into Italian, Spanish, German, Dutch, Polish, Serb, Danish, Japanese, etc. The members of the Information Section are called upon to undertake themselves this work of editing and translating documents into these languages.

4. *Rapidity of Work.*

In order to be topical, articles for the Press have to be written very promptly. The Information Section has therefore to prepare in a very short time articles which are translated into about ten languages and arranged for the Press of a great number of countries.

5. *Variety of Duties.*

The Information Section has various and numerous duties. It has undertaken to organise a Press service for the Permanent Court of International Justice, to each of whose sessions it sends one of its members. Whenever a League mission is sent to any given country, a member of the Information Section accompanies the Secretary-General or the Directors delegated. It has further to send representatives to give technical information at various international congresses. During the period of financial reconstruction of Austria and Hungary, the Information Section placed members at the disposal of the High Commissioners to organise a Press service.

CHAPTER II. — METHODS AND WORKING OF THE INFORMATION SECTION.

It is perhaps hardly necessary to dwell at length on the work of each member of the Information Section with a view to making himself acquainted with the general work of the League of Nations. This work demands an attentive study of the League documents and publications, of the correspondence, of the Minutes of the Assembly, Council and Committee meetings, etc.

In addition to this general study of documents, the members of the Information Section have to follow day by day and very closely the work of the various Sections of the Secretariat. To this end the work has been distributed among the different members of the Information Section, to each of whom has been allotted a section in accordance with his special qualifications. The member thus chosen pays frequent visits to the Director or members of the Section with which he is in relation and to which he acts as Press and publicity adviser.

* * *

The collection of general or technical information on the work of the League of Nations is but the beginning of the work of the members of the Information Section. Their essential work is to reply to the numerous requests for information from journalists, Press associations and persons of all nationalities and classes.

* * *

In order that this statement may be clear, it has been found preferable to classify the work of the members of the Information Section under four heads:

1. *Precis-writing Service.*
2. *Liaison Service.*
3. *Press Service strictly speaking.*
4. *Press Review.*

1. *Precis-writing Service.*

The Information Section has adopted various methods of issuing information on the work of the League of Nations. One of these is the *communiqué*, that is to say, news in very brief form, so that the telegraphic agencies may accept it for transmission to the various countries.

As it is impossible to amplify this very brief form of information, it is necessary that articles should be written explaining the various questions as a whole. Then, again, as these articles are generally of a technical and specific character and only describe one of the many aspects of the work of the League, it has seemed indispensable that a general review of all the work of the League should be published each month. This general review is the *Monthly Summary*. Finally, as the work of the League in the various domains is increasing in importance year by year, pamphlets have been published in order to give the public, in clear and concise form, information on the whole of the work done by the League and its various organisations.

The work of the Précis-writing Service comprises therefore:

- (a) *Communiqués*;
- (b) General articles;
- (c) *Monthly Summary*;
- (d) Pamphlets.

As most of the members of the Information Section have to follow the various Committees in session, or to maintain contact with their own countries, the précis-writing is in the hands of a limited number of members, who deal almost exclusively with the drafting and translation of *communiqués*, articles, *Monthly Summary*, pamphlets and the current business of the Section.

(a) *Communiqués*.

The Information Section publishes daily one or more *communiqués*. The *communiqués* are issued in French and English and describe in clear and concise form the work of the League. A preliminary *communiqué* precedes the meetings of Committees, the Council, the Assembly and Conferences. The work of these meetings is then described stage by stage, and their conclusions are summarised. The *communiqués* also deal with all important communications from Governments, which are distributed to the Members of the League of Nations. The *communiqués* are issued to journalists resident at Geneva or sent to them at their homes when they do not themselves come to the Secretariat. The *communiqués* are also sent abroad to a certain number of journalists and to the official Press bureaux.

This system of *communiqués* was inaugurated by the Information Section when it first started. It has since been developed and perfected.

To begin with, the *communiqué* was simply posted up in the Section and copied by journalists visiting members of the Section, who on this occasion gave them supplementary explanations.

Later, as the number of journalists resident at Geneva constantly increased it became impossible to receive them each in turn. The Information Section then decided to have these *communiqués* roneographed, to send them to journalists and to issue them in the two official languages.

A description of the routine followed in preparing the Council and Assembly *communiqués* and the system adopted for Press summaries and the Economic Conference may serve as an example of this work.

For the *Council* sessions, a member of the Information Section attends the various meetings and prepares a summary for the Press. Formerly, this summary was issued half-an-hour or an hour after the meetings. This system has since been improved. The member of the Information Section in charge of the Council *communiqué* drafts before the meeting an outline which is based on the documents; during the meeting he has at his disposal a secretary to whom he dictates, bit by bit, the necessary additions to the *communiqué* which he has already prepared. The *communiqué* is handed, page by page, to the Secretary of the Information Section, who makes arrangements for the translation and roneographing, so that, a few minutes after the end of the meeting, it can be distributed in French and English to the journalists present in the Secretariat.

The Minutes of the Council meetings are posted up in the Press-room as they appear.

During the *Assembly*, the Information Section publishes daily a wireless *communiqué* of about 500 words, which is broadcast by the Croix-d'Hins station (Bordeaux). This *communiqué*, which is not distributed to the Press in Geneva, contains a summary of the plenary and committee debates.

The Information Section further follows the work of the various Committees and Sub-Committees and prepares daily *communiqués* which are immediately posted up in the Press-room, together with the Minutes of the debates. To facilitate the work of the journalists, the Section has made arrangements, with the assistance of the Swiss postal authorities, for a special organisation for despatching telegrams and wireless telegrams and for the transmission of telephone messages. The Information Section occasionally issues for delegates and journalists a review of Press news.

During the *Economic Conference* the Information Section made an experiment which gave complete satisfaction to the Press. The Conference had broken up into three committees, each of which was divided into several sub-committees. As most of these bodies sat simultaneously, it was practically impossible for journalists to follow the debates. The Information Section therefore appointed a certain number of members, corresponding to that of the committees and sub-committees, to attend the meetings. These members drew up during the debates short accounts, which were translated by the Précis-writing Service, roneographed, posted up in the Press-room, and distributed. In this way, journalists were informed step by step of the progress of the work of the Conference.

To cope with this work during the three-weeks session of the Conference, it was necessary to have seven members of the Information Section in constant and often simultaneous attendance at the committee meetings, without reckoning the officials ensuring the translation, typing and distribution. Moreover, during the period of preparation of the Conference, 37,500 documents were sent out by the Section accompanied by explanatory articles.

Since 1921, each *communiqué* has been numbered. The number of *communiqués* published since 1921 was 2,658 on August 15th, 1927. To this total should be added the *communiqués* published during the sessions of the Assembly, which are numbered separately.

This total of 2,658 is made up as follows:

1921	326
1922	370
1923	373
1924	327
1925	498
1926	473
1927 up to August 15th	291

At Geneva, the *communiqué* is distributed to 122 persons, including journalists, pressmen and representatives accredited at Geneva to the League of Nations, etc. It is sent to 128 persons abroad.

(b) *Articles.*

The articles of the Information Section are issued in French and English and adapted or translated in various other languages in order to ensure publication by the newspapers to which they are addressed by the Section. Their object is to inform the public on the work of the Committees, Council, Assembly and International Conferences convened under the auspices of the League of Nations. They are longer than the *communiqués* and give more details, without, however, exaggerating this tendency. They thus constitute a suitable means of making the League's work known to the public. As a general rule, the Information Section issues before important Committee, Council and Assembly meetings preparatory articles to explain the object of the meeting and the main points of the agenda. After the meetings, should the *communiqué* not be sufficient for the purpose, the Information Section issues a general statement on the work done and results obtained.

At the beginning of each month an article is published on the meetings announced for the month, explaining their agenda.

The number of these articles, as is the case with the *communiqués*, is constantly increasing (50 in 1927 up to the end of July, as compared with 40 in 1926).

(c) *Monthly Summary.*

The object of the *Monthly Summary* is to furnish month by month to those interested a clear and concise account of the work of the League of Nations. It enables delegates to the Assembly, members of Committees, pressmen, professors, students, etc., to follow and understand the progress of this work in the various domains.

In the beginning the *Monthly Summary* did not exceed, on an average, 20 pages. To-day it is 30 pages long. It not only contains information and accounts concerning the work of the various Committees, the Council, the Assembly and International Conferences held under the auspices of the League of Nations but also issues the principal documents drawn up at these meetings. For example, the *Monthly Summary* includes the text of the Geneva Protocols on the financial reconstruction of Austria and Hungary, the text of the Locarno Treaties, the draft Convention adopted on its first reading by the Preparatory Commission for the Disarmament Conference, the reports and the resolutions of the Economic Conference, the resolutions of the Assembly, etc. On various occasions it has reproduced *in extenso* important debates of the Assembly, in particular those of September 1926.

Once a year, in the December number, a long general article is published on the work done during the year by the League of Nations and its various organs.

The *Monthly Summary* first appeared in April 1921. At that moment it was issued in an English and a French edition, with a total printing order of 5,000 copies. At the present date, the printing order is 20,000 copies in six editions (English edition 8,250, French edition 4,500, German edition 2,800, Spanish edition 1,600, Italian edition 1,450, Czech edition 1,250).

This publication has met with considerable success. Its handy form and size have made it an indispensable instrument of work for all journalists desirous of following closely the work of the League of Nations. It is used by Foreign Ministers¹. It has been mentioned by Sir Austen Chamberlain in the House of Commons.

The *Summary* is despatched to the Foreign Ministries of all Governments of States Members of the League of Nations, to all League of Nations Unions, to the members of the Commissions, to the delegates at the Assembly, to universities, to libraries and to newspapers. It is also on sale.

¹ During 1927, the British Government has asked for 70 copies for the Foreign Office, 150 for the Colonial Office, 120 for the Government of India; the French Government has asked for 70 copies of the December number, containing the general article on the League in 1926, to be sent to its various diplomatic agents.

The number of subscriptions, which was very small in 1922, has increased, in particular in English-speaking countries. The English edition is self-supporting, the revenues from subscriptions paying the cost of printing.

(d) *Pamphlets and Other Publications.*

1. *Pamphlets.* — The Information Section has taken the initiative of publishing popular pamphlets on the various branches of the League's work. Since December 1923, pamphlets have been issued on seventeen different subjects. In all, there are 111 pamphlets, including reprints and translations. All pamphlets have appeared in French and English, and most in German, Italian and Spanish. Some of them have been published in Finnish, Serbian, Dutch, Swedish, Danish, Czech, Greek and Hungarian. One of the pamphlets has been published in sixteen languages.

These pamphlets, which have been prepared by the Information Section with the assistance of the Sections concerned, are intended for the general public. Their object is to make known in as concise a form as possible the essential work of the League in the various branches of its activity¹. The careful preparation and revision of these pamphlets demands considerable time, attention and work on the part of those entrusted with this duty².

2. *Illustrated Album.* — The Information Section has prepared for the general public an illustrated album in which it has endeavoured to present the work of the League in pictures. This album was issued in English and French and went into a second edition this year.

3. *Photographs and Films.* — The Information Section has organised a Photographic Department. This department arranges for the photographing or filming of the important meetings of the League of Nations and for the sale of the photographs and films. The revenue from these sales more than covers the cost of this department, which since its beginning has sold or distributed about 6,000 photographs.

The Photographic Department has prepared a series of lantern slides designed to illustrate lectures on the League of Nations. It has also prepared a model lecture, accompanied by 57 slides, which has been printed and is sent out on demand. The slides may be hired³.

The Photographic Department has issued several films; in particular, on the Assembly and the work of the League of Nations (film of the seventh session of the Assembly; film on Traffic in Women; Cinematographic Journal of the League of Nations). These films were shown during the seventh session of the Assembly to the delegates present at Geneva.

4. *Exhibit.* — The Photographic Department has also prepared, edited and placed on sale with considerable success — in particular, in the United States — 3,000 sets of illustrated posters, explaining by means of photographs, graphs and tables the work of the League of Nations.

A French edition of these exhibits is being prepared.

2. *Liaison Service.*

The various types of information given by the Précis-writing Service — *communiqués*, articles, *Monthly Summary*, pamphlets, etc. — may to some extent be compared to commercial products which have to find a market. All this work can only attain its full effect if correspondents in the various countries undertake to bring it to fruition. This entails for the Information Section the necessity of organising a vast system of liaison. To reach the Press and public opinion of the various countries, the Section has at its disposal a certain number of intermediaries.

There are, in the first place, the various liaison officers. The Secretariat of the League of Nations has been authorised to establish offices in Paris, London, Rome and Tokio⁴. In each of

¹ One of the pamphlets, which is a summary of all the others and is entitled *The League of Nations: a Survey*, 1920-1926, was quoted by Sir Austen Chamberlain in a lecture on the League of Nations.

² *The League of Nations: a Survey* (second edition: German, English, French, Spanish, Italian, Serbian); *Constitution and Organisation* (second edition: English, French, German, Finnish, Czech, Polish, Danish, Swedish, Dutch, Greek, Hungarian, Russian, Bulgarian);

The Covenant (English, French, German, Italian, Serbian, Finnish, Danish, Swedish, Dutch); *The Permanent Court of International Justice* (second edition: English, French, German, Spanish, Serbian, Finnish, Czech, Danish, Swedish, Dutch);

Financial Reconstruction of Austria (French, English, Spanish);

Intellectual Co-operation (second edition: French, English, German, Spanish).

Political Activities (English, French, German);

Minorities (second edition: English, French, German, Italian, Serbian, Finnish, Czech, Greek and Hungarian);

Financial Administration of the League of Nations (French, English, German);

Social and Humanitarian Work of the League of Nations (second edition: French, English, Spanish, German);

Communications and Transit (second edition: French and English);

Economic and Financial Organisation (second edition: French, German, English, Spanish, Italian);

The Health Organisation (French, English, German, Spanish);

Mandates (second edition: French, English, German, Spanish);

The Saar and the Free City of Danzig (second edition: French, English, German, Spanish);

The Reduction of Armaments (second edition: French and English);

Protocol for the Pacific Settlement of International Disputes (two volumes: French and English).

³ There have already been sold or distributed 800 slides and 14,000 films.

⁴ A similar office will be opened in Berlin.

these towns, the Information Section has at its disposal a person in special charge of relations with the Press. In some countries — in particular, in Latin America — the Section has appointed correspondents whose duty it is to facilitate relations with newspapers and with public opinion.

The Information Section has established direct relations with the Press bureaux of a certain number of Foreign Offices.

The voluntary associations founded in certain countries to promote the work of the League of Nations have also greatly contributed to this work of informing the public.

To strengthen the co-operation between public opinion and the League of Nations, it appeared that the best system was to establish relations in each country between the Geneva Secretariat and a certain number of persons such as Members of Parliament, prominent journalists, politicians, officials, financiers, professors, technicians and experts on the various subjects dealt with by the League.

To this end, each member of the Section is in charge of the relations with his own country and with a certain number of countries which are not represented in the Section.

There are various methods of ensuring this liaison, such as:

(a) *Correspondence.*

The Information Section maintains constant correspondence with the various associations for the League of Nations and with persons interested in the work of the League. Every day, requests for information and documents arrive from almost all over the world and must be answered. Further, all requests for information and documents addressed to the Secretariat which are not of a strictly technical character are referred to the Information Section.

(b) *Congresses and Missions.*

The Information Section frequently delegates its members to Congresses held in Europe, or even in other continents, in order to establish relations with the circles issuing the invitation because they are interested in the League, and in order to make them better acquainted with its work and to enable them better to appreciate it.

The members of the Section are also called upon to undertake regular journeys to their respective countries in order to maintain contact with the interested circles, establish new relations, and sound public opinion.

(c) *Lectures and Visits to the Secretariat.*

The Information Section is frequently called upon to organise visits to the Secretariat. These visits include groups of professors, students, engineers, clergymen, doctors, etc., who wish to attend League meetings and to enter into contact with the officials. They are generally accompanied by lectures, given in most cases by members of the Information Section, who explain to the visitors the objects of the League of Nations and its organisation, and who subsequently endeavour to maintain relations with the various groups.

(d) *Temporary Collaborators.*

In order to enable journalists, pressmen, young professors, etc., drawn from countries which are very distant from Geneva, or which are not represented in the Information Section, to follow the work of the League, the Information Section has obtained the authorisation of the Assembly to organise a system of temporary collaborators.

For this purpose, a certain number of journalists, pressmen, university professors, etc., are invited each year, according to the funds at the disposal of the Section, to come and stay six weeks or two months at Geneva. In the Information Section they work with the members of the Section, who explain to them the working of the Section and, more generally, the main outlines of the constitution, organisation and work of the League of Nations. The Directors of the various Sections, or their colleagues, receive them and explain to them the special subjects with which they deal. In general, the time chosen for their stay in Geneva is a period of not too intense activity, so that they may be able to become acquainted with the regular work of the Secretariat and have useful interviews with officials, as well as attend a meeting of the Council or of the more important Committees.

This system was inaugurated two years ago, and the results have already been satisfactory. The temporary collaborators drawn from various countries (different each year) return home with a full knowledge of the League of Nations, its methods and work, its atmosphere and activity, which enables them to dispel certain prejudices or correct errors frequently due to ignorance.

3. *Press Service.*

In addition to these relations with the Press and public opinion of distant countries, which are maintained by the *Precis-writing Service* and *Liaison Service*, there are the daily relations with journalists which come in the wake of the various League meetings, the Assembly, the Council and Committees.

The number of journalists residing permanently at Geneva — which was about 10 when the Secretariat was first established — has increased considerably. At the present date, 78 journalists

reside constantly at Geneva. They represent 73 of the more important newspapers and 13 of the principal news-agencies ¹.

Many of these journalists pay a daily visit to the members of the Information Section. These visits, the number of which may be estimated at thirty to fifty daily, take up several hours of the time of the members of the Section, who have to give verbal explanations on questions being, or about to be, dealt with, and information on any particular point, and frequently to furnish written statements and to read articles which are submitted to them.

In addition, during sessions of the Council, the Assembly, and the various Conferences, numerous journalists come to Geneva from London, Paris, Berlin and other capitals. For many of these it is their first visit to Geneva, and it is consequently necessary to explain to them the work of the League of Nations since its inception. Since 1921, 1,225 non-resident journalists, representing 895 newspapers of 49 countries, have been received by the Section.

4. Press Review.

This work of information and liaison has to be constantly checked by a careful reading of the daily Press of each country. It is not sufficient to send *communiqués* by telegram or articles by post to maintain relations with carefully chosen correspondents; it is necessary constantly to take account of the way in which Press and public opinion of all countries welcome the various manifestations of the League's activity.

To this end, the Information Section issues a daily Press review, which is intended for the Secretariat only. This Review is based on 200 papers from about 30 countries. It contains about 30 pages, and is prepared by the various members of the Section, among whom the papers are divided according to their linguistic knowledge.

Finally, in order to facilitate the documentation of the Secretariat, the Information Section has organised a Service of Newspaper Cuttings, which receives and files more than 1,000 cuttings daily. One-third of this number is registered and more than one-third is distributed daily to the members of the Secretariat.

1

AGENCIES.

Anatolie
Associated Press
Belga
Central News
Exchange Telegraph

Havas
Polonaise
Rador
Reuter
Stefani

Agence Télégraphique Suisse
Telegraphen-Union
United Press

NEWSPAPERS.

Berliner Tageblatt
Cuadintul
Christian Science Monitor
Daily Express
Daily Herald
Daily News
Daily Telegraph
Deutsche Allgemeine Zeitung
Deutsche Tageszeitung
Dresdner Anzeiger
Echo de Paris
Etoile Belge
Feuille d'Avis officielle (Geneva)
Forum
Genevois
Hajnt
Impartial français
Indépendance belge
Indépendance roumaine
Journal
Journal des Débats
Journal de Genève
Kölnische Zeitung
Kölnischer Zeitung
Libera Stampa de Lugano

Lyon Républicain
Liberal, El (Madrid)
Manchester Guardian
Morning Post
Münchener Anzeiger
Macédoine
Matin
Nación (Buenos Aires)
Nación (Madrid)
Neue Freie Presse
New York Times
New York World
Nieuwe Rotterdamsche Courant
Nouvelle Gazette de Zurich
Novi Vek
Novi Dzienish
Owre
Petit Parisien
Politika
Popolo d'Italia
Prensa
Presse (Montreal)
Reichspost
Rheinische-Westfälische Zeitung
Rui

Saarbrücker Zeitung
Saarbrücker Landeszeitung
St.-Galler Tageblatt
Sava
Secolo Sera
Soir (Bruxelles)
Sol (El)
Suisse
Tägliche Rundschau
Telegraaf
Temps
Times
Tribune de Genève
Tribuna de Prague
Tribuna (Rome)
Tribuna d'Orient
Ujsag (Budapest)
Vaterland (Lucerne)
Venhov
Volk (Hof)
Vossische Zeitung
Westdeutsche Volksblatt
Zastava

ANNEX 11.

A.4(a).(1).1927.X.

BUDGET FOR THE TENTH FINANCIAL PERIOD (1928).

PART II.

INTERNATIONAL LABOUR ORGANISATION.

INTRODUCTORY NOTE.

The Budget Estimates for 1928 presented to the Governing Body amounted to 8,154,185 francs, an increase of 341,695 francs on the budget voted for 1927. More than a third of this increase (146,000 francs) was due to the statutory annual salary increments and cognate expenses such as the Provident Fund; the rest related to essential forms of activity, namely: missions, commissions, researches and enquiries, Correspondent's Office for India (the establishment of which had been previously decided), temporary staff and unforeseen expenses.

With regard to the permanent staff, no proposals for the creation of new posts for members of section were submitted to the Governing Body in spite of justifiable requests received by the Director from certain of the services of the Office. Requests to the Governing Body were limited to new posts for subordinate staff, clerks and stenographers, in order, on the one hand, to enable the central shorthand-typing pool and the proof-reading service to cope with the output of the services responsible for the production of matter for publication and other purposes; and, on the other, to provide various research services with clerical staff in order to increase their efficiency.

Against these proposed increases, it had been possible to make important reductions, notably in connection with items relating to the Conference, printing and capital account.

The Governing Body, as usual, examined with great care and attention all the requests put forward and the grounds on which they were submitted. In carrying out their task, they decided to adopt the following principle, which has also always guided the Office:

"To give to the Office, which is a living organism, the means necessary for its normal development, without placing upon the States Members burdens incompatible with the need for economy which is imposed on them. To this end it is necessary to take into account as closely as possible not only the amounts accorded for 1927 but also the actual expenditure effected in 1926; to consider, in deciding upon the means, especially with regard to staff, that the present organisation of the Office is stable, and not to modify the existing *cadre* when indispensable personal promotions are made; to continue to centralise the work of the Office, having due regard to necessary specialisation; and, in connection with publications, to increase the efforts already made to reduce their length and the cost of production¹."

Acting on this principle, the Governing Body approved a certain number of the amounts requested and made reductions in others. The reasons for the decisions of the Governing Body will be found in the notes to the schedules relating to each item. As a result of these decisions, the Budget Estimates for 1928, which are now presented on behalf of the Governing Body to the States Members, amount to 7,880,685² francs, being, in comparison with the Budget of 1927, an increase of 183,195 francs, of which about 80 per cent represents obligatory expenditure³.

(Signed) Albert THOMAS,

Director of the International Labour Office.

¹ Extract of the report to the Finance Committee approved by the Governing Body.

² Including the provisional estimate of 325,325 francs for the Refugee Service.

³ Annual salary increments, Provident Fund, increase in the rate of exchange in connection with correspondents' offices, etc.

MODIFICATIONS IN THE BUDGET ESTIMATES MADE BY THE SUPERVISORY COMMISSION AT THE APRIL 1927 SESSION AND APPROVED BY THE GOVERNING BODY AT ITS THIRTY-SIXTH SESSION IN MAY 1927.

The Supervisory Commission approved as a whole the Budget Estimates presented to them by the Director on behalf of the Governing Body with the following modifications in detail:

- (1) The estimated receipts from the sale of publications was increased from 115,000 to 130,000 francs.
- (2) Item 11 (b) — "Expenses of Financial Supervisory Commission"—was reduced by 2,500 francs.
- (3) The amount of 1,000 francs included in Item 21— "Unforeseen expenses, Chapter IV"—was suppressed.
- (4) Item 7 (b) — "Travelling, advertising for Sales Branch"—was increased by 15,000 francs.
- (5) A sum of 7,000 francs was included in Item 9 (a) for the expenses of the Administrative Tribunal and possible indemnities.
- (6) The estimates of the Rome Office, Item 14 (a), were increased by 11,000 lire and the equivalent in Swiss francs of the total of the Rome Office estimates was increased by 13,740 francs.

MODIFICATION IN THE BUDGET ESTIMATES MADE BY THE SUPERVISORY COMMISSION AT THE JULY 1927 SESSION.

The Supervisory Commission approved the estimates for the work on behalf of refugees (Chapter II a) voted by the Governing Body in June 1927 and amounting to 331,675 francs. They show an increase of 6,350 francs over the provisional estimates of 325,325 francs submitted to the Supervisory Commission in April 1927.

INTERNATIONAL LABOUR ORGANISATION :
BUDGET ESTIMATES FOR 1928.

SUMMARY OF CHAPTERS

	Estimates for 1928	Budget for 1927	Budget for 1926 ¹ Swiss Francs	Expenditure for 1926
<i>Section I (Ordinary Expenditure):</i>				
Chapter I. — Sessions of the Conference and of the Governing Body	347,000	396,500	365,460	362,705
Chapter II. — General Services of the International Labour Office	7,285,600	6,999,665	6,723,260	6,651,996
Chapter IIa. — (Extraordinary and Temporary Expenditure) — Work on behalf of Refugees	331,675 ²	325,325	303,000	303,000
Chapter III. — Profit and Loss on Exchange	—	—	—	profit + 277
<i>Section II (Capital Expenditure):</i>				
Chapter IV. — (Buildings, Permanent Equipment, etc.)	70,000	91,000	78,000	77,919
Total	8,034,275	7,812,490	7,469,720	7,395,343
<i>Deduct:</i> Estimated receipts from sale of publications	130,000 ³	115,000	80,000	95,331
Net Total	7,904,275	7,697,490	7,389,720	7,300,012

SECTION I (ORDINARY EXPENDITURE).

<i>Chapter I (Sessions of the Conference and of the Governing Body):</i>				
1. Sessions of the Conference (see Schedule A, page 226)	254,000	303,500	278,560	278,505
2. Sessions of the Governing Body (see Schedule B, page 226)	85,000	85,000	86,900	84,200
2a. Unforeseen Expenses relating to the Governing Body and the Conference	8,000	8,000	—	—
Total of Chapter I.	347,000	396,500	365,460	362,705
<i>Chapter II (General Services of the International Labour Office):</i>				
3. Salaries, wages and allowances:				
(a) Salaries diminished by reductions due to fall in cost of living (see Schedule C, page 228)	5,029,500	4,896,365	4,678,620	4,678,471
(b) Contribution towards Provident Fund	239,000	214,500	218,000	207,773
4. Travelling expenses of officials:				
(a) Removal expenses to and from Geneva	22,000	22,000	25,850	25,850
(b) Travelling expenses and allowances of officials (and their families) proceeding to Geneva to take up their posts	7,000	10,000	11,950	11,933
(c) Travelling expenses and subsistence allowance occasioned in connection with General Services (see Note, page 236)	120,000	120,000	115,000	114,997
(d) Travelling expenses of officials on leave	35,000	35,000	32,200	25,739

¹ Taking transfers into account.

² Approved by the Supervisory Commission at the 24th Session in July 1927.

³ Increased from 115,000 francs to 130,000 francs by the Supervisory Commission.

	Estimates for 1928	Budget for 1927	Budget for 1926 ¹ Swiss Francs	Expenditure for 1926
5. Entertainment allowances (see Schedule D, page 237)	85,000	85,000	85,000	84,993
6. Property Account, maintenance of Geneva Office (see Schedule E, page 237)	137,100	129,000	113,300	113,259
7. Printing (see Schedule F, page 237)	460,000	454,000	438,300	437,431
8. General office expenses (see Schedule G, page 238)	230,000	225,000	233,000	232,781
9. Special staff charges (see Schedule H, page 238)	69,000	61,700	91,033	73,104
10. Unpaid Liabilities Fund	—	—	—	—
11. Supervision of revenue and expenditure:				
(a) Auditors' travelling and subsistence allowance	5,000	5,000	5,000	4,471
(b) Expenses of Financial Supervisory Commission	7,500 ²	10,000	10,000	5,524
(c) Expenses of Salaries Adjustment Committee	100	100	100	
12. Enquiries and investigations (see Note, page 239)	125,000	120,000	185,100	184,380
13. Commissions (see Schedule I, page 239)	85,000	69,000	66,800	45,162
14. Correspondents and collection of information (see Schedule J, page 239)	538,400	450,000	414,000	406,123
15. Unforeseen expenditure (Chapter II) (see Note, page 244)	91,000	93,000	7 ¹	
Total of Chapter II	7,285,600	6,999,665	6,723,260	6,651,996
Chapter IIa (Extraordinary and Temporary Expenditure):				
Work on behalf of refugees (see Note, page 244)	331,675 ³	325,325	303,000	303,000
Chapter III.				
16. Profit on exchange	10,000	10,000	10,000	+ 900
Deduct: loss on exchange	10,000	10,000	10,000	— 623
Total of Chapter III	—	—	—	+ 277

SECTION II (CAPITAL EXPENDITURE)².

Chapter IV (Ordinary Expenditure: Buildings, Permanent Equipment, etc.):

17. Furniture, fittings and additional equipment (see Note, page 244)	15,000	30,000	20,000	19,983
18. Typewriters, calculating machines, duplicators and dictaphones	10,000	18,000	20,000	19,980
19. Library: books, cards, periodicals, etc.	45,000	39,000	35,000	34,956
20. Premises for Rome Office	—	3,000	3,000	3,000
21. Unforeseen expenses (Chapter IV)	.4	1,000	—	—
Total of Chapter IV	70,000	91,000	78,000	77,919

¹ Taking into account the transfers effected during the year.
² Reduced from 10,000 to 7,500 by the Supervisory Commission.
³ In addition to the capital expenditure shown in Chapter IV (70,000 francs), the estimates for 1928 include capital expenditure shown in Item 14 (Correspondents' Offices) as follows:

Paris	French francs	5,600
London	£	60
Washington	Dollars	200
Rome	Lire	2,200
Berlin	R.M.	1,000
Tokyo	Yen	1,000
Delhi	Swiss francs	4,000

⁴ Original amount of 1,000 francs suppressed by Supervisory Commission.

⁵ See footnote 2, page 224.

SCHEDULE A

TO CHAPTER I, ITEM 1.

SESSIONS OF THE CONFERENCE.

	Estimates for 1928	Budget for 1927	Budget for 1926 ¹	Expenditure for 1926
		Swiss Francs		
(a) Salaries of additional temporary staff, etc.	52,000	52,000	64,008	64,008
Overtime.	—	1,000	—	—
(b) Travelling expenses and subsistence allowances of temporary staff brought to Geneva	8,000	10,000	3,868	3,868
(c) Conference hall, rent, heat, light, equipment, etc.	32,000	36,500	36,276	36,276
(d) Special printing (reports for the Conference, Director's Report, final and provisional records and miscellaneous)	153,000	195,000	163,867	163,812
(e) Hire of office equipment and furniture	2,000	2,000	3,821	3,821
(f) Automobile and cyclist services	6,000	6,000	6,720	6,720
(g) Cables, telegrams, telephonic communications.	1,000	1,000	—	—
Total	254,000	303,500	278,560	278,505

NOTE ON SCHEDULE A (ITEM 1).

On the assumption that the duration of the 1928 Conference would be three and a-half weeks, a request was made for 261,000 francs. The Governing Body considered that it was not necessary to provide for a session longer than three weeks and decided to reduce the amount by 7,000 francs.

SCHEDULE B

TO CHAPTER I, ITEM 2.

SESSIONS OF THE GOVERNING BODY.

	Estimates for 1928	Budget for 1927	Budget for 1926 ¹	Expenditure for 1926
		Swiss Francs		
(a) Travelling expenses and allowances of members of the Governing Body.	69,000	65,000	68,900	68,730
(b) Printing of documents for the Governing Body	16,000	20,000	18,000	15,470
Total	85,000	85,000	86,900	84,200

NOTE ON SCHEDULE B (ITEM 2).

The amount requested for this item is the same as that granted for 1927. The change in the allocation is based on the actual expenditure of 1926.

¹ Taking transfers into account.

NOTE ON CHAPTER II, ITEM 3 (SALARIES).

I. *Modification in the Organisation of the Office.*

The only modification in the organisation of the Office made since the last budget is in connection with the Diplomatic Division. A third section has been created in that Division which has naturally entailed a rearrangement of the staff and the functions of the two original sections. This rearrangement is indicated in the detailed schedule of the staff.

II. *Individual Transfers.*

As in previous years, a number of transfers have been made to services in which work has been increasing from services where the pressure has been less great. These transfers are shown in the schedule of the staff.

III. *Re-classification of the Category of Parliamentary Reporters.*

Parliamentary reporters receive at present a salary rising from 10,000 to 12,000 francs by annual increments of 300 francs. Last year the Assembly, at the request of the Secretariat, re-classified the Parliamentary stenographers of the League of Nations and raised their maximum salary to 14,400 francs. It was requested that the same step should be taken in connection with the Parliamentary reporters of the Office as their duties are exactly similar to those of their colleagues of the Secretariat. The Governing Body agreed to this proposal.

IV. *Exceptional Promotions.*

The Governing Body approved the following promotions:

- 2 Chiefs of Service to the rank of Chief of Section;
- 1 Member of Section B to the rank of Member of Section A;
- 1 Assistant Member of Section to the rank of Member of Section B.

V. *New Posts.*

The Governing Body was not asked this year to create any new posts for Members of Section, although it was felt that there was a need for them in certain services. Endeavours will be made as hitherto to carry out the tasks placed upon the Office with the existing staff, reinforcing certain services working under pressure by means of temporary or definite transfers of officials from other services. It appears, however, urgently necessary to remedy in 1928 the serious disproportion which exists between the efficiency of the technical and other services who produce copy for the publications, and that of the general services of the Administrative and Editorial Sections. The Pool and the Registry on the one hand, and the work of proof correction on the other, have not been increased in a proportion equal to that of the services for which they work. The production of the technical and other services grows more quickly than it is possible for the Pool and Registry to cope with.

With this object in view, the Governing Body was requested to approve the creation of ten posts costing 51,600 francs in all. The Governing Body decided to reduce the amount by 20,000 francs. This amount will be used to reinforce services at present understaffed by the creation of the following posts:

	Sw. Frs.
<i>Research Division.</i>	
Second Section	1 2nd-class clerk, international. 7,000
<i>Editorial Section.</i>	
	1 proof-reader 8,700
<i>Administrative Section:</i>	
Shorthand-typing Service.	1 shorthand typist A, international 7,000
Roneo Service.	1 Roneo operator 3,500
Registry	1 3rd-class clerk, local 4,000
	5
	30,200

VI. *Temporary Staff and Overtime.*

The amounts approved by the Governing Body for temporary staff and overtime are similar to those granted for 1926 and 1927: 25,000 francs and 15,000 francs respectively. A request was made for an additional 40,000 francs for temporary staff, but the Governing Body considered that a re-distribution of certain subaltern posts would meet the urgent needs and render further expenditure unnecessary.

SCHEDULE C

TO CHAPTER II, ITEM 3.

SALARIES, WAGES AND ALLOWANCES.

Posts			1927	1928
1928	1927		Swiss francs	
17	16	Directorate	366,540	380,375
132	130	Administrative Section	1,029,715	1,041,110
46	45	Editorial Section	605,590	627,465
50	47	Diplomatic Division	895,570	958,980
78	77	Research Division	1,243,900	1,299,220
56	60	Intelligence Division	832,420	793,215
<hr/>	<hr/>		<hr/>	<hr/>
379	375	Family allowances and exceptional increases at the end of the probationary period and re-grading of posts . .		5,400
		Overtime	15,000	15,000
		Temporary staff	25,000	25,000
		Special sum for the establishment of a catalogue of films on social subjects		3,000
		Total	5,013,735	5,148,765
		Less reduction due to fall in cost of living	117,370	119,265
		Net Total	4,896,365	5,029,500

SUB-SCHEDULE TO SCHEDULE C.

CHAPTER II. ITEM 3a.

I. DIRECTORATE.

A. Director.

Posts			1927	1928
1928	1927		Swiss francs	
1	1	Director	90,000	90,000

(1) Director's Cabinet.

Acts as the Cabinet in a French Ministry (English: private secretariat), prepares questions for submission to the Director, transmits the Director's decisions and controls their execution.

1	1	Principal private secretary (27,000-1,000-32,000)	29,000	30,000
1	1	Assistant private secretary (19,000-800-28,000)	20,600	21,400
1	1	Member of section, class B (13,700-800-19,000)	17,700	18,100
1	1	Assistant member of section (11,000-400-14,000)	14,000	14,000
1	1	1st-class clerk, international (8,700-250-11,250)	10,625	10,875

(2) Director's Private Secretariat.

1	1	Chief of Secretariat (12,000-500-15,000)	15,000	15,000
1	1	Personal secretary (11,000-400-14,000)	14,000	14,000
1	1	Typist verbatim reporter (10,000-300-14,400)	12,000	12,300

(3) Press Service.

1	1	Chief of Service (19,000-800-28,000)	21,265	19,800
2	2	Secretary-shorthand-typists, class B (5,400-175-8,000)	15,750	16,000

(4) Office-keeper.

1	1	Office-keeper	10,000	10,000
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B. Deputy-Director.

1	1	Deputy-Director	65,000	65,000
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Posts			1927	1928	
1928	1927		Swiss francs		
(I) <i>Deputy-Director's Secretariat.</i>					
Acts as a private secretariat and, in addition, assists in the general work of the Cabinet.					
I	I	Private secretary	(13,700-800-19,000)	18,600	19,000
I	I	Personal secretary	(11,000-400-14,000)	13,000	13,400
I	—	Typist verbatim reporter	(10,000-300-14,400)	—	¹ 11,500
—	—			366,540	380,375
17	16	Total			

II. ADMINISTRATIVE SECTION.

Deals with all administrative questions relating to finance, staff, supplies, internal services, and general office organisation; directs, co-ordinates and controls all Central Services.

A. *Secretariat.*

I	I	Chief of Section	(28,000-1,000-33,000)	33,000	33,000
I	I	Member of section, class A	(19,000-800-28,000)	28,000	28,000
I	I	Member of section, class B	(13,700-800-19,000)	17,170	17,970
I	I	Assistant member of section	(11,000-400-14,000)	14,000	14,000
—	I	Typist verbatim reporter	(10,000-300-14,400)	11,200	²
I	I	1st-class clerk, international	(8,070-250-11,250)	10,625	10,875
I	2	Typist clerks	(7,500-250-10,000)	18,460	³ 8,710
2	2	3rd-class clerks, international	(5,400-175-8,000)	12,950	13,300
I	—	Copying typist (old scale)	(4,200-125-6,000)	—	⁴ 4,920
—	I	Copying typist (new scale)	(3,500-125-5,000)	3,500	—

B. *Central Services.*

(1) *Registry and Despatch.*

Receives and distributes all correspondence, telegrams and parcels; records particulars of all communications on official matters; is responsible for the movement of all registered files; retains all files on which action is complete or suspended. Registration and despatch of letters, telegrams, printed documents and parcels.

I	I	Registrar	(19,000-800-25,000)	24,300	25,000
I	I	Assistant Registrar	(10,000-400-14,000)	13,600	14,000
—	I	1st-class clerk, international	(8,700-250-11,250)	8,950	⁵
2	I	2nd-class clerks, international	(7,000-200-9,500)	7,300	⁵ 14,800
2	3	3rd-class clerks, international	(5,400-175-8,000)	20,025	⁵ 13,500
2	I	1st-class clerks, local	(5,000-200-8,000)	5,300	⁵ 10,700
I	I	Shorthand-typist, class B (one language) (old scale)	(4,800-150-7,000)	6,300	6,450
I	I	Telegraphist	(4,500-175-7,000)	4,760	4,935
2	2	4th-class clerks (old scale)	(4,200-125-6,000)	10,105	10,355
3	2	3rd-class clerks (new scale)	(4,000-150-6,000)	8,425	⁶ 13,025
I	I	5th-class clerk (new scale)	(2,400-100-4,000)	2,500	3,400

(2) *Typing, Multigraph and Ronéo Branch.*

Central shorthand and typing pool drawn upon by all sections of the Office not provided with special assistance. Reporting of Conference, Commissions, Governing Body meetings, etc. Reproduction of documents for Governing Body and Commissions, Press *communiqués*, circulars, etc.

I	I	Head of Branch	(12,000-500-16,250)	15,900	16,250
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¹ Post transferred from Administrative Section.
² Post transferred to Directorate.
³ Post transferred to Material Branch.
⁴ Re-grading of Typing Branch.
⁵ Transformation of posts.
⁶ New post.

(a) Typists.

Posts			1927	1928	
1928	1927		Swiss francs		
2	2	Supervisors	(8,700-250-11,250)	20,575	21,075
7	7	Typist verbatim reporters	(10,000-300-14,400)	78,075	79,875
29	28	Shorthand-typists, class A	(7,000-200-9,500)	222,700	¹ 230,250
6	6	Shorthand-typists, class B (one language) (old scale)	(4,800-150-7,000)	47,615	35,225
2	2	Shorthand-typists, bilingual (new scale)	(4,500-175-7,000)	9,375	9,525
2	4	Copying typists (old scale)	(4,200-125-6,000)	18,835	² 9,365
3	3	Shorthand-typists, class B (one language) (new scale)	(4,000-150-6,000)	—	13,660
6	4	Copying typists (new scale)	(3,500-125-5,000)	14,740	² 22,125

(b) Multigraph and Roneo Operators.

1	1	Supervisor	(5,400-175-8,000)	7,050	7,225
2	2	Multigraph operators	(4,800-150-7,000)	10,855	11,155
5	5	Roneo operators (old scale)	(4,200-125-6,000)	23,975	24,600
1	1	4th-class clerk	(4,200-125-6,000)	4,575	4,700
2	1	Roneo operators (new scale)	(3,500-125-5,000)	3,625	7,250
1	1	Multigraph operator (new scale)	(3,500-125-5,000)	3,500	3,625

(3) Financial Control Branch.

Is responsible to the Director, through the Chief of the Administrative Section, for the proper expenditure of the Budget credits; the authorisation and registration of all proposed expenditure; the verification and allocation to the corresponding headings of all items of expenditure and receipts.

1	1	Head of Branch	(19,000-800-25,000)	23,000	23,800
1	1	2nd-class clerk, international	(7,000-200-9,500)	7,500	7,700

(4) Accounts Branch.

Keeps the accounts; makes all payments; prepares necessary statements and balance sheet for submission to the Governing Body, Director and Auditor in accordance with the Financial Regulations.

1	1	Chief Accountant	(19,000-800-25,000)	23,500	24,300
1	1	Accountant	(13,700-800-19,000)	19,000	19,000
1	1	Assistant member of section	(11,000-400-14,000)	13,000	13,400
1	1	3rd-class clerk, international	(5,400-175-8,000)	7,475	7,650
1	1	3rd-class clerk (new scale)	(4,000-150-6,000)	4,000	4,150

(5) Staff Branch.

Deals with all matters relating to the engagement and transfers of staff by competitive or qualifying examinations; interchange of staff; in charge of staff files; acts as secretariat of administrative and joint committees; is responsible for the application of the Staff Regulations; controls attendances and sick and annual leave of staff.

1	1	1st-class clerk, international	(8,700-250-11,250)	10,625	10,875
1	1	Typist clerk	(7,500-250-10,000)	8,250	8,500

(6) Material Branch and Household Services.

Purchase of stationery and all office furniture; upkeep of buildings; controls the Messenger Service; is responsible for the household services (cleaning, heating, lighting, laundry, upkeep of garden, motor-car, etc.).

1	1	Head of Branch	(19,000-800-25,000)	25,000	25,000
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(a) Office Supplies.

1	1	2nd-class clerk, international	(7,000-200-9,500)	7,770	7,790
1	1	3rd-class clerk, international	(5,400-175-8,000)	6,875	7,050
1	—	1st-class clerk, local	(5,000-200-8,000)	—	² 5,200
1	1	4th-class clerk (old scale)	(4,200-125-6,000)	5,395	5,520

¹ New post.

² Transformation of posts.

³ Post of typist clerk transferred from the Secretariat of the Section and transformed to local post.

(b) Household.

Posts			1927	1928
1928	1927		Swiss Francs	
1	1	Superintendent	13,000	13,000
1	1	Carpenter (4,800-150-6,000)	6,000	6,000
1	1	Chauffeur (4,800-150-6,000)	6,000	6,000
1	1	Electrician (4,800-150-6,000)	4,950	5,700
2	2	Gardeners	9,700	8,640

(c) Telephonists.

2	2	Telephonists (4,800-150-6,000)	11,165	11,465
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(d) Messengers.

1	1	Head messenger	8,700	8,700
9	9	Messengers (4,800-150-6,000)	50,850	52,050
3	3	Junior messengers (2,400-100-4,800)	11,295	11,595
2	2	Junior messengers (new scale) (2,400-100-4,000)	4,800	5,000
<u>132</u>	<u>130</u>	Total	<u>1,029,715</u>	<u>1,041,110</u>

III. PUBLICATIONS AND TRANSLATION SECTION.

Responsible for the examination, translation, publication, and preparation for printing and for the sale and the distribution of all Office publications.

1	1	Chief of Section (28,000-1,000-33,000)	30,000	31,000
1	1	Assistant Chief of Section (19,000-800-28,000)	28,000	28,000

A. Editorial Service.

1	1	Chief of Service (19,000-800-28,000)	23,000	23,800
6	6	Members of section, class B (13,700-800-19,000)	111,765	113,645
5	5	Assistant members of section (11,000-400-14,000)	62,435	63,635
4	3	Proof-readers (international) (8,700-250-11,250)	27,665	¹ 37,115
1	1	Draughtsman (8,700-250-12,250)	9,700	9,950
2	2	Secretary-shorthand-typists, class A (8,700-250-11,250)	20,575	21,075
1	1	Typist clerk (7,500-250-10,000)	9,065	9,100
2	2	Secretary-shorthand-typists, class B (5,400-175-8,000)	14,950	15,300
1	1	Proof-reader (local) (5,000-200-8,000)	6,335	6,535

B. Translation Service.

1	1	Chief of Service (19,000-800-28,000)	23,000	23,800
7	7	Members of section, class B (13,700-800-19,000)	118,225	122,930
3	3	Assistant members of section (11,000-400-14,000)	35,800	34,335

C. Printing and Distribution Branch.

1	1	Head of Branch (19,000-800-25,000)	25,000	25,000
1	1	Assistant member of section (11,000-400-14,000)	12,600	13,000
1	1	1st-class clerk, international (8,700-250-11,250)	9,660	9,910
1	1	Typist clerk (7,500-250-10,000)	8,100	8,350
1	1	3rd-class clerk, international (5,400-175-8,000)	5,925	6,100
1	—	1st-class clerk, local (5,000-200-8,000)	—	² 5,400
1	1	Copying typist (old scale) (4,200-125-6,000)	5,550	5,675
2	3	4th-class clerks (old scale) (4,200-125-6,000)	14,040	² 9,610
1	1	5th-class clerk (old scale) (2,400-100-4,200)	4,200	4,200
<u>46</u>	<u>45</u>		<u>605,590</u>	<u>627,465</u>

IV. DIPLOMATIC DIVISION.

1	1	Chief of Division (38,500-2,000-47,000)	47,000	47,000
1	1	Secretary-shorthand-typist, class A (8,700-250-11,250)	9,820	10,070

A. First Section.

1	1	Chief of Section (28,000-1,000-33,000)	33,000	33,000
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¹ New post.

² Transformation of posts.

Posts				1927	1928
1928	1927			Swiss francs	
(a) Group I.					
<i>Secretariat of the Governing Body and its Committees.</i>					
I	I	Assistant Chief of Section	(19,000-800-28,000)	25,800	26,600
6	6	Members of section, class B	(13,700-800-19,000)	109,350	113,050
I	I	Assistant member of section	(11,000-400-14,000)	14,000	14,000
(b) Group II.					
<i>Reports on the Application of Conventions (Art. 408), Record of the Conference, and preparation of Official Bulletin.</i>					
I	I	Assistant Chief of Section	(19,000-800-28,000)	25,400	26,200
3	3	Members of section, class B	(13,700-800-19,000)	52,270	54,435
I	I	Assistant member of section	(11,000-400-14,000)	11,800	12,200
I	I	1st-class clerk (international)	(8,700-250-11,250)	11,250	11,250
(c) Group III.					
<i>General Questions relating to Ratification of Conventions.</i>					
I	I	Member of section, class A	(19,000-800-28,000)	23,000	23,800
B. Second Section.					
I	I	Chief of Section	(28,000-1,000-33,000)	28,000	29,000
(a) Group I.					
<i>Preparation of Conference.</i>					
I	—	Member of section, class A	(19,000-800-28,000)	—	¹ 20,500
I	2	Members of section, class B	(13,700-800-19,000)	38,355	19,000
I	I	Assistant member of section	(11,000-400-14,000)	11,800	12,200
(b) Group II.					
<i>Official Correspondence with Governments.</i>					
I	I	Member of section, class A	(19,000-800-28,000)	22,070	22,870
2	2	Members of section, class B	(13,700-800-19,000)	36,585	37,385
(c) Group III.					
<i>Maritime Questions.</i>					
I	I	Member of section, class A	(19,000-800-28,000)	19,000	19,800
I	I	Member of section, class B	(13,700-800-19,000)	18,370	14,500
I	—	Assistant member of section	(11,000-400-14,000)	—	² 11,400
C. Third Section.					
I	I	Chief of section	(28,000-1,000-33,000)	33,000	33,000
(a) Group I.					
<i>Conditions of Labour in Colonies, Protectorates, Possessions and Territories under Mandates; Native Labour; Forced Labour and Slavery.</i>					
I	—	Member of section, class A	(19,000-800-28,000)	—	² 21,400
3	3	Members of section, class B	(13,700-800-19,000)	54,560	56,160
(b) Group II.					
<i>Application to the Colonies, etc., of Ratified Conventions (Article 421); Labour Conditions in the Far East.</i>					
I	I	Member of section, class A	(19,000-800-28,000)	19,000	19,800
3	2	Members of section, class B	(13,700-800-19,000)	33,500	48,135
D. Legal Service.					
Gives legal advice on such questions as are referred to it; assist as regards the legal aspect of questions which may be the subject of studies or research.					
I	I	Chief of Service	(19,000-800-28,000)	20,500	22,400
I	I	Member of section, class A	(19,000-800-28,000)	20,295	19,800
I	I	Member of section, class B	(13,700-800-19,000)	18,370	19,000

¹ Promotion.

² Post transferred from the Relations Division.

E. Migration Service.

Matters concerning emigration, immigration and the protection of foreign workers; collection of information (legislation, etc.) affecting emigrants and immigrants; preparation of material for publication.

Posts			1927	1928
1928	1927		Swiss francs	
I	I	Technical adviser	37,500	37,500
I	I	Member of section, class A (19,000-800-28,000)	23,000	23,800
2	2	Members of section, class B (13,700-800-19,000)	38,000	38,000
I	I	Assistant member of section (11,000-400-14,000)	11,400	11,400
I	I	Secretary-shorthand-typist, class A (8,700-250-11,250)	11,250	11,250

Typing and Clerical Staff of the Division.

2	2	Secretary-shorthand-typists, class A (8,700-250-11,250)	20,575	21,075
2	2	Typist clerks (7,500-250-10,000)	17,750	18,000
50	47	Total	895,570	958,980

V. RESEARCH DIVISION.

I	I	Chief of Division (38,500-2,000-47,000)	44,460	46,460
I	I	Secretary-shorthand-typist, class A (8,700-250-11,250)	11,250	11,250

A. First Section.

Preparation of statistical studies relating to labour: collects and compiles statistics of prices, cost of living, wages and of all subjects relating to labour; works out statistical methods and tabulations with the view to ensure co-ordination and uniformity of statistics relating to labour; also other studies, having for basis principally statistics concerning labour (housing, etc.); collaboration with the Statistical Services of the League of Nations.

I	I	Chief of Section (28,000-1,000-33,000)	33,000	33,000
I	I	Assistant Chief of Section (19,000-800-28,000)	26,500	27,300
2	I	Members of section, class A (19,000-800-28,000)	21,065	¹ 42,330
I	2	Members of section, class B (13,700-800-19,000)	29,600	² 15,900
I	I	Assistant member of section (11,000-400-14,000)	11,465	11,865
3	3	1st-class clerks (international) (8,700-250-11,250)	28,305	29,055
I	I	Typist clerk (7,500-250-10,000)	9,300	9,315
I	I	Copying typist (old scale) (4,200-125-6,000)	4,950	5,075

B. Second Section.

Preparation of studies relating to legislation and the legal regulation of labour. Preparation of comparative studies of legislation, administration and legal procedure in connection with questions of labour. Translation and publication in French, English and German of the more important laws and administrative orders in all countries of the world; maintains the register of social legislation. Comparative study of judicial decisions and jurisprudence concerning labour which may be important from an international standpoint. Preparation of studies of collective agreements (hours of labour, wages, methods) and of conciliation and arbitration.

I	I	Chief of Section (28,000-1,000-33,000)	30,165	31,165
I	I	Assistant Chief of Section (19,000-800-28,000)	25,000	25,800
I	I	Member of section, class A (19,000-800-28,000)	20,600	21,400
II	II	Members of section, class B (13,700-800-19,000)	188,155	193,655
2	2	Assistant members of section (11,000-400-14,000)	26,185	26,935
I	I	1st-class clerk (international) (8,700-250-11,250)	7,450	³ 9,200
I	—	Typist clerk (7,500-250-10,000)	—	⁴ 8,710
I	—	2nd-class clerk (international) (7,000-200-9,500)	—	⁵ 7,000
I	—	3rd-class clerk (international) (5,400-175-8,000)	—	³ 7,050
—	I	1st-class clerk, local (new scale) (5,000-200-8,000)	6,065	⁴
I	I	Copying typist (old scale) (4,200-125-6,000)	4,625	4,750
—	2	4th-class clerks (new scale) (3,500-125-5,000)	7,000	⁴

¹ Post transferred from the Third to the First Section.
² Post transferred from the First to the Third Section.
³ Transformation of posts as a result of exchange with the Registry.
⁴ Transformation of two posts of local clerk to one post of typist clerk.
⁵ New post.

C. *Third Section.*

Preparation of studies of labour conditions other than those having solely or essentially a statistical or juridical basis; intellectual workers (collaboration with the International Institute for Intellectual Co-operation); woman and child labour, night work; workers' leisure; technical training (pre-apprenticeship, vocational guidance, apprenticeship, technical education); scientific methods of work, etc.

Posts			1927	1928
1928	1927		Swiss francs	
1	1	Chief of Section (28,000-1,000-33,000)	29,420	30,420
—	1	Member of section, class A (19,000-800-28,000)	19,665	1—
4	2	Members of section, class B (13,700-800-19,000)	36,170	2 68,970
1	1	Assistant member of section (11,000-400-14,000)	12,200	12,600

D. *Fourth Section.*

Comprehensive study of economic factors in so far as they affect labour.

1	1	Chief of Section (28,000-1,000-33,000)	33,000	33,000
1	1	Member of section, class A (19,000-800-28,000)	19,000	19,800
2	2	Assistant members of section (11,000-400-14,000)	26,600	27,000
1	1	Typist clerk (7,500-250-10,000)	9,805	10,055
1	1	3rd-class clerk (international) (5,400-175-8,000)	7,475	7,650

E. *Social Insurance and Disablement Service.*

Preparation of studies on all questions relating to social insurance and men disabled on account of war or industry (calculation and payment of allowances, vocational training, means of finding employment, wages, etc).

1	—	Chief of Section (28,000-1,000-33,000)	—	2 28,000
—	1	Chief of Service (19,000-800-28,000)	25,000	—
2	2	Members of section, class A (19,000-800-28,000)	38,800	40,400
4	4	Members of section, class B (13,700-800-19,000)	69,505	72,165
1	1	1st-class clerk (international) (8,700-250-11,250)	9,065	9,315

F. *Unemployment Service.*

Prepares comparative studies of the various technical problems connected with unemployment: statistical methods, systems of unemployment relief and insurance, methods of finding employment, relief works, etc. Studies the facts and problems relating to employment in relation to economics (general theory, periodical crises, seasonal, accidental, etc.); collaboration with the Economic Section of the League of Nations.

1	—	Chief of Section (28,000-1,000-33,000)	—	2 28,000
—	1	Chief of Service (19,000-800-28,000)	28,000	—
2	2	Members of section, class B (13,700-800-19,000)	35,575	32,835
1	1	Assistant member of section (11,000-400-14,000)	12,165	11,400

G. *Agricultural Service.*

Studies relating to agricultural labour; conditions of labour (hours, wages, unemployment, contracts); repercussion on agricultural labour of economic conditions of agriculture. Agricultural technical education; agricultural co-operation. Collaboration with the International Institute of Agriculture, Rome, and with the important agricultural organisations.

1	1	Member of section, class A, Chief of Service (19,000-800-28,000)	19,000	19,800
2	2	Members of section, class B (13,700-800-19,000)	30,635	32,885

H. *Industrial Health Service.*

Deals with all questions connected with industrial hygiene, including comparison and co-ordination of the legislative provisions of different countries; prepares general or special enquiries on unhealthy occupations; collaboration with Health Organisation of the League of Nations.

1	1	Technical adviser	37,500	37,500
2	1	Member of section, class B (13,700-800-19,000)	19,000	2 32,700
—	1	Assistant member of section (11,000-400-14,000)	12,795	—
1	1	1st-class clerk (international) (8,700-250-11,250)	9,660	9,910

¹ Post transferred to First Section.

² One post transferred from the First Section; one post transferred from the Relations Division.

³ Promotion.

I. *Safety Service.*

Studies reports of factory inspectors in respect of accident prevention and of other organisations which enforce safety measures; prepares comparative studies of the organisation of factory inspection in industrial countries; reads periodical publications dealing with technical questions of industrial safety and prepares information on the more important events for the publications of the Office.

Posts			1927	1928	
1928	1927		Swiss francs		
I	I	Chief of Section	(28,000-1,000-33,000)	28,000	29,000
I	I	Member of section, class B	(13,700-800-19,000)	19,000	14,500
I	I	Assistant member of section	(11,000-400-14,000)	12,535	12,935

J. *Russian Service.*

Studies social and economic questions in Soviet Russia (labour conditions, vocational organisation, output, etc.).

I	I	Member of section, class A, Chief of service.	(19,000-800-28,000)	19,000	19,800
2	2	Members of section, class B	(13,700-800-19,000)	36,595	37,395
I	I	Secretary-shorthand-typist, class B	(5,400-175-8,000)	7,475	7,650

Typing and Clerical Staff of the Division.

2	2	Secretary-shorthand-typists, class A	(8,700-250-11,250)	20,285	20,785
2	2	Secretary-shorthand-typists, class B	(5,400-175-8,000)	14,950	14,250
2	2	1st-class clerks, local	(5,000-200-8,000)	10,885	11,285
78	77	Total		1,243,900	1,299,220

VI. INTELLIGENCE AND LIAISON DIVISION.

I	I	Chief of Division	(38,500-2,000-47,000)	47,000	47,000
I	I	1st-class typist clerk (international)	(8,700-250-11,250)	8,100	¹ 9,350.

A. *First Section.*

I	I	Chief of Section	(28,000-1,000-33,000)	33,000	33,000
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(1) *Employers' Organisations Service.*

Relations with international and national employers' organisations and preparation of information with regard to them.

I	I	Chief of Service	(19,000-800-28,000)	24,105	24,905
I	I	Member of section, class B	(13,700-800-19,000)	15,965	16,765

(2) *Workers' Organisations Service.*

Relations with international trade union associations and with national trade union movements; relations with women's organisations, and preparation of information with regard to such organisations.

I	I	Chief of Service	(19,000-800-28,000)	19,800	24,800
I	I	Member of section, class A	(19,000-800-28,000)	19,000	19,800
4	5	Members of section, class B	(13,700-800-19,000)	84,000	70,135

(3) *Co-operative Organisations Service.*

Relations with the co-operative movement and preparation of information with regard to them.

I	I	Chief of Section	(28,000-1,000-33,000)	28,000	29,000
I	I	Member of section, class A	(19,000-800-28,000)	23,000	23,800
I	—	Member of section, class B	(13,700-800-19,000)	—	14,500
I	2	Assistant members of section	(11,000-400-14,000)	23,700	² 12,600
I	I	Secretary-shorthand-typist, class B	(5,400-175-8,000)	7,875	8,000

¹ Re-grading.

² Post transferred to the Diplomatic Division.

(4) *Library.*

Procures, classifies, catalogues, lends and distributes books and pamphlets, periodicals and newspapers; is responsible for the loan and distribution of printed documents, etc.

Posts			1927	1928	
1928	1927		Swiss francs		
I	I	Librarian	(13,700-800-19,000)	19,000	19,000
I	I	Member of section, class B	(13,700-800-19,000)	17,500	18,300
I	—	1st-class clerk (international)	(8,700-250-11,250)	—	¹ 8,950
I	2	2nd-class clerks (international)	(7,000-200-9,500)	14,600	¹ 8,100
I	I	3rd-class clerk (local)	(4,000-150-6,000)	4,225	4,375
I	I	4th-class clerk (old scale)	(4,200-125-6,000)	4,950	5,075
I	I	4th-class clerk (new scale)	(3,500-125-5,000)	3,500	3,625
I	I	5th-class clerk (old scale)	(2,400-100-4,200)	4,200	4,200

B. *Second Section.*

Preparation of articles on important events in the labour world for the use of *Industrial and Labour Information* and other Office publications. Classification of information that may be required for the preparation of replies to requests or for articles for publication. Examination of books and periodicals published in different countries and their utilisation in Office publications. Replies to requests for information from Governments, employers, workers and other organisations. Correspondence as to the collection of information, and the supply and exchange of publications. General correspondence with the national correspondents. Preparation of leaflets and articles on the work of the Office.

I	I	Chief of Section	(28,000-1,000-33,000)	29,000	30,000
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I. *Information Service.*

2	3	Members of section, class A	(19,000-800-28,000)	63,575	² 44,575
I	I	Head of Branch	(19,000-800-25,000)	23,000	23,800
6	8	Members of section, class B	(13,700-800-19,000)	139,990	³ 113,135
2	2	Assistant member of section	(11,000-400-14,000)	25,535	25,200

2. *Documentation Service.*

Subscriptions to periodicals; examination and circulation of periodicals; distribution and circulation of Press cuttings; centralisation of all information obtained by the Office in reply to requests for information.

I	I	Member of section, class B, Chief of Service	(13,700-800-19,000)	18,235	19,000
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(a) *Reading of periodicals and preparation of résumés of articles.*

I	I	1st-class clerk (international)	(8,700-250-11,250)	8,950	8,950
4	3	Typist clerk	(7,500-250-10,000)	24,880	⁴ 34,000
I	I	1st-class clerk (local)	(5,000-200-8,000)	5,400	5,600

(b) *Parliamentary reports, reports of correspondents and Press cuttings.*

I	I	Classifier		12,500	12,500
I	I	4th-class clerk (old scale)	(4,200-120-6,000)	4,825	4,320
2	2	5th-class clerk (old scale)	(2,400-100-4,200)	6,470	6,670

(c) *Periodicals: subscription to and loan of.*

I	I	2nd-class clerk (international)	(7,000-200-9,500)	7,000	6,275
I	I	3rd-class clerk (international)	(5,400-175-8,000)	6,750	6,925
I	I	1st-class clerk (local)	(5,000-200-8,000)	5,300	5,200
2	2	5th-class clerk (old scale)	(2,400-100-4,200)	7,170	7,325

Clerical and Typing Staff of the Division.

I	I	Secretary-shorthand-typist, class A	(8,700-250-11,250)	11,250	11,250
I	2	Typist clerks	(7,500-250-10,000)	16,920	⁴ 8,710
2	2	Secretary-shorthand-typist, class B	(5,400-175-8,000)	14,150	14,500

56	60	Total		832,420	793,215
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NOTE ON ITEM 4.

(TRAVELLING EXPENSES OF OFFICIALS.)

(c) *Travelling Expenses and Subsistence Allowances in connection with General Services.*

A sum of 130,000 francs was requested, but the Governing Body considered that a reduction of 10,000 francs could be made in view of the actual expenditure of 1926.

¹ Transformation of post.

² Post transferred to the Diplomatic Division.

³ One post transferred to the Diplomatic Division; one post transferred to the Research Division.

⁴ Transfer of posts.

SCHEDULE D
TO CHAPTER II. — ITEM 5.
ENTERTAINMENT ALLOWANCES.

	Estimates for 1928	Budget for 1927	Budget for 1926 ¹ Swiss Francs	Expenditure for 1926
(a) Director	30,000	30,000	30,000	30,000
(b) Deputy-Director	12,500	12,500	12,500	12,500
(c) Chairman of the Governing Body	12,500	12,500	12,500	12,500
(d) Entertainment Fund	30,000	30,000	30,000	29,993
Total	85,000	85,000	85,000	84,993

SCHEDULE E
TO CHAPTER II. — ITEM 6.

PROPERTY ACCOUNT. — MAINTENANCE OF GENEVA OFFICE.

Rent of Annexes	—	—	850	850
(a) Water rate	1,500	1,300	2,173	2,172
(b) Heating	26,000	25,000	29,980	29,979
(c) Electricity:				
Lighting	9,000	7,500	8,040	8,019
Motors	4,700	4,700	4,374	4,373
(d) Repairs	7,000	1,000	706	705
(e) Insurance	3,000	5,000	1,624	1,622
(f) Insurance of domestic staff and chauffeurs	4,000	1,000	1,227	1,227
(g) Upkeep of office furniture and equipment (including motor-car).	12,000	13,500	11,629	11,619
(h) Permanent domestic staff employed in cleaning and laundry-work.	66,000	65,000	48,948	48,948
(i) Uniforms of messengers	2,000	2,000	1,927	1,925
(j) Sundry supplies	1,900	3,000	1,822	1,820
Total	137,100	129,000	113,300	113,259

NOTE ON SCHEDULE E.

A request was made for 33,000 francs for heating and 10,000 francs for repairs to Office Building. The Governing Body, however, considered that, as the price of fuel would probably decrease, a reduction of 7,000 francs for heating was possible, and that for the first year it would not be necessary to provide more than 7,000 francs for repairs to the Office Building.

SCHEDULE F
TO CHAPTER II. — ITEM 7.

PRINTING.

(a) <i>Industrial and Labour Information</i>	70,000	70,000	75,350	75,337
(a) (a) <i>Monthly Record of Migration</i>	15,000	15,000		
(b) <i>Official Bulletin</i>	12,000	10,000	14,475	14,469
(c) <i>International Labour Review</i> (French, English, German, Spanish and Italian Editions)	92,000	96,000	89,840	89,569
(c) (a) <i>Industrial Safety Survey</i>	14,000	18,000		
(c) (b) <i>Occupation and Health</i>	4,000	—	—	—
(d) <i>Legislative Series</i>	85,000	65,000	95,880	95,842
(e) <i>Studies and reports</i>	74,000	100,000	74,100	74,095
(f) <i>Special publications</i>	35,000	35,000	33,740	33,340
(g) <i>General printing: circulars, ques- tionnaires, reports, etc.</i>	15,000	15,000	30,850	30,811
(h) <i>Travelling and advertising for Sales Branch</i>	* 35,000	20,000	20,070	20,063
(i) <i>Printing for various commissions.</i>	9,000	10,000	3,995	3,905
Total	460,000	454,000	438,300	437,431

¹ Taking transfers into account.

* Increased from 20,000 francs to 35,000 francs by the Supervisory Commission.

SCHEDULE G

TO CHAPTER II. — ITEM 8.

GENERAL OFFICE EXPENSES.

	Estimates for 1928	Budget for 1927	Budget for 1926 ^a Swiss francs	Expenditure for 1926
(a) Stationery office supplies.	59,500	55,000	63,690	63,688
(b) i. Postage	111,000	110,000	110,000	109,985
ii. Courier Geneva-Paris				
(c) Cables and telegrams	11,000	14,000	9,130	9,117
(d) Telephones (subscriptions and sur- charges)	24,500	22,500	23,940	23,918
(e) Papers and Press-cuttings of non- permanent value	14,000	14,000	13,500	13,479
(f) Additional miscellaneous expenses:				
i. Freight and carriage.	8,000	7,500	10,910	10,768
ii. Photographs	1,000	1,000	—	—
iii. Other expenses	1,000	1,000	1,830	1,827
Total	230,000	225,000	233,000	232,781

NOTE ON SCHEDULE G.

(ITEM 8. — GENERAL OFFICE EXPENSES.)

A request was made for a total sum of 234,500 francs. The Governing Body considered that it was possible to reduce this amount by 4,500 francs.

SCHEDULE H

TO CHAPTER II. — ITEM 9.

SPECIAL STAFF CHARGES.

(a) Indemnities provided for in the Staff Regulations.	3,000	3,000	25,000	22,229
(b) Reserve fund for Death and Invalid- ity Fund	15,000	15,000	15,000	—
(c) Contribution to Sickness Insurance Fund	18,000	18,000	17,750	17,750
(d) Upkeep of sickroom	500	500	500	485
(e) Nurse (7,000-200-8,000)	7,400	7,200	7,000	7,000
(f) Medical Adviser's fees	5,000	3,500	3,500	3,500
Cost of second medical exami- nation	500	500	—	—
(g) Welfare of staff	1,100	1,000	1,154	1,154
(h) Subsidy to Office restaurant	—	—	2,849	2,845
(i) Transportation: Motor-bus service	—	—	4,660	4,659
(j) Recruitment of staff (advertising, expenses of examination, special travelling, etc.)	3,000	4,000	3,745	3,736
(k) Cantonal and communal subscrip- tions	1,500	1,500	1,345	1,340
(l) Miscellaneous	—	—	1,360	1,352
(m) Pension of the child of the late Doctor Pardo	7,000	7,500	7,170	7,054
(n) (a) Expenses of Administrative Tribunal	6,000 ^b	—	—	—
(b) Indemnities ordered by Ad- ministrative Tribunal.	1,000	—	—	—
Total	69,000	61,700	91,033	73,104

^a Taking transfers into account.

^b Amount included by the Supervisory Commission.

NOTE ON ITEM 12.

(ENQUIRIES AND INVESTIGATIONS — EXTERNAL COLLABORATION.)

A request was made for a supplementary amount of 20,000 francs in order to increase the number of national correspondents of the Office. The Governing Body considered that an additional 5,000 francs on the amount voted for 1927 would be sufficient.

SCHEDULE I

TO CHAPTER II. — ITEM 13.

COMMISSIONS.

	Estimates for 1928	Budget for 1927 Swiss francs	Budget for 1926 ¹	Expenditure for 1926
1. <i>Joint Maritime Commission</i>	15,000	15,000	13,000	12,936
2. <i>Agricultural Commissions</i>	10,000	5,000	12,000	6,664
3. <i>Social Insurance Commission</i>	5,000	8,000	8,000	5,452
4. <i>Meeting of Experts to study Questions concerning Disabled Men</i>	—	—	5,000	—
5. <i>Meeting of Experts on Industrial Hygiene</i>	10,000	7,000	9,000	8,649
6. <i>Emigration Commission</i>	8,000	12,000	10,000	5,574
7. <i>Joint Commission on Economic Crises</i>	2,000	5,000	5,000	1,921
8. <i>Committee of Experts on Native Labour</i>	20,000	10,000	—	—
9. <i>Commission on Article 408</i>	7,000	—	—	—
10. <i>Commission on Intellectual Work</i>	4,000	—	—	—
11. <i>Other Commissions</i>	4,000	7,000	4,800	3,966
Total	85,000	69,000	66,800	45,162

NOTE ON SCHEDULE I.

(ITEM 13. — COMMISSIONS.)

A request was made for a sum of 98,000 francs. The Governing Body decided, after taking account of the actual expenditure of 1926 and the amount voted for 1927, that it was possible to reduce this amount by 13,000 francs.

SCHEDULE J

TO CHAPTER II. — ITEM 14.

CORRESPONDENTS' OFFICES.

(See also Sub-Schedules.)

(a) Paris Office (235,000 French frs. at 0.21)	49,400	47,500	51,000	35,797 •
(b) London Office (£3,949 at 25.30)	100,000	102,200	99,500	99,977
(c) Washington Office (\$17,000 at 5.20)	88,400	99,000	94,500	94,213
(d) Rome Office (160,000 lire ² at 0.30)	48,000 ²	30,500	28,000	25,762
(e) Berlin Office (79,280 Reichmarks at 1.25)	99,100	89,500	62,500	71,046
(f) Tokyo Office (39,440 yen at 2.60)	102,500	80,800	70,000	79,328
(g) Delhi Office	50,000	—	—	—
(h) Provision to meet fluctuations in exchange.	1,000	500	8,500	—
Total	538,400	450,000	414,000	406,123

¹ Taking transfers into account.

² Increased from 149,000 lire to 160,000 lire and from 34,260 francs to 48,000 francs by the Supervisory Commission.

SUB-SCHEDULE A TO SCHEDULE J. — PARIS OFFICE.

	Estimates for 1928	Revised Budget for 1927 French Francs	Original Budget for 1927	Expenditure for 1926
A. Salaries:				
1. Director	170,000	170,000	120,500	168,084.95
2. Secretaries				
3. Shorthand-typists				
4. Clerks				
5. Domestic staff				
6. Temporary staff				
Provision for rise in salaries	12,000	—	—	—
B. Travelling Expenses	5,000	5,000	5,000	4,502.75
C. Office Expenses:				
1. Rent	14,000			
2. Water rates	—			
3. Heating	2,800			
4. Lighting	1,800			
5. Repairs and renovations	1,200			
6. Assurances	800			
7. Upkeep of equipment (including typewriters)	1,300			
8. Laundry and cleaning	600			
9. Printing	—			
10. Stationery	4,000			
11. Postage	3,500			
12. Telegrams	600			
13. Telephones	4,500			
14. Newspapers and periodicals of non-capital value	600			
15. Freight and carriage	—			
16. Sundries	2,000	37,700	38,600	32,535.45
D. External Collaboration	5,000	5,000	28,000	4,190.85
E. Capital Expenditure:				
1. Furniture and fittings	600			
2. Typewriters	—			
3. Books for Library and periodicals of capital value	5,000	5,600	5,900	8,672.65
Total in French francs	235,300	223,300	198,000	217,986.65
" " Swiss francs at 0.21	49,400			

SUB-SCHEDULE B TO SCHEDULE J. — LONDON OFFICE.

A. Salaries:	Estimates for 1928			Original Budget for 1927	Expenditure for 1926		
	£	s.	d.	£	£	s.	d.
1 Director (£700-900)	800	0	0				
1 Assistant (£400-600)	575	0	0				
1 Clerk (£80-180)	150	0	0				
1 Shorthand-typist (£76-120)	97	4	0				
2 Typists	110	16	0				
Messenger services, temporary staff, etc.	20	0	0				
Cost-of-living bonus plus pension compensation minus income-tax adjustment	748	0	0	2,501	2,483	2,367	15 0

LONDON OFFICE (continued)

	£	s.	d.	Estimates for 1928 £	Budget for 1927 £	Expenditure for 1926 £	s.	d.
B. Travelling Expenses				160	150	163	2	1
C. Office Expenses:								
1. Rent	350	0	0					
2. Water rate		—						
3. Heating	30	0	0					
4. Lighting	25	0	0					
5. Repairs, etc.	10	0	0					
6. Insurance	17	0	0					
7. Upkeep of furniture and equipment (including type- writers)	10	0	0					
8. Laundry and cleaning . . .	60	10	0					
9. Printing	75	0	0					
10. Stationery	90	0	0					
11. Postage	130	0	0					
12. Telegrams	50	0	0					
13. Telephones	50	0	0					
14. (a) Newspapers and perio- dicals of non-capital value	50	0	0					
(b) Press cuttings	56	0	0					
15. Freight and carriage . . .	4	10	0					
16. Sundry	20	0	0	1,028	1,177	1,287	10	5
D. Collection and Supply of Information				100	100	101	12	10
E. Capital Expenditure:								
1. Furniture and fittings . . .	24	0	0					
2. Typewriters	25	10	0					
3. Books for Library and perio- dicals of capital value . . .	10	10	0	60	39	52	1	0
F. Unforeseen Expenditure				100	100			
Total in £				3,949	4,049	3,972	1	4
Total in Swiss francs at 25.30				100,000	102,200	99,977		

SUB-SCHEDULE C TO SCHEDULE J. — WASHINGTON OFFICE.

	\$	\$	\$	\$
A. Salaries:				
Director	6,400			
Secretary-shorthand-typist	4,200	10,600	13,165	12,840.—
Clerk				
B. Travelling Expenses		1,100	750	848.44
C. Office Expenses:				
1. Rent	1,536			
2. Water rate				
3. Heating				
4. Lighting				
5. Repairs and renovations				
6. Insurance			10	
7. Repairs to office equipment . .			50	
8. Laundry and cleaning				
9. Printing			250	
10. Stationery			250	
11. Postage			700	
12. Telegrams			175	
13. Telephone			200	
14. Newspapers and periodicals of non-capital value			100	
15. Freight and carriage				
16. Sundries	229	3,500	3,970	3,023.32
D. Collection and Supply of Information		1,200	750	1,421.75
E. Capital Expenditure:				
1. Furniture and fittings				
2. Typewriters				
3. Books for Library and periodicals of capital value	50	200	400	66.49
F. Imprévus		400	—	—
Total in dollars at 5.20		17,000	19,035	18,200.—
Total in Swiss francs		88,400	99,000	94,213.—

SUB-SCHEDULE D TO SCHEDULE J. — ROME OFFICE.

	Lire	Estimates for 1928 Lire	Budget for 1927 Lire	Expenditure for 1926 Lire
A. Salaries (Permanent Staff).				
1. Director	45,000			
2. Assistant	14,000			
3. Translators	17,600			
4. Shorthand-typists	6,600			
5. Clerk	6,000	106,900	88,055	78,974
6. Overtime and domestic staff	7,900			
Cost of living { Director 1926/27	1,300			
{ Staff increment 1926	4,000			
{ " " 1927	4,500			
Salaries (temporary staff)		8,000	8,000	6,879
B. Travelling Expenses		7,000	6,000	7,291
C. Office Expenses:				
1. Rent	—			
2. Water rate, etc.	2,600			
3. Heating	2,000			
4. Lighting	2,000			
5. Repairs and renovations to office	900			
6. Insurance	700			
7. Upkeep of furniture and equip- ment (including typewriters)	400			
8. Laundry and cleaning	800			
9. Printing	500			
10. Stationery	10,000			
11. Postage	7,500			
12. Telegrams	1,000			
13. Telephones	1,000			
14. Newspapers and periodicals of non-capital value	800			
15. Freight and carriage	400			
16. Sundries	2,000	32,600	31,600	28,815
D. Collection and Supply of Information		3,000	4,000	2,916
E. Capital Expenditure:				
1. Furniture and fittings	1,200			
2. Machines	—			
3. Books for Library and periodicals of capital value	1,300	2,500	4,000	3,831
Total in lire		160,000	141,655	128,706
Total in Swiss francs at 0.30		48,000	30,500	25,762

SUB-SCHEDULE E TO SCHEDULE J. — BERLIN OFFICE.

A. Salaries:				
1. Director	R.M. 17,440			
2. Assistants	13,815			
3. Shorthand-typists	14,985			
4. Clerk	3,150			
5. Editor	13,300			
6. Social insurance	1,400			
7. Annual increment and cost-of- living bonus	2,800	66,890 ¹	60,612 ¹	46,990.47
B. Travelling Expenses		2,000	1,500	1,596.35

¹ Including salaries of staff for the Review in German.

BERLIN OFFICE (continued)

		Estimates for 1928	Budget for 1927	Expenditure for 1926
	R. M.	R. M.	R. M.	R. M.
C. Office Expenses:				
1. Rent	2,800			
2. Water rate	—			
3. Heating	180			
4. Lighting	70			
5. Repairs and renovations to office	100			
6. Insurance	80			
7. Upkeep of furniture and equip- ment (including typewriters).	110			
8. Laundry and cleaning	110			
9. Printing	1,800			
10. Stationery	1,100			
11. Postage	1,100			
12. Telegrams	100			
13. Telephone	400			
14. Newspapers and periodicals of non-capital value	800			
15. Freight and carriage	40			
16. Sundries	200	8,990	8,115	8,015.33
D. Collection and Supply of Information		400	400	—
E. Capital Expenditure:				
1. Furniture and fittings	300			
2. Typewriters	500			
3. Books for Library and periodicals of capital value	200	1,000	1,000	1,002.86
Total in Reichsmark		79,280	71,627	57,605.01
Total in Swiss francs at 1.25		99,100	89,500	71,046

SUB-SCHEDULE F TO SCHEDULE J. — TOKYO OFFICE.

	Yen	Yen	Yen	Yen
A. Salaries:				
1. Director	7,800			
2. Assistant and Secretary	7,400			
3. Shorthand-typist (English).	3,170			
4. Clerk and clerical typist, Editorial staff	4,340 ¹	26,200	20,700	22,933
B. Travelling Expenses		2,000	2,000	1,632
C. Office Expenses:				
1. Rent	4,300			
2. Water rate	—			
3. Heating	—			
4. Lighting	—			
5. Insurance	100			
6. Repairs and renovations to office	50			
7. Upkeep of furniture and equip- ment (including typewriters)	50			
8. Laundry and cleaning	500			
9. Printing	1,900			
10. Stationery	700			
11. Postage	500			
12. Telegrams	100			
13. Telephone	190			
14. Newspapers and periodicals of non-capital value	600			
15. Freight and carriage	150			
16. Sundries	400	9,540	9,400	6,891
D. Collection and Supply of Information		700	5,000	480
E. Capital Expenditure:				
1. Furniture and fittings	500			
2. Machines	150			
3. Books for Library and periodicals of capital value	350	1,000	1,000	1,053
Total in yen		39,440	38,100	32,989
Total in Swiss francs at 2.60		102,500	80,770	79,328

¹ Transferred from Item D — Collection and supply of information.

SUB-SCHEDULE G TO SCHEDULE J. — DELHI OFFICE.

	Swiss Francs	Estimates for 1928 Swiss Francs
A. <i>Salaries:</i>		
Director	24,000	
Deputy-Director	8,400	
Clerk	1,800	
Shorthand-typists	3,600	
Domestic staff	4,400	42,200
	<hr/>	
B. <i>Travelling Expenses</i>		7,200
C. <i>Office Expenses:</i>		
Rent	6,000	
Miscellaneous Expenses	8,000	14,000
	<hr/>	
D. <i>Capital Expenditure.</i>		4,000
		<hr/>
		67,400

For nine months: 50,000 francs.

NOTE ON SUB-SCHEDULE G.

This Office will be established in 1928 in accordance with a decision of the Governing Body. It will not be opened until April 1928, hence the above estimates are for a period of nine months only.

NOTE ON ITEM 15. — UNFORESEEN EXPENDITURE OF CHAPTER II.

A request was made for 100,000 francs. The Governing Body considered that, as 1,000 francs and 8,000 francs for Unforeseen Expenses were included in Chapters I and IV respectively, 91,000 francs for this purpose would be sufficient for Chapter II.

NOTE ON CHAPTER II (a).

WORK ON BEHALF OF RUSSIAN AND ARMENIAN REFUGEES.

In submitting the general budget estimates of the Office to the Supervisory Commission in April 1927, the Governing Body stated that they would examine at a later date the estimates for the Refugees Service. A sum of 325,325 francs for this Service was included provisionally. The definite estimates for the Service voted by the Governing Body in June 1927 and amounting to 331,675 francs were approved by the Supervisory Commission in July 1927. The budget estimates of the Service will be submitted to the Assembly as a separate document.

NOTE ON CHAPTER IV.

CAPITAL EXPENDITURE.

Item 17. — *Furniture, Fittings and Additional Equipment.*

A request was made for 20,000 francs. The Governing Body, however, considered that the furnishing of the Office was nearly complete and that it was possible to reduce the amount by 5,000 francs.

BUDGET FOR THE TENTH FINANCIAL PERIOD (1928).

PART III.

PERMANENT COURT OF INTERNATIONAL JUSTICE.

1.

GENERAL OBSERVATIONS.

I. — Since, in 1927, the Court has not been in session at a date which would have enabled it to consider the draft budget estimates and approve them before submission to the Supervisory Commission, the attached estimates have only been approved by the President of the Court. In addition, therefore, to the reservations concerning the rights of the Court under Articles 14 and 19 of the Financial Regulations, a general reservation must be made with regard to any wishes and views to which the Court may give expression when it meets for the ordinary session in June next.

II. — The bases of the attached estimates are the same as those which were adopted for the 1927 budget. No fresh circumstance has arisen pointing to their modification. On the contrary, at the time of the presentation of the 1928 budget to the Supervisory Commission, the Court has four cases actually before it.

2.

SUMMARY OF CHAPTERS.

Section 1.

ORDINARY EXPENDITURE.

	Estimates for 1928.	Credits for 1927. (Dutch Florins.)	Credits for 1926 after transfers, if any.	Expenditure in 1926.
<i>Chapter I.</i>				
Sessions of the Court.	557,900.—	560,200.—	470,800.—	354,356.79
<i>Chapter II.</i>				
General services of the Court . .	474,033.13	458,902.83	438,963.32	425,367.22
<i>Chapter III.</i>				
Cost of administration of the Court's Funds.	75.—	75.—	75.—	2,386.22
<i>Chapter IV.</i>				
Contribution towards the consti- tution of a Fund to defray the expenses resulting from the Pensions Regulations for the personnel of the Court . . .	10,000.—	10,000.—	10,000.—	10,000.—
Section 2.				
<i>Chapter V.</i>				
Capital Account	5,500.—	10,000.—	3,500.—	3,133.96
	<u>1,047,508.13</u>	<u>1,039,177.83</u>	<u>923,338.32</u>	<u>795,244.19</u>
Receipts to be deducted:				
Bank interest	5,211.57	10,000.—	7,500.—	3,454.75
	<u>1,042,296.56</u>	<u>1,029,177.83</u>	<u>915,838.32</u>	<u>791,789.44</u>

SUMMARY OF ARTICLES.

Section 1.

ORDINARY EXPENDITURE.

	Estimates for 1928.	Credits for 1927. (Dutch Florins.)	Credits for 1926 after transfers, if any.	Expenditure in 1926.
<i>Chapter I.</i>				
1. Sessions of the Court (see Table A)	557,900.—	560,200.—	470,800.—	354,356.79
<i>Chapter II.</i>				
2. General services of the Court:				
(a) Annual salaries (see Table B)	369,412.50	356,547.93	335,951.13	335,723.12
(b) Contribution to the Pension Fund	6,620.63	5,954.90	4,962.19	4,928.35
(c) Indemnities provided for in the Staff Regulations	100.—	400.—	400.—	—
(d) Contribution towards Sickness Insurance	200.—	400.—	400.—	60.12
(e) Indemnities awarded as a result of administrative proceedings	100.—	—	—	—
3. Travelling expenses of the Registrar and officials of the Registry:				
(a) Travelling expenses and subsistence allowance of the Registrar and officials of the Registry (on duty)	4,000.—	4,000.—	3,500.—	2,873.44
(b) Travelling expenses of Registrar and officials of the Registry on leave to native country	1,000.—	1,000.—	1,000.—	903.96
(c) Removal expenses (on taking up appointment and on departure)	1,000.—	1,000.—	2,000.—	675.50
3bis. Removal expenses of members of the Court	3,000.—	—	—	—
4. Contribution to the Carnegie Foundation:				
(a) Repayment of the expenditure contemplated in Article I of the contract	21,000.—	21,000.—	21,000.—	21,000.—
(b) Supplementary credit contemplated in Article VI of the contract	19,000.—	19,000.—	19,000.—	19,000.—
5. Administrative expenses (see Table C)	15,600.—	15,800.—	17,750.—	12,042.81
6. Printing	30,000.—	30,000.—	30,000.—	28,143.57
7. (a) Unpaid liabilities fund for 1927.	3,000.—	3,000.—	3,000.—	16.35
(b) <i>Idem</i> for 1925	—	800.—	—	—
	<hr/> 474,033.13	<hr/> 458,902.83	<hr/> 438,963.32	<hr/> 425,367.22
<i>Chapter III.</i>				
Cost of administration of the Court's Funds:				
8. Loss on exchange	5,000.—	5,000.—	50,000.—	2,346.52
9. Bank Charges	75.—	75.—	75.—	39.70
	<hr/> 5,075.—	<hr/> 5,075.—	<hr/> 50,075.—	<hr/> 2,386.22
To be deducted:				
Profits on exchange	5,000.—	5,000.—	50,000.—	—
	<hr/> 75.—	<hr/> 75.—	<hr/> 75.—	<hr/> 2,386.22
<i>Chapter IV.</i>				
10. Contribution towards the constitution of a fund to defray the expenses resulting from the Pensions Regulations for the personnel of the Court	10,000.—	10,000.—	10,000.—	10,000.—

Section 2.
CAPITAL ACCOUNT.

	Estimates for 1928.	Credits for 1927. (Dutch Florins.)	Credits for 1926 after transfers, if any.	Expenditure in 1926.
<i>Chapter V.</i>				
Permanent installations, etc.:				
11. Furniture and installation of additional fittings	5,000.—	9,500.—	3,000.—	2,972.65
12. Library	500.—	500.—	500.—	161.31
	<u>5,500.—</u>	<u>10,000.—</u>	<u>3,500.—</u>	<u>3,133.96</u>

TABLE A.
(See Chapter I, Article I.)
SESSIONS OF THE COURT.

	Estimates for 1928.	Credits for 1927. (Dutch Florins.)	Credits for 1926 after transfers, if any.	Expenditure in 1926.
1. Duty and subsistence allow- ance of judges (see annexed Table No. 1).	493,000.—	493,000.—	391,000.—	325,650.—
2. Salaries of temporary staff and overtime pay (permanent and temporary staff) (see annexed Table No. 2)	29,500.—	29,500.—	37,000.—	35,171.79
3. Travelling expenses of judges and temporary staff (see annexed Table No. 3)	50,500.—	52,500.—	57,600.—	28,417.85
4. Taxis to convey female staff to their homes after night work	200.—	400.—	400.—	75.55
5. Welfare of staff	100.—	200.—	200.—	41.60
	<u>573,300.—</u>	<u>575,600.—</u>	<u>486,200.—</u>	<u>389,356.79</u>
Sums recoverable:				
Subscriptions from Non-Mem- bers	7,600.—	7,600.—	7,600.—	35,000.—
Assessors	7,800.—	7,800.—	7,800.—	—
	<u>557,900.—</u>	<u>560,200.—</u>	<u>470,800.—</u>	<u>354,356.79</u>

TABLE NO. 1 ANNEXED TO TABLE A¹.
Duty and Subsistence Allowance of Judges.

Duty allowance of Vice-President, Judges and Deputy-Judges	294,000.—	294,000.—	230,000.—	207,650.—
Subsistence allowance of Vice- President, Judges and Deputy- Judges	120,000.—	120,000.—	100,000.—	72,900.—
National Judges: duty allowance	40,000.—	40,000.—	35,000.—	34,500.—
National Judges: subsistence allowance	13,000.—	13,000.—	11,000.—	10,600.—
Assessors: subsistence allowance	20,000.—	20,000.—	14,000.—	—
Witnesses and Experts (Article 52 of Rules of Court)	6,000.—	6,000.—	1,000.—	—
	<u>493,000.—</u>	<u>493,000.—</u>	<u>391,000.—</u>	<u>325,650.—</u>

¹ *Detail:*

Number of Persons	Category	Nature of allowance	Number of days	Amount for day	Total: Dutch Florins
1	Vice-President	Duty allowance	200	150	30,000
5	Judges	Duty allowance	200	100	100,000
4	Judges	Duty allowance	110	100	44,000
4	Deputy-Judges	Duty allowance	200	150	120,000
					<u>294,000</u>
10	{ Vice-President Judges Deputy-Judges	Subsistence allowance	240	50	120,000
3	National Judges				
3	National Judges	Duty allowance	—	150	40,000
3	National Judges	Subsistence allowance	—	50	13,000
4	Assessors	Subsistence allowance	100	50	20,000
	Witnesses and Experts	—	—	—	6,000
					<u>493,000</u>

TABLE No. 2 ANNEXED TO TABLE A.
Salaries of Temporary Staff and Overtime Pay (Permanent and Temporary Staff).

	Estimates for 1928.	Credits for 1927. (Dutch Florins.)	Credits for 1926 after transfers, if any.	Expenditure in 1926.
Salaries of temporary staff	27,500.—	27,500.—	35,000.—	34,574.79
Overtime pay, permanent staff	1,500.—	1,500.—	1,000.—	571.—
Overtime pay, temporary staff	500.—	500.—	1,000.—	26.—
	<u>29,500.—</u>	<u>29,500.—</u>	<u>37,000.—</u>	<u>35,171.7</u>

TABLE No. 3 ANNEXED TO TABLE A.
Travelling Expenses of Judges and Temporary Staff.

Judges	25,000.—	25,000.—	30,000.—	21,792.64
Deputy-Judges	7,000.—	9,000.—	6,000.—	3,689.20
National Judges	5,000.—	5,000.—	6,400.—	1,049.47
Assessors	10,000.—	10,000.—	11,200.—	—
Temporary staff	2,500.—	2,500.—	3,000.—	1,886.54
Witnesses and Experts (Article 52 of Rules of Court)	1,000.—	1,000.—	1,000.—	—
	<u>50,500.—</u>	<u>52,500.—</u>	<u>57,600.—</u>	<u>28,417.85</u>

TABLE B.
ANNUAL SALARIES.
(See annexed table.)

Number of posts provided for in the budget for:	Category.	Estimates for 1928.	Credits for 1927.	Credits for 1926 after transfers, if any. (Dutch Florins)	Expenditure in 1926.
I 1928 I 1927	President of the Court	60,000.—	60,000.—	60,000.—	60,000.—
10	Judges	150,000.—	150,000.—	150,000.—	150,000.—
I	Registrar	27,000.—	27,000.—	26,257.39	26,257.39
17	Permanent staff of Re- gistry	132,412.50	119,547.93	99,693.74	99,465.73
		<u>369,412.50</u>	<u>356,547.93</u>	<u>335,951.13</u>	<u>335,723.12</u>

TABLE ANNEXED TO TABLE B.
Annual Salaries.

Number of posts provided for in the budget for:	Category.	Rates: Dutch Florins.		Total of salaries for each category.
I 1928 I 1927	President of the Court	Salary	15,000.—	60,000.—
		Allowance	45,000.—	
10	Judges		15,000.—	150,000.—
I	Registrar	22,000.—	1,250.—	27,000.—
I	Deputy-Registrar	14,000.—	500.—	15,000.—
3	Editing Secretaries	12,000.—	400.—	41,366.66
I	<i>idem</i>	12,000.—	400.—	12,000.—
I	Accountant-Establish- ment Officer	5,625.—	250.—	6,629.17
I	Lady Secretary	6,000.—	150.—	6,841.66
I	<i>idem</i>	5,625.—	150.—	5,925.—
I	Archivist	6,000.—	150.—	6,562.50
I	Head of Printing De- partment	5,625.—	250.—	6,375.—
I	Head of Roneograph Department	5,625.—	150.—	5,925.—
I	Head of Shorthand and Typewriting Dept.	5,625.—	150.—	5,625.—
I	Assistant to Archivist	3,750.—	125.—	3,750.—
I	2 Parliamentary verbat- im reporters	5,000.—	150.—	5,150.—
I	Bilingual Stenog.	4,350.—	125.—	4,350.—
I	Indexer	4,350.—	125.—	4,475.—
I	Messenger	2,000.—	75.—	2,437.51
I	Agent for liaison with Dutch Press	—	—	—
				<u>369,412.50</u>

TABLE C.

ADMINISTRATIVE EXPENSES.

	Estimates for 1928.	Credits for 1927.	Credits for 1926 after transfers, if any.	Expenditure in 1926.
		(Dutch Florins.)		
Cost of distribution of documents	1,500.—	1,500.—	1,500.—	1,294.64
Supplies	7,000.—	7,500.—	9,700.—	6,853.37
Post, telephone, telegraph . . .	5,000.—	5,000.—	5,000.—	2,398.90
Insurances	100.—	100.—	100.—	75.55
Gratuities at the New Year . . .	500.—	200.—	150.—	150.—
Financial Control and Salaries Adjustment.	1,500.—	1,500.—	1,300.—	1,270.35
	15,600.—	15,800.—	17,750.—	12,042.81

3.

NOTES.

Ad 2a (cf. Table B, Annex).

It has been thought necessary to provide as from 1928 for the creation of a new post of editing secretary. The intention is that the holder of this post—the creation of which was in principle approved by the Court at its ordinary session in 1926—should have a knowledge of Slav languages, which the Degistry has so far been without, and should at the same time duplicate the editing secretary in the Registry responsible for work in English. The corresponding post for the French language is already duplicated, and it has been seen that the fact that the English post is not may be attended by really serious disadvantages.

Ad 2e.

The report to the Assembly upon the draft Statute of the new administrative Tribunal provides, first of all, that the Court will itself exercise, as regards its own services, the jurisdiction conferred upon this Tribunal in so far as the General Secretariat and International Labour Office are concerned. It also provides that, in this domain, the Court will as far as possible be guided by the provisions of the Statute of the Tribunal. In order, further, to enable the General Secretariat and the International Labour Office to meet the indemnities which the Tribunal may, in certain circumstances, award under the Statute, the Supervisory Commission has recommended the insertion of a nominal sum in the budget. The same would, therefore, seem to apply as regards the Court's budget.

Ad 3bis.

The period of office of the present President expires on December 31st, 1927. Provision must therefore be made for the removal expenses of the retiring and newly appointed Presidents in 1928. The same necessity did not occur at the end of the last presidential period as the then retiring President was permanently resident at The Hague.

ANNEX 13.

A.IV/5. 1927.

REPORT SUBMITTED TO THE FOURTH COMMITTEE OF THE ASSEMBLY BY THE SUB-COMMITTEE ON THE ADMINISTRATIVE TRIBUNAL

Your Sub-Committee has devoted two meetings to the question of the institution of an Administrative Tribunal as proposed by the Supervisory Commission. The Sub-Committee consulted the Secretary-General of the League, the Director of the International Labour Office and the Chairman of the Supervisory Commission.

Against the proposal it was argued that the Tribunal does not seem to be really needed. The present system provides two successive courts of appeal — a paritative committee on which the staff is represented on a basis of equality, and the Council of the League, which has only had two cases before it since the League was founded.

It was also pointed out that the Tribunal, as competent to judge of the facts of each case, would necessarily find itself called upon to estimate the expediency of the action taken by the Secretary-General, whose duty it is to consult the general interests bound up with the realisation of the aims of the League. To restrict the Secretary-General's powers in this direction would involve a serious encroachment on his indispensable freedom of action.

Attention was also drawn to the difficulties in the ascertainment of the exact law applicable to each case and to the absence of real sanctions.

As a method more suitable to the general policy of the League, attention was likewise drawn to the possibility of submitting disputes of the kind contemplated to a court of arbitration consisting of two arbitrators selected from a list drawn up by the Council, one to be chosen by the administration concerned and the other by the other party to the case. The Court would be presided over by a chairman whom the two arbitrators would be left to designate.

Having carefully weighed the arguments on both sides, the majority of the Sub-Committee came to the conclusion that the provisional establishment of the Tribunal was to be recommended as an experiment. The Sub-Committee therefore suggests that the second paragraph of Article XII of the draft Statute (see Appendix) should be followed by a paragraph to this effect:

“ Three years after the adoption of the said Statute by the Assembly, the latter shall consider, on the basis of the experience gained, whether the Tribunal shall remain in being or whether the Statute shall be amended. ”

A. 6. 1927. X.

Appendix.

REPORT OF THE SUPERVISORY COMMISSION ON THE ESTABLISHMENT OF AN ADMINISTRATIVE TRIBUNAL.

Note by the Secretary-General :

The Report of the Fourth Committee adopted by the Assembly at its seventh ordinary session contains the following paragraph :

“ . . . The Fourth Committee was informed that the Supervisory Commission was considering a suggestion to set up an Administrative Tribunal to deal with all cases of dispute in regard to the carrying out of staff contracts which might arise between the heads of the League's Organisations and their subordinates. When the scheme has been definitely drawn up by the Supervisory Commission, a proposal will be laid before the Assembly.”

The Secretary-General has now the honour to communicate to the Members of the League the following report and draft Statute which were adopted by the Supervisory Commission at its twenty-second and twenty-third sessions, held at Geneva in February and in April 1927.

REPORT.

In the course of the year 1925, the attention of the Supervisory Commission, as well as of the Secretariat and the International Labour Office, was directed to the fact that officials of the League cannot enforce the terms of their employment by any form of legal procedure.

After careful examination of this problem, the Commission, after consultation with the Secretary-General and the Director of the International Labour Office, decided to propose to the Assembly the establishment of a League of Nations Administrative Tribunal having jurisdiction over complaints by officials of the League.

The Commission has accordingly drawn up and submits to the Assembly the following report and the annexed draft Statute establishing such a Tribunal.

REASONS FOR THE PROPOSED MEASURE.

The establishment of a Tribunal such as is now proposed is expected not merely to remove a grievance which may be felt by the staff of the Secretariat and of the International Labour Office but also to be in the interest of the successful administration of these two offices. The international status of the League prevents officials from bringing actions in the ordinary courts to enforce the terms of their appointments. It is not, however, satisfactory that a class of employees amounting to several hundreds of persons and engaged on terms which are necessarily complicated and may give rise to disputes as to their exact legal effect should have no possibility of bringing questions as to their rights to the decision of a judicial body. It is equally unsatisfactory for the administrations to be both judge and party in any dispute as to the legal rights of their officials, or for such disputes to be referred to the Council or the Governing Body of the International Labour Office. The special position of the League makes it difficult to refer claims by its officials to the jurisdiction of national courts. The remaining possibility, namely, the reference of such disputes to a body constituted *ad hoc*, although it has been adopted in one case, is open to objections on many grounds and does not furnish a solution for the general problem.

JURISDICTION OF THE PROPOSED TRIBUNAL.

Except in one class of case, which is discussed below, the proposed Tribunal is to be exclusively a judicial body set up to determine the legal rights of officials on strictly legal grounds. It is not intended to be a court of appeal on the merits against decisions taken by the administration in a proper manner and within the limits of its powers. The requirements of the service have made it necessary for officials to be engaged on terms which leave many questions as to their employment and treatment to be settled finally by the administration. In both the Secretariat and the International Labour Office a system of joint committees, whose advice must be asked by the administration, secures the participation of representatives of the staff in the examination of questions of this kind and provides a safeguard against any abuse of power. The function of the proposed Tribunal, will be to pronounce finally upon any allegation that the administration has refused to give an official treatment to which he was legally entitled, or has treated him in a manner which constitutes a violation of his legal rights under his appointment or of the regulations applicable to his case, or, finally, has taken in an irregular or improper manner a decision which was within its competence. An official, for example, who has been dismissed for inefficiency under a proviso in the terms of his appointment which entitles the administration to dismiss him if it is satisfied that he is inefficient will not be able to ask the Tribunal to enquire whether he was really inefficient; but he will be able to bring any alleged irregularity in the decision (for example, failure to cause a proper enquiry to be made by the competent paritative committee) before the Tribunal with a view to the rescinding of the decision on this ground. It will be seen that the Tribunal will be the final authority for the interpretation of the terms of an official's appointment and the regulations applicable to the official.

The exception referred to at the beginning of this section of the present report is the case of claims for compensation: (a) where an official is dismissed on grounds of ill-health before he has been allowed all the sick leave provided for by the Staff Regulations; and (b) where an official meets with an accident or incurs a disease in the course and in consequence of his employment. In both these cases, compensation is payable under the existing Staff Regulations. At present, the amount of such compensation is settled finally by the administration concerned. The Supervisory Commission recommends that the proposed Tribunal should deal with all disputes as to such compensation, including disputes as to the amount of compensation which ought to be paid.

It is proposed to confine the jurisdiction of the Tribunal in the first instance to cases interesting the Secretariat and the International Labour Office. The staff of the Permanent Court includes only a very small number of officials, and questions as to their rights are dealt with by the Court itself. If and when desired by the Court, however, there would be no objection to giving the Tribunal jurisdiction over complaints by the staff of the Court. The staff of the International Institute for Intellectual Co-operation at Paris are not officials remunerated out of the budget of the League but employees of an institute which is a legal person under French law and is maintained by funds supplied by particular States. Accordingly, they stand in a different position from officials of the Secretariat and the International Labour Office. This is equally true of the staff of the International Institute for the Unification of Private Law at Rome, of which the expenses are met by the Italian Government and which possesses legal personality under Italian law. The question of placing the proposed Tribunal at the service of these two Institutes for the purpose of dealing with complaints by their officials, should such a course seem desirable, must accordingly involve the examination of various special problems and may be reserved for subsequent consideration.

The above principles are incorporated in Article II of the annexed Statute, paragraphs 1 to 3, which determine the Tribunal's competence *ratione materiae et ratione personarum*¹. The fourth paragraph of the Article gives the Tribunal power to settle any dispute as to its competence.

COMPOSITION OF THE TRIBUNAL.

The Supervisory Commission has considered the possibility of composing the Tribunal of nominees of the staff and of the administration concerned, with a neutral Chairman. It has also considered the possibility of attaching to it assessors or judges nominated by the administration and by the staff. The first of these plans has been rejected because it was felt that the Tribunal should be an entirely independent and *strictly judicial* body. Although the second plan may have advantages, the Commission felt that there were decisive reasons against its adoption.

It is therefore proposed that the Tribunal should consist of judges and deputy-judges appointed by the Council; there will be three judges and three deputies. Its members are all to be of different nationalities. A meeting of the Tribunal is to consist of three of its members, of whom one at least must be a judge. The term of office of members of the Tribunal is to be three years, but the Council is to take the necessary transitional measures to permit that part only of the Tribunal shall be renewable each year. It is intended that retiring members shall be eligible for reappointment, but it is not considered necessary to insert a provision to this effect in the Statute.

It may be expected that the Council will appoint persons having experience as judges of civil or administrative courts or as legal practitioners.

The above recommendations are embodied in Article III of the attached Statute.

CONDITIONS TO BE FULFILLED IN ORDER THAT A COMPLAINT MAY BE ENTERTAINED BY THE TRIBUNAL.

The operation of the Tribunal will involve expense for the League. In order to restrict such expense it is desirable to secure:

(a) That proceedings shall not be possible before the Tribunal until the complainant's claim has been examined by the competent organs of the administration concerned and a final decision been taken;

(b) That the complaint shall be presented within a reasonable time after the decision complained of has been given;

(c) That only complaints on matters of real importance shall be brought to the Tribunal and that frivolous and vexatious complaints shall be discouraged.

¹ Paragraph 3 (a) of Article II gives access to the Tribunal to the official and to the representatives of his estate after his death but does not permit proceedings by assignees of the official's rights. It is thought that to permit proceedings by assignees might give rise to obvious abuses. Paragraph 3 (b) covers the case of persons to whom on an official's death some payment or service becomes due under the Staff Regulations. For example, the family of a deceased official may be entitled to repatriation at the expense of the League, and, if he met his death from causes arising out of the service, compensation may be payable to his dependants.

The provisions of Article VII are intended to secure the first and second of these objects. The decision against which recourse is had to the Tribunal must be a final decision by the administration concerned. The administration is, however, prevented from stopping recourse to the Tribunal by simply abstaining from taking a decision (paragraph 3 of the article). The complaint must be presented within ninety days and does not suspend the execution of the decision.

The third object is attained by the provisions of Article VIII. After mature consideration, the Supervisory Commission considers that the most satisfactory way of securing that only complaints which are of a certain importance, and which the complainant really believes to be well founded, are submitted to the Tribunal is to require him to commence proceedings by making a deposit. The amount of the deposit is to be in proportion to his salary or, in cases where the complainant is not an official, to the salary which was received by the official under the terms of whose appointment the complainant's claim arises. The deposit is not a fee charged for recourse to the Tribunal. It is returnable to the complainant, in whole or in part, if and in so far as the Tribunal considers that there was sufficient justification for presenting the complaint, even though it was not legally well founded. On the other hand, the complainant will forfeit his deposit if the Tribunal holds that he was not justified in presenting his complaint.

In view of the above decision, the Commission has not thought it desirable to introduce the idea of allowing costs either to the complainant against the administration or to the administration against the complainant.

PROCEDURE OF THE TRIBUNAL.

It is thought best to give the Tribunal full powers to settle its own procedure by making rules and such powers are accordingly given by Article XI.

Other articles of the Statute provide for the appointment of a President and Vice-President by the Tribunal from among the judges (Article III, paragraph 1, last sentence); for the holding of ordinary sessions at dates fixed by the Rules of Court, subject to the avoidance of such sessions where there is not sufficient business to justify holding them, and for the convening of extraordinary sessions (Article IV)¹; for the publicity of oral proceedings before the Tribunal (Article V); for the taking of decisions by a majority vote; and for the form, communication to the parties, and the filing of the Tribunal's judgments (Article VI).

The necessary publicity for the judgments of the Tribunal is secured by the provision (Article VI) that they shall be filed by both the Secretariat and the International Labour Office, where they may be consulted by any person concerned. This phrase is intended to include any official of either office and any other person proposing to present a complaint to the Tribunal and falling within the description of persons to whom the Tribunal is open. It is not intended to include persons who have no serious interest to serve and whose motive is pure curiosity.

The Tribunal is left to deal with the question of the representation of the parties by advocates.

It is obvious that the Tribunal is entitled to call for evidence from officials of the administration and to see official documents relevant to the case.

REMEDIES WHICH CAN BE GIVEN BY THE TRIBUNAL.

In the ordinary case of complaints (Article II, paragraph 1) the remedy which *prima facie* should be given by the Tribunal, if satisfied that the complaint is well founded, is the rescinding of the decision impugned or the execution of the obligation which has been shown to exist. It receives power to give this remedy under Article IX of the Statute. It is, however, obvious that the actual rescinding of a decision, or the actual performance of an obligation, relating to the employment of a particular person or persons in an international administration may not in fact be possible, being inconsistent with more important interests of the administration or excluded by other preponderant reasons, even as concerns the official himself. The article, therefore, enables the Tribunal in such cases to award the different remedy of financial compensation for the injury suffered by the complainant.

In the case of complaints as to payment of compensation under the articles of the Staff Regulations mentioned in Article II, paragraph 2, of the Statute, the Tribunal, as provided in that paragraph, deals with the whole of the dispute which has arisen and determines what compensation, if any, shall be paid.

¹ It is considered that the attendance of judges will more easily be secured if there are fixed dates for ordinary sessions. At the same time: (a) it is obviously desirable to avoid holding a session if there are no cases on the Tribunal's list or if the cases on the list are unimportant and can without prejudice to any important interest be reserved for the next session; (b) it may be in the interests of economy as well as in the interest of the complainant for an extraordinary session to be called to consider a case which may involve serious financial consequences.

No provision for the revision of judgments of the Tribunal is inserted in the Statute. It is considered that, in the interests of finality and of the avoidance of vexatious proceedings, the Tribunal's judgments should be final and without appeal, as is provided in Article VI, paragraph 1.

ADMINISTRATIVE AND FINANCIAL QUESTIONS.

It is impossible to estimate what number of complaints may be brought to the Tribunal or what time it will require for their consideration. There can therefore be no question at present of providing a special registry for the Tribunal. The Secretariat and the International Labour Office are therefore left (Article X) to make the administrative arrangements necessary for the operation of the Tribunal in consultation with the Tribunal itself. In like manner, under Article VI, it is provided that both the Secretariat and the International Labour Office shall keep complete files of the Tribunal's decisions.

In holding its first session in order to constitute itself and draw up rules of court, or if it sits subsequently for the revision of its rules of court, the Tribunal will be performing functions in which both the Secretariat and the International Labour Office are interested; but, in hearing a particular case, it will be dealing with a matter arising exclusively out of the activities of one of these administrations. It appears convenient that the two administrations should divide between them expenses connected with those activities of the Tribunal in which they are both interested and that each should bear the expense of those activities in which it is alone interested. Effect is given to this proposal by Article X, paragraph 2, of the Statute. Each administration will, of course, bear the cost of resisting any complaint made against it to the Tribunal. Any compensation awarded by the Tribunal will fall upon the budget of the administration concerned (Article X, paragraph 3).

These proposals permit the establishment of the Tribunal at a minimum cost to the League.

The Supervisory Commission recommends that the sum of 6,000 francs be inserted in the budget of the Secretariat for the year 1928 to cover its share of the expenses occasioned by sessions of the Tribunal and any costs occasioned by resisting complaints before the Tribunal, and that a credit to the same amount be inserted for the same purposes in the budget of the International Labour Office.

The Supervisory Commission recommends that the judges and deputy-judges should receive subsistence allowance at approximately the same rate as judges of the Permanent Court of International Justice, namely, 100 Swiss francs for each twenty-four hours' absence from their homes occasioned by the business of the Tribunal. It recommends that they should receive their travelling expenses on the scale for the time being in force for members of League commissions.

Provision is already made annually in the League Budget to cover compensation payable when an official meets with an accident or incurs a disease in the course and in consequence of his service. It does not seem to the Supervisory Commission that it would be possible or appropriate to calculate and insert in the budget the amount likely to be required to pay awards of compensation made by the Tribunal in respect of breaches of officials' rights. The Commission recommends that a nominal amount of 1,000 francs be inserted in the budgets of the Secretariat and the International Labour Office so as to provide an item to which such compensation can be charged if it becomes payable, and that any sum actually required in excess of this nominal vote be provided by a transfer under the usual guarantees.

FINAL ARTICLE OF THE STATUTE.

It is desirable that the remedy for wrongful treatment which will be given officials by the establishment of the Tribunal should become effective as soon as the Assembly has decided to create it. A certain time will, however, necessarily elapse before the Council can appoint the judges and the Tribunal constitute itself. Article XII of the Statute therefore contains provisions which enable complaints to be brought to the Tribunal against decisions taken after December 31st, 1927¹.

¹ It is understood that, in accordance with the conclusions reached by the Fourth Committee of the seventh ordinary session of the Assembly at its meeting of September 9th, 1926, and notwithstanding the fact that the decision complained of is prior to the constitution of the Tribunal, officials at present holding the post of Chief of Division in the International Labour Office may, if they desire, submit to the Tribunal the question whether they are legally entitled to continue to benefit by the provisions of the original text of Article 60 of the Staff Regulations of the International Labour Office, notwithstanding the amendment of that article which was made in 1925, or alternatively the question whether their legal rights were violated by the amendment in question (see documents A.5.1925.X, §§ 55, 56, 57, and A.5.1926.X, §§ 54 and 55).

**ABOLITION OF APPEAL TO THE COUNCIL OR TO THE GOVERNING BODY
OF THE INTERNATIONAL LABOUR OFFICE.**

A right of appeal to the Council or to the Governing Body of the International Labour Office was given to certain officials by a resolution adopted by the Assembly on December 17th, 1920, which was in the following terms:

"That all members of the Secretariat and of the International Labour Office appointed for a period of five years or more by the Secretary-General or the Director of the International Labour Office shall, in the case of dismissal, have the right of appeal to the Council or to the Governing Body of the International Labour Office, as the case may be."

The Supervisory Commission recommends that the establishment of the proposed Tribunal should have as its consequence the rescinding of this resolution as from January 1st, 1928.

DRAFT RESOLUTION SUBMITTED BY THE SUPERVISORY COMMISSION.

If the Assembly approves the present proposals of the Supervisory Commission, effect would be given to them by the adoption of the following resolution:

"The Assembly adopts the annexed Statute establishing a League of Nations Administrative Tribunal.

"The Assembly's resolution of December 17th, 1920, giving to certain officials in case of dismissal a right of appeal to the Council or to the Governing Body of the International Labour Office is abrogated as from January 1st, 1928."

DRAFT STATUTE FOR A LEAGUE OF NATIONS ADMINISTRATIVE TRIBUNAL.

Article I.

There is established by the present Statute a Tribunal to be known as the "League of Nations Administrative Tribunal".

Article II.

1. The Tribunal shall be competent to hear complaints alleging non-observance, in substance or in form, of the terms of appointment of officials of the Secretariat or of the International Labour Office, and of such provisions of the Staff Regulations as are applicable to the case.

2. The Tribunal shall be competent to settle any dispute concerning the compensation provided for by Articles 43 or 71 of the Staff Regulations of the Secretariat¹ or the corresponding Articles of the Staff Regulations of the International Labour Office and to fix finally the amount of compensation, if any, which is to be paid.

¹ These articles, which will be amended in accordance with the present proposal if it is adopted, are in the following terms:

"Article 43. Where the nature of an official's illness is or becomes such as to render him incapable of returning to his duties during the period of his appointment, or liable to relapses so frequent as to prevent him from satisfactorily performing his duties, the Secretary-General may require him to resign from the Secretariat, notwithstanding that the sick leave allowable to him has not been exhausted, on payment of an indemnity for the unexpired sick leave, which shall be independent of, and without prejudice to, any grant which can be made to the official under Article 18 of the Regulations of the Staff Provident Fund of the League of Nations.

"The amount of the indemnity shall be such as the Secretary-General may consider just."

"Article 71. An official receiving a physical injury or incurring a disease in the course and in consequence of his employment as an official shall be allowed a reasonable compensation, the amount of which shall be finally fixed by the Secretary-General.

"In calculating such compensation, regard will be had, *inter alia*, to the cost of medical, surgical and other attendance properly incurred, the extent of the resulting incapacity, if any, and the personal circumstances of the official and his dependents.

"Should the official's death result from the injury or disease, a reasonable compensation, to be fixed by the Secretary-General, shall be paid, in such manner as the Secretary-General shall determine, to members of the official's family who were wholly or partially dependent upon him at the time of his death or, but for the injury or disease, would have been so dependent.

"The cases referred to in this Article will be dealt with by the Secretary-General on recommendations from the Administrative Committee established by Article 69."

3. The Tribunal shall be open :

- (a) To the official, even if his employment has ceased, and to any person on whom the official's rights have devolved on his death ;
- (b) To any other person who can show that he is entitled to some right under the terms of appointment of a deceased official or under provisions of the Staff Regulations on which the official could rely.

4. Any dispute as to the competence of the Tribunal shall be decided by it.

Article III.

1. The Tribunal shall consist of three judges and three deputy-judges, who shall all be of different nationalities. The judges and deputy-judges shall be appointed by the Council of the League of Nations for the period of three years, subject to the establishment by the Council of transitional measures to permit part only of the Tribunal to be renewed each year. The Tribunal shall elect a President and Vice-President from among the judges.

2. A meeting of the Tribunal shall be composed of three members, of whom one at least must be a judge.

Article IV.

The Tribunal shall hold ordinary sessions at dates to be fixed by the Rules of Court, subject to there being cases on its list and to such cases being, in the opinion of the President, of a character to justify holding the session. An extraordinary session may be convened at the request of the Acting President of the Council or of the Chairman of the Governing Body of the International Labour Office.

Article V.

The Tribunal shall decide in each case whether the oral proceedings before it or any part of them shall be public or in camera.

Article VI.

The Tribunal shall take decisions by a majority vote ; judgments shall be final and without appeal.

The reasons for a judgment shall be stated. The judgment shall be communicated in writing to the head of the administration concerned and to the complainant.

Judgments shall be drawn up in two copies, one of which shall be filed in the archives of the Secretariat and the other in the archives of the International Labour Office, where they shall be available for consultation by any person concerned.

Article VII.

A complaint shall not be receivable unless the decision impugned is a final decision and the person concerned has exhausted such other means of resisting it as are open to him under the applicable Staff Regulations.

To be receivable, a complaint must also have been filed within ninety days after the complainant was notified of the decision impugned or, in the case of a decision affecting a class of officials, after the decision was published.

Where the administration fails to take a decision upon any claim of an official within sixty days from the notification of the claim to it, the person concerned may have recourse to the Tribunal and his complaint shall be receivable in the same manner as a complaint against a final decision. The period of ninety days provided for by the last preceding paragraph shall run from the expiration of the sixty days allowed for the taking of the decision by the Administration.

The filing of a complaint shall not involve suspension of the execution of the decision impugned.

Article VIII.

No action shall be taken upon a complaint unless the complainant deposits with the administration concerned, within the ninety days allowable under Article VII, an amount equal to one-fiftieth of his annual salary (net salary).

The Tribunal, when pronouncing judgment, will order the refund of the deposit to the complainant if and in so far as it considers that there were sufficient grounds for presenting the complaint.

Article IX.

In cases falling under Article II, paragraph 1, the Tribunal, if satisfied that the complaint was well founded, shall order the rescinding of the decision impugned or the performance of the obligation relied upon. If such rescinding of a decision or execution of an obligation is not possible or advisable, the Tribunal shall award the complainant compensation for the injury caused to him.

Article X.

1. The administrative arrangements necessary for the operation of the Tribunal shall be made by the Secretariat and the International Labour Office in consultation with the Tribunal.

2. Expenses occasioned by sessions of the Tribunal, other than expenses attributable to the hearing of particular complaints, shall be divided between the Secretariat and the International Labour Office in equal shares or in such proportion as the Assembly may determine. The expenses attributable to the hearing of a complaint shall be borne by the administration against which the complaint is made.

3. Any compensation awarded by the Tribunal shall be chargeable to the budget of the administration concerned.

Article XI.

Subject to the provisions of the present Statute, the Tribunal shall draw up Rules of Court covering :

The election of the President and Vice-President ;

The convening and conduct of its sessions ;

The rules to be followed in presenting complaints and in the subsequent procedure, including intervention in the proceedings before the Tribunal by persons whose rights as officials may be affected by the judgment ;

And, generally, all matters relating to the operation of the Tribunal which are not settled by the present Statute.

The Tribunal may amend the Rules of Court.

Article XII.

If the decision impugned was notified to the person concerned or was published after December 31st, 1927, but before the date at which the Tribunal first constituted itself, such decision, for the purpose of Article VII, shall be deemed to have been notified or published at the date at which the Tribunal first constituted itself¹.

The present Statute shall remain in force during the pleasure of the Assembly.

¹ See, on page 254, the footnote to the corresponding passage of the report.

ANNEX 14.

C.518.M.177.1927.X.

REPORT OF THE SUPERVISORY COMMISSION ON THE WORK OF ITS
TWENTY-FIFTH SESSION.

The Supervisory Commission held its twenty-fifth session at Geneva from September 16th to 22nd to consider various questions referred to it by the Assembly, and questions the consideration of which it had been unable to conclude at its previous sessions.

The following members attended the session:

His Excellency M. Stefan OSUSKÝ, *Chairman*.
Lord MESTON OF AGRA, *Vice-Chairman*.
M. J. A. NEDERBRAGT, *Rapporteur*.
M. Jean RÉVEILLAUD.
M. C. PARRA-PÉREZ.

I. MISCELLANEOUS QUESTIONS.

1. *Staff Provident Fund: Admission of Officials originally Holders of Temporary Contracts.*

Article 2 of the Staff Provident Fund Regulations reads as follows:

"Whatever the organisation of the League to which they belong, all permanent officials other than those coming within the provisions of the next following paragraph shall contribute to the Fund.

"For the purposes of this article:

"(1) The term 'official' means an employee whose salary is borne on the budget of the League and who is classed as an official under the regulations of the organisation in which he serves;

"(2) The term 'permanent official' means an official holding either: (a) an international engagement for a fixed period, provided that the period is not less than seven years, or (b) an engagement for an indeterminate period as a locally recruited official unless the engagement is expressed or shown by its terms to be of a temporary character.

"Any question as to the participation in the Fund of a particular employee shall be decided in accordance with the terms of this article by the authority or official responsible for his engagement."

The Supervisory Commission, having been asked by the Secretary-General for advice as to the interpretation of the above provisions, agreed that officials originally engaged in a temporary capacity, but whose contracts were subsequently converted to engagements on a permanent basis, as that term is defined in the above article, may be allowed to make retroactive payments to the Fund in respect of their previous period of engagement, the League making similar payments *pari passu* with the officials concerned.

2. *Scale of Journey Allowances for Members of Committees.*

The Supervisory Commission recommends the Assembly to adopt the new scale of journey allowances prepared by the Secretariat in substitution for the scale in force, in order to reflect the changes which have occurred in the conditions of travelling (Appendix 1). It is understood that a subsidiary scale in respect of journeys to places other than Geneva, London and Paris will also be revised on the same basis as that used for the preparation of the scale shown in the Appendix.

3. *Publications of the Secretariat and Special Organisations.*

The Commission, after having received a report on this subject drawn up by its Rapporteur and having noted the progress made in various directions since the last ordinary session of the Assembly,

came to the conclusion that a certain number of important questions of principle remained to be settled before a final report could be submitted to the Assembly. It accordingly requested its Rapporteur to make, with the Secretary-General and the Director of the International Labour Office, a further examination of certain aspects of the question and to submit the conclusions of his study to the Commission before the preparation of the estimates for 1929.

4. *Enlargement of the Accommodation for the Permanent Court of International Justice.*

The Secretary-General communicated to the Supervisory Commission a letter from the Carnegie Foundation at The Hague containing proposals concerning the rearrangement of the accommodation in the Peace Palace at The Hague, in order to provide for individual officers for the Judges of the Court and further space for the Registry. It is proposed that this rearrangement, which is entirely satisfactory to the competent authorities of the Court, should be financed in the following manner:

(1) The Netherlands Government would lend the Foundation the sum of 240,000 florins without interest.

(2) The League of Nations would make it possible for the Foundation to reimburse this sum in twenty-four instalments by increasing the annual contribution of the Court to the Foundation from 40,000 to 50,000 florins, that is to say up to the same amount as the sum shown in the budgets of the Court for the years 1922-1924.

(3) The additional sum of 10,000 florins would be payable as from 1929. The Foundation would obtain the assurance of the Assembly that the same sum would, other conditions remaining equal, be paid for the years 1930 to 1952.

The Supervisory Commission, having ascertained the insufficiency of the accommodation placed at the disposal of the Judges, several of whom are for the moment obliged to share a room, is of opinion that it is desirable to proceed with the proposed rearrangement of the accommodation placed at the disposal of the Court. It is also of opinion that the system proposed for financing the scheme is satisfactory.

In these circumstances the Commission recommends the Assembly to approve, subject to the provisions of Article XVII¹ of the Agreement concluded between the Secretary-General and the Carnegie Foundation, the insertion in the Budget of the Court, yearly from 1929 to 1952, of an additional sum of 10,000 florins as a further contribution of the Court to the Foundation for these years, it being understood that the necessary alterations in the building will be terminated before June 10th, 1928. The Commission understands that the above declaration, if it is adopted by the Assembly at its eighth ordinary session, will give satisfaction to the desire of the Foundation to obtain a definite assurance regarding the financing of the operation.

The Supervisory Commission is of opinion that the following consequential modifications should be made in the Agreement concluded between the Secretary-General and the Carnegie Foundation on February 12th and March 8th, 1924:

(1) Additional clause to be added to Article VI:

"Finally, the Secretary-General undertakes to request the Assembly of the League of Nations to vote annually an additional credit of 10,000 florins to be inserted in each Budget of the Court from 1929 till 1952. This sum is intended to permit the Carnegie Foundation to reimburse to the Netherlands Government the loan of 240,000 florins contracted in 1927 in order that the Foundation may make certain rearrangements in the accommodation placed at the disposal of the Court."

(2) Article VIII:

"The numbers of the rooms placed at the disposal of the Court (see paragraphs 2 and 3) will have to be modified."

(3) Addition to the second paragraph of Article XVII:

"The provisions of paragraph 3 of Article VI will, however, become null and void at the expiration of the financial year 1952."

5. *Offers for the Purchase of the Hotel National and Villa Armleder.*

The Secretary-General asked the Supervisory Commission to advise him in regard to the procedure which should be followed in case offers were received for the purchase of the Hotel National and the Villa Armleder.

After a discussion on the various issues involved in the question, the Supervisory Commission came to the conclusion that any offers for the sum of 4,000,000 francs (the sale price guaranteed by the Swiss authorities) or less should merely be transmitted to the Federal Government for

¹ Article XVII of the Arrangement between the Carnegie Foundation and the League of Nations regarding the establishment of the Permanent Court of International Justice at the Peace Palace reads as follows:

"The present arrangement shall lapse at the expiration of three months after: (1) the dissolution of the Court; (2) the transfer of the Court from the Peace Palace.

"Subject to the provisions of the first paragraph, this arrangement is concluded for one year and will be automatically renewed for further periods of one year, failing notice of denunciation given by one of the parties three months before the end of each period.

"If, at the end of a period, negotiations for the conclusion of a new arrangement have not been concluded, the present arrangement shall remain in force until such new arrangement has been concluded."

information. It is, of course, understood that the League would maintain entire liberty as to the ultimate disposal of the building.

If the offers received amounted to a sum higher than 4,000,000 francs, the Secretary-General might be authorised to deal with them after consultation with the Supervisory Commission, subject, in the case of a recommendation of acceptance, to the approval of the Assembly, or, if this were not practicable, of the Council.

6. *Furniture of the Neutral House at Constantinople.*

The Assembly, at its seventh ordinary session, decided to lend Miss Mills (the Directress) the equipment of the Neutral House for another year.

The Supervisory Commission, having been informed that, on receiving promises of support, Miss Mills had decided to keep the Neutral House running as a social service centre, recommends the Assembly to continue the loan of the furniture for an indefinite period.

7. *Gift of Mr. John D. Rockefeller, Junior, for the Establishment of a Special League Library.*

The Fourth Committee asked the Supervisory Commission's advice on the various practical steps that the League may have to take following upon the acceptance of the gift of Mr. John D. Rockefeller, Junior.

The Commission is of opinion that no difficulty will arise as regards the accounts, which, in accordance with the Financial Regulations, will be kept and controlled in the same manner as those of the ordinary funds of the League. The Commission recommends that, as soon as practicable, a detailed budget should be drawn up and annexed to the general budget of the League in the same manner as the budget of the Far Eastern Bureau for Epidemiological Intelligence. This budget would, of course, be examined by the Supervisory Commission at the same time as it considers the ordinary estimates of the League.

While it would be difficult, at the present stage, to state how best the sum of 2,000,000 dollars could be employed, the Supervisory Commission recommends the Assembly to accept a preliminary proposal which was made to it by the Secretary-General.

In the first place, it might be helpful in the near future to invite to Geneva several library experts to consult with the Secretary-General and the Librarian of the League as to the best possible use of the gift. It would be desirable, for instance, to consider the probable lines of development of the Library and its necessities during the coming years, and to take into consideration the requirements of Geneva as a centre of international research.

Secondly, it would seem useful to secure the benefit of the great experience recently obtained in the United States in library construction. This might be done either by a visit to the United States of the League Librarian and perhaps the architect who may be selected for the main building scheme, or by inviting a technical American library expert to come to Geneva.

The Secretary-General estimated that the expense entailed by these proposals would not exceed 100,000 francs.

The Commission agreed that the Secretary-General should enter into communication with the donor in order to give effect to such of these proposals as he may ultimately consider desirable.

The Commission is of opinion that, should the Secretary-General consider it advisable that further amounts of the gift should be spent during the year 1928, such expenditure might be authorised, provided always that the Secretary-General obtained the approval of the Council and that the Supervisory Commission has previously been consulted and agreed.

8. *Expenses of the Permanent Central Board to be set up in Accordance with the Opium Convention of February 1925.*

The Supervisory Commission discussed at length the question of principle raised by the setting up of a Central Board under the Opium Convention of February 1925, and, in particular, the propriety of requiring the League budget to provide for expenditure arising from a Convention ratified only by a certain proportion of the Members of the League. It had before it a letter on the subject, addressed by the Chairman of the Fifth Committee to the Chairman of the Fourth Committee (Appendix 2).

Limiting its conclusions entirely to the case in point, the Supervisory Commission was of opinion that, since the opium question was specifically referred to in Article 23 of the Covenant, the objects aimed at by the Convention could rightly be stated to come within the field of activity of the League.

The Commission also noted that, in the Articles of the Convention relating to the establishment and functioning of the Central Board, provision is made for references to the Council on many specific cases and for the appointment of the staff to be made by the Secretary-General. It is also difficult to avoid the consequences of the fact that the Convention was prepared under the auspices of the League, at a Conference convoked by the League, held at the seat of the League and attended by a great majority of the States Members.

In view of these considerations and the fact that safeguards had been taken, when the Convention was drawn up, that it should only come into force if and when a definite number of Members

of the Council had ratified it, the Commission decided to recommend the Assembly to include the estimates for the Central Board in the general budget of the League of Nations.

9. *Adjustment of the Salaries of the Staff at Geneva.*

After considering the question as a whole at its sessions in January and April, the Supervisory Commission, at its July session, recommended that the Assembly should make certain modifications in the system adopted by the Assembly at its fourth ordinary session for preparing the statistics on which the cost-of-living index was based. It proposed, among other matters, that new statistics should be prepared for the rents of apartments of five and more rooms. The following tables have been prepared by the statistical service of the International Labour Office on the basis of these new data.

I. *Average rents and rent index numbers in Geneva.*

Size of apartment ¹	Number of apartments covered by the statistics	Approximate percentage of staff occupying apartments of each size	Average rents				Index numbers (1st half 1921 = 100)		
			1921 1st half Swiss francs	1924 1st half Swiss francs	1926 1st half Swiss francs	1927 1st half Swiss francs	1924 1st half	1926 1st half	1927 1st half
3 rooms	2,130	44 ²	779	—	—	849	—	—	108.98
4 "	1,600	14	1,072	—	—	1,162	—	—	108.39
5 "	520	15	1,658	1,721	1,757	1,790	103.79	105.97	107.96
6 "	619	12	2,151	2,219	2,271	2,283	103.16	105.57	106.13
7 "	275	7	2,570	2,642	2,699	2,718	102.8	105.01	105.75
8 "	161	4	3,454	3,535	3,586	3,592	102.34	103.82	103.99
9 "	110	4	3,749	3,882	3,952	3,928	103.54	105.41	104.77
Weighted average index ³									107.80

¹ The kitchen is counted as a room.
² Including officials living in apartments of one or two rooms.
³ Calculated by using as weights the percentages given in column 3.

II. *Index Numbers of Cost of Living in Geneva.*

Groups	Weights	Base period July-December 1921	Period of twelve months ending July	
			1923	1927
Food	13	100	78.3	77.4
Fuel and light . . .	2	100	90.0	73.8
Rent	6	100	100.0	107.8 ¹
	21	2,100	1,797.0	1,800.6
• Combined index . .	—	100	85.6	85.7

¹ Figure for the first half-year.

The latter table shows that the increase in the cost of living, as compared with 1923, is now 0.1 per cent.

The data used in preparing the new statistics are disputed by the staff. The latter point out that their own experience shows that the rents paid by them exceed the average indicated by the statistics.

Under these circumstances the Supervisory Commission, to which the report of the Salaries Adjustment Committee was submitted, accepts the part of the conclusions of the Committee — that taken unanimously — which proposes to apply once more the system adopted by the Assembly at its fourth ordinary session. It also thinks it desirable to consider the suggestion made by the staff to enquire into a system of index numbers which would satisfy both the wishes of the staff and the financial interests of the League of Nations. This new system should be submitted to the next Assembly.

As regards the final suggestion in the report of the Salaries Adjustment Committee, which is made only by the members of the staff who form part of this body, the Supervisory Commission desires to point out that it is not only impossible to measure the extent of the error alleged by the staff but also that the data regarding the problem appeared to it to be more uncertain than was the case last year.

II. SUPPLEMENTARY CREDITS.

A. *Supplementary Credits requested by the Secretary-General*¹.

The Commission had before it a report from the Secretary-General in which he asked that certain modifications be made in the Budget as presented to the Assembly.

1 (a). In regard to the supplementary credits asked for the Berlin Office of the Information Section, the Supervisory Commission took the view that the time had come to apply the principle adopted by the Fourth Committee that, provided economies could thereby be effected, branch offices of the Secretariat and of the International Labour Office should be housed in the same building. It had to recognise, however, that in this particular case there might be disadvantages in following this principle, since the Berlin office of the International Labour Office was installed in one of the German Governments' Ministries at a very moderate rental. In view of this consideration and the fact that it did not have sufficient information as to rents in Berlin, the Supervisory Commission requested the Secretary-General and the Director of the International Labour Office to go fully into the question, so that, if it were more economical, both offices should be housed in the same building on the expiration of the present lease of the Berlin Bureau of the International Labour Office.

In approving the supplementary credit of 10,000 francs, the Commission took the view that it would doubtless be impossible to set up an office at Berlin at a total cost (including salaries) of less than 24,000 marks, owing to the high cost of living in Berlin, particularly in regard to rents, which are on the increase.

(b) After discussion, the Supervisory Commission recommends the Assembly to approve the creation of a new intermediate post in the Information Section at a minimum salary of 10,000 francs, on the understanding that the credit for temporary engagements would be reduced from 30,000 to 25,000 francs. In taking this decision, the Supervisory Commission was largely guided by the advice of one of its members, who endorsed the proposals of the Director of the Information Section, in view of the fact that Latin America was divided into a certain number of geographical groups, and it was difficult for a man coming, for instance, from the south to be fully acquainted with conditions in the northern or the central group.

2 and 3. The Supervisory Commission agreed, at its July session, to the Secretary-General's proposal to rent part of the building which was being erected next to the present annex of the Secretariat. It was pointed out to the Commission at the time that this opportunity of increasing the number of rooms at the disposal of the Secretariat would doubtless not recur, and, in view of the postponement of the building operations of the League, the present accommodation would not suffice to meet the growth of the various services of the League during the next four years. Thus, in view of recent development, more room was required for the Economic and Financial Section, the officials of which were, at the moment, seriously overcrowded.

It was with some reluctance that the Commission agreed to the Secretary-General's scheme, but, after a full discussion of all the aspects of the question, it came to the conclusion that such a decision would in the long run result in an economy.

In the circumstances, the Commission approved the insertion in the Budget of the sum of 53,900 francs for the maintenance of the new building and salaries of the necessary house staff.

4 (a). After discussion, the Commission came to the conclusion that, notwithstanding the interest to be attached to the translation and publication by the Secretariat in the German, Italian, Czech and Spanish editions of the *Monthly Summary* of Conventions adopted under the auspices of the League, the present time was not suitable for embarking on this new scheme, in view of the large amount of supplementary credits asked for by the various Committees of the Assembly, and it therefore postponed further consideration of the matter till the subsequent budget.

(b). The Commission agreed to increase by 20,000 francs the amount provided for the item "Travelling expenses, transport charges, advertising, catalogues, etc." of the Publications Service, on the understanding that this supplementary credit would be offset by an increase of 20,000 francs in the estimate for the sale of publications during 1928.

5. The Commission agreed to restore the figures of 36,000 francs for subscriptions and Press cuttings in item 12 of the Budget, being an increase of 2,000 francs over the figure shown in the original estimates.

6. After carefully examining the organisation of the Printing and Publications Department, which has recently been re-modelled, the Secretary-General came to the conclusion that it needed to be strengthened in order to be able adequately to cope with the work, which is increasing as the sales develop. He pointed out also that, during the last few years, the Chief of the Printing Service had been consistently overworked. In the circumstances, and after going into the matter very

¹ For details regarding supplementary credits approved by the Supervisory Commission, see Report of the Fourth Committee (document A.113.1/27.X, pages 5 and 6).

fully, the Supervisory Commission recommends the Assembly to add the following posts to sub-head 3, "Printing and Publication Department", of Sub-Schedule 2 to Schedule B of the Budget (see page 11 of the Budget ¹).

Under "(a) Publications — Locally recruited staff": Swiss Francs

1 1st-class clerk (temporary) (5,000-200-8,000)	7,000
1 5th-class clerk (apprentice) (2,400-100-4,000)	2,450

Under "(b) Printing":

1 Assistant Head of Service (10,000-300-14,400)	10,150
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Assembly Hall.

At its second meeting, held on September 7th, 1927, the General Committee of the Assembly came to the conclusion that for future sessions of the Assembly a further improvement could be made in the arrangements in the Hall if the size of the presidential platform could be greatly reduced.

In view of the unanimous desire of the delegates at the Assembly that further improvements be made in the Assembly Hall, the Supervisory Commission recommends the Assembly to add, for this purpose, 10,000 francs to item 1 — "Assembly".

B. Supplementary Credits requested by the Director of the International Labour Office ².

1. Ordinary Budget.

The Supervisory Commission accepted the proposals which had been made to it by the Director of the International Labour Office.

In order partly to offset the increase asked for in respect of postage, the Director agreed to increase from 130,000 to 140,000 francs the estimate of receipts from publications during 1928

The budget of the International Labour Organisation will therefore be modified as follows:

	Swiss Francs
Item 14 (a) — Paris Office will be increased by 1,695 francs to	51,095
Item 14 (e) — Berlin Office will be increased by 16,000 francs to	115,100
Item 8 (b) — Postage will be increased by 39,000 francs to	150,000
The estimated receipts from sale of publications increased by 10,000 francs to	140,000

2. Work on Behalf of Refugees.

On September 13th, the Fifth Committee adopted the following resolution:

"The Committee . . . recommends to the Fourth Committee the provisions in the budget for the Refugee Service, to which should be added a credit of 7,500 Swiss francs for the service of establishing Armenian refugees in Syria."

The Supervisory Commission, having been assured that this service is performing work of a really essential character and that its expenditure cannot be met from other sources, recommends the Assembly to increase Chapter II (a) of the International Labour Organisation Budget (Work on behalf of refugees) from 331,675 to 339,175 francs.

C. Supplementary Credits following Resolutions adopted by Committees of the Assembly.

I.

1. Reduction of Armaments.

(a) The Supervisory Commission agreed to increase from 70,000 to 80,000 francs sub-head I — "Commissions, collaboration of experts and technical work" of sub-item IV — "Organ of the Council for Disarmament Work", of item 25 of the Budget for 1928. This increase is to cover the supplementary work which will have to be undertaken by the Preparatory Commission for the Disarmament Conference as a result of the resolutions adopted by the Third Committee on the subject of arbitration and security. The amount is estimated on the assumption that the members of the Commission will be Government delegates.

(b) The following is an extract from a draft resolution adopted by the Third Committee on September 19th, 1927:

"The Assembly requests the Council to convey its views to the special Committee in order that the latter may, as rapidly as possible, agree upon a single text which will enable the Council to convene an International Conference (on the supervision of the private manufacture of and the publicity regarding the manufacture of arms, ammunition and of implements of war) before the ninth ordinary session of the Assembly."

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"The Assembly requests the Council to convey its views to the special Committee in order that the latter may, as rapidly as possible, agree upon a single text which will enable the Council to convene an International Conference (on the supervision of the private manufacture of and the publicity regarding the manufacture of arms, ammunition and of implements of war) before the ninth ordinary session of the Assembly."

¹ See page 178.

² For details regarding supplementary credits approved by the Supervisory Commission, see Report of the Fourth Committee (document A.113.1927.X., pages 6 and 7).

Since the Budget for 1928 only provides for the printing of the records of the Conference — which it was expected would be held in 1927 — the Supervisory Commission recommends the Fourth Committee to provide now for the full cost of the Conference by increasing sub-item VI — “International Conference for the Control of the Private Manufacture of Arms, Munitions and Implements of War” from 25,000 francs to 130,000 francs—that is, by an addition of 105,000 francs. The result of these two proposed modifications would be to increase the budget of the Section for the Reduction of Armaments from 982,523 to 1,097,523 francs, *i.e.* by 115,000 francs.

2. *Advisory Work arising out of the Resolutions of the Press Conference.*

On September 19th, the Sixth Committee adopted the following draft resolution:

“The Assembly,
 “Noting the success of the Conference of Press Experts :
 “Conveys its thanks to the representatives of the Press for their collaboration;
 “Trusts that the technical organisations to which the Council has submitted a number of these resolutions will undertake as soon as possible the special enquiries relating, in particular, to the questions of telegraphic and telephonic rates, the improvement of communications, the conveyance of newspapers, identity cards for journalists and visas for journalists’ passports.”

The Commission was informed by the Secretary-General that, in order to give effect to the resolutions of the Press Conference, it would probably be necessary to convoke at least two sub-committees of experts to deal particularly with the question of telegraph rates and the distribution of newspapers. In view of the great success achieved by the Conference of Press Experts and the advantage of continuing the work begun, the Commission recommends the Fourth Committee to add a new sub-head to the sub-item “Supplementary credits” of the Budget for the Organisation for Communications and Transit (item 22) to read as follows:

“Supplementary credit for advisory work arising out of the resolutions of the Press Conference”

and to provide for this purpose the sum of 10,000 francs. Item 22 would thus be increased from 334,551 to 344,551 francs.

3. *Economic and Financial Organisation.*

The Commission noted the draft resolutions adopted by the Second Committee, in the first place on the action to be taken on the recommendations of the International Conference and the work arising therefrom, and, secondly, on the changes to be made in the Economic Organisation. The Commission had also before it detailed estimates prepared by the Secretariat showing the various categories of expenditure which would result from the adoption by the Assembly of these draft resolutions. The estimate amounted to 242,000 francs.

While noting that the proposals which had been made to it related to work which would necessarily have to be taken up sooner or later, the Supervisory Commission came to the conclusion that all the tasks proposed by the Conference could not be undertaken by the Section during 1928, and, in agreement with the Secretary-General, reduced the supplementary credits to the following figures:

	Swiss Francs
1. Meeting of the Consultative Committee	53,000
2. Accessory expenditure of the Consultative Committee	5,000
3. Meetings of five special committees for tariff nomenclature	60,000
4. Temporary staff	30,000
5. Memorandum on Production and Trade	3,000
6. Memorandum on Essential Industries:	
Iron	3,000
Coal	3,000
Cotton	3,000
7. Summary Memorandum on the Various Industries	2,500
8. Memoranda concerning the Work of Unification of Tariff Nomenclature	5,000
9. Memorandum on Industrial Agreements	1,500
10. Study of the unification of the lines on which treaties of commerce should be drawn up	1,500
11. Green Book for the meeting of the Consultative Committee	1,500
12. Report of the Consultative Committee	2,000
Total expenditure	174,000

This is an increase of 74,000 francs on the amount already allowed (*viz.*, 100,000 francs) as a "provision for the development of the Economic and Financial Organisation following the General Economic Conference" under Chapter III, item 20, of the Budget.

4. *Liaison with Latin America.*

The Supervisory Commission noted the following resolution, which was adopted by the Second Committee on September 14th, 1927:

"The Second Committee:

"(1) Having taken note of the report of the President of the Health Committee on the possibilities of technical co-operation with public health and medical authorities in Latin-American countries, and also of the report on the work of the Conference of Health Experts on Infant Welfare held at Montevideo:

"(2) Notes with satisfaction that the activities of the Health Organisation of the League of Nations have extended to several countries of Latin America and that fruitful co-operation may be anticipated as the result of the Health Committee's mission;

"(3) Welcomes the practical suggestions for continued co-operation which have been made by the health authorities and experts of Argentine, Brazil and Uruguay;

"(4) Considers that the realisation of these suggestions would result in creating links between the League's health work and activities of national health administrations in these countries and would represent a good method of developing the work of the League's technical organisations in Latin America;

"(5) Requests the Council, after having obtained the Health Committee's advice on these different suggestions for co-operation with Latin-American countries, to consider how they may be put into practice;

"(6) And requests the Fourth Committee to consider very seriously the importance of the development of the League's technical health work in Latin America and to take the necessary steps to ensure its accomplishment."

The Committee noted the desirability of such work but decided, in order to allow a choice to be made later between various opportunities for technical liaison with the different Republics of Latin America, to recommend that a sum of 100,000 francs should be inserted under sub-head II (b) — "Technical investigations to be undertaken in Latin America" of item 6 — "Liaison with Latin America", leaving to the Council the ultimate decision as to the employment of this provision. The Commission took note of the Secretary-General's assurance that no steps would be taken in the matter except with the agreement of the Governments concerned.

5. *Codification of International Law.*

The Supervisory Commission was informed that the First Committee had in principle decided to recommend the setting-up of a Committee to prepare a conference on the codification of the three following subjects of international law:

- (a) Nationality;
- (b) Territorial waters;
- (c) Responsibility of States for damage done in their territories to the person or property of foreigners.

The sum required amounts to 80,000 francs, made up as follows:

	Swiss Francs
1. Meetings of Committee (five members, two sessions a year of a total maximum duration of six weeks):	
(a) Travelling expenses	25,800
(b) Subsistence and journey allowances	14,700
2. Printing	15,000
3. Temporary staff	22,000
4. Miscellaneous expenses	2,500
	80,000

It was pointed out by the Secretary-General that sub-head 1 calculated for two members of the Committee coming from distant countries. In regard to sub-head 3, the Secretary-General informed the Committee that it would be impossible for the whole work to be done by the present staff of the Legal Section.

II.

6. *Collection of Information necessary to the Organisation for Communications and Transit.*

The Commission noted the draft resolution in which the Second Committee expressed its approval of the resolution adopted on September 2nd by the Third General Conference on Communications and Transit in regard to the collection and exchange of data on the following communications and transit problems:

- (a) Ports and maritime navigation;
- (b) Inland navigation;

- (c) Railways;
- (d) Electric questions;
- (e) Road traffic;
- (f) Air navigation.

Should the Fourth Committee wish to endorse the resolution adopted by the Conference and to instruct the Secretariat to undertake as soon as possible the total work involved in the scheme approved by the General Conference, it would be necessary to vote supplementary credits in accordance with the Secretary-General's proposals as follows:

	Francs
For supplementary staff	52,000
For printing and miscellaneous	28,000
	80,000
making a total of	80,000

The Supervisory Commission noted, however, that, in view of the fact that time had to be allowed for the necessary preparatory arrangements, the total for 1928 could be reduced by 30,000 francs. After an exchange of views with the Secretary-General, it came to the conclusion that the number of staff for the analysis of the material received could be reduced from three to two, as the present staff would be able to cope with part of the work. For this reason, the total for 1928 could be further reduced from 50,000 to 44,334 francs. The details of the supplementary budget for 1928 are therefore as follows:

	Francs
I. Staff.	
(a) General supervision, co-ordination, etc.: One member of Section already shown in the Budget.	
1 secretary-shorthand-typist	9,000
(b) Analysis of documents received: 2 1st-class assistants with knowledge of languages (from May 15th, 1928)	11,334
(c) Comparison and classification of the information received, periodical preparation of summaries sent to correspondents or published: 1 member of intermediate class	10,000
II. Printing and Miscellaneous.	
Translations, forwarding of documents, subscriptions to Press-cutting agencies, printing and publication	14,000
Total.	44,334

The Supervisory Commission, although appreciating the desirability of collecting statistical material for the Transit Organisation, had nevertheless some doubts about the strict necessity for undertaking this work on the proposed scale and about the desirability of its being undertaken in the present circumstances. As to the first point, the Commission took the view that there was a certain danger in the collection of numerous statistics for purposes not strictly defined, which might lead to work the necessity for which it would be difficult to prove and would entail undesirable financial consequences. As to the second point, the Commission was of opinion that, at a moment when demands for more supplementary credits were asked than could be justified under a sound budgetary policy, it would perhaps be wise not to vote the credits specified above.

III

7. *Permanent Central Board to be set up under the Opium Convention of February 1925.*

Following the decision of the Fourth Committee that the expenses of the Central Opium Board, if and when constituted, would be an appropriate charge on the League Budget, the Supervisory Commission examined the estimates prepared by the Secretary-General for a full year's working of the Board.

At the outset, the Commission could see no reason why an exception should be made, in the case of the Board, to the general rule of the League, to which the Commission attaches the highest importance, that the work of members of advisory committees should be undertaken by those who were able in a spirit of public duty to place their time and experience without remuneration at the service of the League for such purposes. Holding this view strongly, the Commission decided to provide no honoraria but to make provision for subsistence allowances at the rate of 70 francs per day. On the basis of 60 days per year, the sum required would amount to 33,600 francs. The Commission approved the estimate for travelling expenses, amounting altogether to 33,000 francs, it being understood that one of the members would come from the United States of America and one from the Far East.

As a result of the discussion which took place in the Fifth Committee, the Commission approved the Secretary-General's proposal to increase to 25,000 francs the salary of the Secretary of the Board. It accepted the estimates put forward in regard to the other members of the staff; the

salaries shown in the schedule are in each case higher than the minimum of the grade, but the Secretary-General explained that the officials would probably be transferred from other sections of the Secretariat and replaced by outsiders at the minimum salary; a slight saving might thus be expected next year in certain departments of the Secretariat.

The estimate for salaries amounting to 60,000 francs, the total budget of the Board for a full year would amount to 126,600 francs. As, however, it is, in view of the stipulations of the Convention, extremely unlikely that the Board could come into existence, at the earliest, before July 1st, 1928, the provision for 1928 need not exceed 63,300 francs.

The Commission, however, must invite attention to the fact that the Convention cannot come into force until ninety days after the last required ratification has been received by the Secretary-General, and, further, that another interval of three months is allowed for the constitution of the Central Board. In view of the progress of ratification hitherto, the completion of all preliminaries before the end of 1928 seems improbable, and, since the Convention is already more than two years old, a further delay of six months until the end of 1928 could hardly be held seriously to prejudice the control of the traffic in dangerous drugs.

IV.

General Conclusions.

It now remains for the Commission, in view of the expressed wish of the Fourth Committee, to advise on the total additional commitments which should be recommended to the Assembly. The total of the 1928 Budget, as it now stands, is 24,879,622 francs. The acceptance of all the supplementary estimates discussed above, even after every effort has been made by the Supervisory Commission to keep the provision down to a strict minimum, would raise the total budgeted expenditure to over 25½ million francs for 1928, while in several cases they would entail a further enhancement in subsequent years. The Supervisory Commission cannot regard this as satisfactory, and it trusts that, in the widest financial interests of the League, the Assembly will see proper to postpone or to dispense with certain of the projects to which these estimates relate.

For reasons which will be apparent under the various items, the Commission believes it reasonable to make full provision for the credits enumerated in that section of this report which deals with the requirements of the Secretariat and the International Labour Office. They amount to 154,695 francs, and carry the budget of expenditure just over the limit of 25 millions, viz. to 25,034,317 francs.

Coming to the demands for additional credits which spring from resolutions of Committees of the Assembly or of special conferences, the Commission has enumerated in Section I of this report the projects which seem to it to have, at the moment, relatively stronger claims on the League than the others. They present a total of 379,000 francs, from which, however, could be deducted, for reasons set out below, the sum of 75,000 francs provided under item 29 of the Budget for the codification of international law. The net addition of 304,000 would bring the Budget of expenditure to a figure of 25,338,317 francs, and the Assembly may perhaps see fit to stop at this total, if indeed it decides to go so far.

The items which combine to produce this result represent, in the main, services which are immediate and integral consequences of work already undertaken by the League — work of which the benefit might evaporate or be impaired if it is not closely followed up and completed. This consideration does not apply in quite the same measure to the projects for further general preparation for codifying international law; for the Commission would suggest that the work of the Committee may now with advantage be temporarily suspended. Three of the questions considered by it seem to have reached a stage at which a conference should be convened to deal with them specifically. It would seem desirable to await the concrete results of the conference on the three specific questions before renewing the sittings of the Experts Committee. If, accordingly, the Experts Committee suspended its work, the present budget provision of 75,000 francs for it could be cancelled and replaced by the 80,000 francs discussed above.

The only item under Section I which is not exactly homogeneous with the others is the proposed grant of 100,000 francs for liaison with the various Latin-American Republics. This stands on a footing of its own, and seems to the Commission to merit special consideration on the ground of the high importance of strengthening the bonds which attach the various States of Latin America to the League.

If the Assembly is disposed to accept a Budget in excess of 25½ millions of francs, it will no doubt consider the project described in Section II of this report, which would enhance the total to 25,382,651 francs, and finally, the project set out in Section III, which would carry the grand total to 25,445,951 francs for 1928, though, as has been explained, the permanent addition would be higher, while the retention of both phases of the work of codifying international law would bring the total, even for 1928, above 25½ millions. The Commission believes that it would serve the best financial interests of the League by recommending that the line for 1928 should be drawn not lower than Section I above.

V.

Summary of Projects enumerated in the Foregoing Report.

	Francs
Credits asked for by the Secretary-General	100,500
Credits asked for by the Director of the International Labour Office	54,195
Credits described in Section I:	
1. Reduction of Armaments:	Francs
(a) Supplementary credits for preparatory Commission	10,000
(b) Conference on the Private Manufacture of Arms	105,000
2. Advisory work on resolutions of the Press Conference	10,000
3. Economic and Financial Organisation	74,000
4. Liaison with Latin America	100,000
5. Codification of International Law	80,000
	379,000
Credits described in Section II:	
6. Collection of information necessary to the Organisation for Communica- tions and Transit	44,334
Credits described in Section III:	
7. Central Opium Board	63,300
	641,329

Appendix I.

NEW SCALE OF JOURNEY ALLOWANCES PAID FOR THE JOURNEY IN EITHER DIRECTION BETWEEN THE PRINCIPAL EUROPEAN TOWNS AND: (1) GENEVA, (2) LONDON, (3) PARIS (IN EITHER DIRECTION).

	(1) Geneva	(2) London Swiss France	(3) Paris
Amsterdam.	70	70	35
Athens.	210	245	210
Basle	20	70	35
Barcelona	70	70	70
Belgrade	105	140	140
Berlin	70	70	70
Berne	20	70	35
Bordeaux.	70	70	35
Brussels	70	35	20
Bucharest	175	175	140
Budapest.	105	105	70
Cherbourg	70	70	35
*Cologne	70	70	35
Constantinople	210	245	210
Copenhagen.	105	140	70
Danzig.	105	105	70
*Edinburgh	105	35	70
*Frankfort-on-Main.	35	70	70
Geneva.	—	70	35
The Hague.	70	70	35
*Hamburg.	70	70	70
Havre	70	35	20
*Leipzig.	70	70	70
Lisbon	140	140	105
*Liverpool.	70	20	70
London	70	—	35
Lyons	20	70	35
Madrid.	140	140	70
*Manchester	70	20	70

* Town not included in old scale.

Appendix I (continued).

	(1)	(2)		(3)
	Geneva	London	Swiss	Paris
Marseilles	35	70		70
Milan	35	70		70
Monaco	70	70		70
Munich	70	70		70
*Nuremberg	70	70		70
Oslo	140	140		140
Paris	35	35		—
Prague	70	105		70
Rome	70	105		70
Saarbruck	35	70		35
Sofia	140	210		140
Stockholm	140	140		140
Strasburg	35	70		35
Turin	35	105		70
Warsaw	105	105		70
Venice	70	105		70
Vienna	70	105		70

Appendix II.

PERMANENT CENTRAL BOARD TO BE SET UP UNDER THE OPIUM CONVENTION OF FEBRUARY 1925.

Letter dated September 19th, 1927, addressed to the Chairman of the Fourth Committee by the Chairman of the Fifth Committee.

I have the honour to acknowledge the receipt of your letter of September 6th, 1927, and to inform you that the Fifth Committee, having fully discussed the questions relating to the expenses of the Permanent Central Board, expresses the opinion that it would be well if the Council could secure the gratuitous services of persons of the qualifications contemplated in the report submitted to the Geneva Conference and thus to carry on the fine tradition of gratuitous service within the League. In case this should prove impossible, as was apprehended by several members, the Fifth Committee is not prepared to say that the provisional estimate will be sufficient.

The Geneva Conference desired that the members of the Board should be persons of experience in matters of the kind with which they will have to deal. This implies that, in the main, they must be persons possessing business, administrative or technical knowledge. They will have to give a considerable amount of time to the work of the Board, and the time of such persons is valuable. Therefore, if their services are to be given on a basis of remuneration, it seems that the remuneration suggested in the provisional estimate may be insufficient to attract the class of person contemplated by the Conference.

The Committee feels that, with regard to subsistence allowances, the members of the Central Board should be put on the same footing as members of other League Committees.

With regard to the budget submitted in Annex 2¹—“Travelling Expenses of Members”, the Fifth Committee has no comment to make on the figures given. Travelling expenses must depend on whether the Council, in order to secure continuity in the work, finds it possible to appoint members living within easy reach of the seat of the League.

As for the salaries of the staff, these should be considered in the light of the qualifications and responsibilities attaching to the work. It was the opinion of the Opium Conference that the Secretary should occupy a confidential position of importance and responsibility. The Fifth Committee trusts that, in considering the remuneration of the Secretary, the Fourth Committee will not overlook the view expressed by the Conference.

(Signed) J. C. HAMBRO.

* Town not included in old scale.
¹ See document A.22.1927.XI.

ANNEX 15.

A.IV/8.1927.

REPORT SUBMITTED TO THE FOURTH COMMITTEE OF THE ASSEMBLY BY THE
SUB-COMMITTEE ON COST OF LIVING AND SALARIES ADJUSTMENT.

Your Sub-Committee has devoted two meetings to the study of the report of the Salaries Adjustment Committee. Before coming to a conclusion, the Sub-Committee desired to consult the Supervisory Commission.

The Sub-Committee notes that the Supervisory Commission and the Salaries Adjustment Committee are unanimous in recognising that the system hitherto adopted for the establishment of a cost-of-living index has proved to be unsatisfactory, and in recommending that a new enquiry into the whole problem should be made.

The Sub-Committee proposes that the investigations necessary for this enquiry should be carried out by the Salaries Adjustment Committee in consultation with the Statistical Sections of the International Labour Office and of the Economic Section of the Secretariat, and that their report on this particular matter should be presented to the Supervisory Commission at its January session.

The Sub-Committee also recommends that a full report on the whole question by the Supervisory Commission should be submitted to the ninth session of the Assembly.

The Sub-Committee recommends, in accordance with the opinion of the Supervisory Commission and the Salaries Adjustment Committee, that in the present circumstances the system actually in force should be once more applied in fixing the salaries for the year 1928.

ANNEX 16.

A.IV/12.1927.

DRAFT GENERAL REPORT SUBMITTED TO THE EIGHTH ORDINARY SESSION OF
THE ASSEMBLY BY THE FOURTH COMMITTEE.

General Rapporteur: His Excellency M. John DE MODZELEWSKI (Poland).

The present report refers to administrative and financial questions on the Fourth Committee's agenda, with the exception of those relating to contributions in arrears, to the Administrative Tribunal and the adjustment of the salaries of the staff, which are dealt with in separate documents.

I. AUDITED ACCOUNTS FOR 1926.

The Committee unanimously recommends the Assembly to approve the accounts of the Secretariat and the autonomous organisations of the League in the form in which they have been submitted to it. It also associates itself with the various recommendations made by the Auditor to the extent to which those recommendations were accepted by the Supervisory Commission.

II. BUDGET FOR 1928.

(a) *General Discussion.*

The examination of the items of the three principal budgets of the League of Nations was preceded by general discussions, in the course of which important points were noted and valuable principles arrived at.

The Chairman of the Supervisory Commission and the Secretary-General, on the basis of statistics submitted to the Assembly, informed the Committee that the League's budget was not increasing in proportion to the new tasks entrusted to the League and to the increased work thereby involved for the various organs of the League.

In this connection, the following figures are significant: whereas, between 1922 and 1926, the budget increased by only 5 per cent and the staff by 27 per cent, the number of documents translated into French increased by 89 per cent and that of documents translated into English by 71 per cent. During the same period, the documents passing through the Registry increased by 48 per cent and the number of days during which Committees and Sub-Committees had held meetings by 175 per cent. The statistics for the first months of 1927 indicate that there has been no falling off in this progressive movement since the end of 1926.

The figures mentioned show that the amount of work done by the staff, which in the opinion of many competent judges had always been satisfactory, has grown considerably of recent years. The Committee feels sure that this excellent result is due to the great administrative qualities of the Secretary-General, who, assisted by the Under Secretary-General in charge of internal administration, and by the Treasurer, and stimulated by the Supervisory Commission, had succeeded in a relatively short space of time in building up that remarkable organisation the Secretariat of the League of Nations.

The Secretary-General stated that it would be difficult to make further reductions in the budget of the Secretariat and Special Organisations, as this had already been heavily cut down by the Supervisory Commission. This year's experience had been conclusive on this point. For instance, it was only by effecting several important transfers of credits that it had been possible to meet the expenses of the Economic Conference, which had been estimated at much too low a figure.

The increased expenditure is largely due to the development of the League's work; it is important, therefore, to consider very carefully any credits for new undertakings, since, when one has been started, the credit granted cannot be discontinued without losing the benefit of the expenditure already incurred. If, therefore, the Assembly decides to entrust new tasks to the Secretariat, it will be necessary to increase the budget or temporarily suspend some part of the normal duties of the Secretariat.

The Committee's attention was drawn by several members to the resolution adopted by the Assembly last year, on the proposal of the Indian delegate, which reads as follows:

“ Without putting obstacles in the way of the development of the League, it is desirable to keep in view a maximum limit of expenditure, with the object of securing that the contributions of individual States shall not normally in future exceed their contributions for the current year. ”

In order to facilitate the application of the above resolution, one of the members of the Committee took the view that the League would sooner or later be obliged to impose limits on requests for further expenditure. In order to obtain this result, the Assembly might at some time be invited to appoint a small body to deal with proposals for further expenditure; this body might examine the order in which new tasks entrusted to the League should be undertaken.

The question of expenditure affecting one State or a limited number of States Members of the League was also raised by several members of the Fourth Committee. The Secretary-General stated that he had not lost sight of the resolution adopted in this connection by the third ordinary session of the Assembly. For instance, certain States not Members of the League which had been invited to participate in conferences convened by the League had, although they were not bound to do so according to the terms of the Financial Regulations, paid at their own wish an equitable part of the expenses of these conferences. It would, however, be dangerous to give too wide an application to this principle, especially in the case of States that derive few direct advantages from their participation in the work of the League of Nations.

(b) *Question of Publications.*

The question of publications led to an exchange of views. As regards the Secretariat, the Secretary-General explained to the Committee that the Publications Department had just been reorganised and the expert who had recently been engaged was successfully developing the sales by increasing the number of agents and regulating the internal and external organisation of his department. This has made it possible to include in the budget for 1928 an appreciably higher sum in respect of receipts from the sale of publication than was included in the budget for 1927.

In reply to a question asked by a delegate, the Secretary-General stated that receipts from the sale of publications were all shown in a single item of the budget, whereas the cost of printing, in conformity with the decision of the second ordinary session of the Assembly, was charged to the Sections undertaking the preparation of the documents.

As regards the sale of the publications of the International Labour Office, the Director of the Office gave figures showing that the actual sales had been constantly expanding for several years past.

As regards the sale of the publications of the International Labour Office, the Director of the Office gave figures showing that the actual sales had been constantly expanding for several years past.

(c) *Branch Offices.*

The Secretary-General and the Director of the International Labour Office agreed in principle with the suggestion made by various delegates regarding the economy which might be effected by placing the branch offices of the Secretariat and of the International Labour Office in the same building. Nevertheless, no change can, of course, be made in the present system before the expiry of the current leases.

(d) *Budget of the Secretariat and of the Special Organisations.*

The Committee noted with interest a memorandum, prepared at the request of a delegate to the seventh ordinary session of the Assembly, on the work of the Information Section. It asked the Secretary-General to furnish it each year with a similar document; a member of the Committee suggested, however, that the time had perhaps come to stabilise the total strength of this important Section of the Secretariat.

After a long discussion, the Committee decided not to make any change in the budget of the Administrative Commissions and Minorities Questions Section. While, in the opinion of one

speaker, the time had come to make certain cuts in this department of the Secretariat, several members of the Fourth Committee considered, on the contrary, that there could be no question of arbitrarily reducing the credits placed at the disposal of a Section which performed such valuable services. The Secretary-General undertook, however, to consider the question afresh when the 1929 budget was drawn up.

Upon the examination of the budget of the Economic and Financial Organisation, the British delegate observed that, to achieve a general stabilisation, it was important that the chief items of the budget should be stabilised. In this connection, he drew attention to the deplorable habit observed in the budgets of many States of continuing to include in the budget items of expenditure which had become obsolete in consequence of the completion of the work for which the credits had been originally voted. The Director of the Section assured the Committee that he did not think that any criticism of this kind could be levelled against the budget of the Economic and Financial Organisation. As soon as a piece of work was completed, the official who had been in charge of it was assigned a new task.

(e) *Budget of the International Labour Organisation.*

The budget of the International Labour Organisation provoked an interesting discussion with regard to the question of refugees. As this work could probably not be completed for many years, a member of the Committee asked the Director of the International Labour Office if the credits relating thereto should not in future figure under the heading of the Emigration Service of the Office; this new arrangement of the budget might perhaps present the advantage of effecting certain economies.

The Director of the International Labour Office reminded the Committee of the circumstances in which the refugee work had been taken over by the International Labour Office and of the suggestions put forward in various quarters that this work should be developed so as to assist the unemployed or workers in Europe finding themselves in an uncertain and precarious position. These suggestions, important and valuable as they might be, had not, however, been accepted by the Governing Body of the International Labour Office; accordingly, the Refugee Service remained provisional and the credits relating thereto had to be entered in a separate budget.

(f) *Budget of the Permanent Court of International Justice.*

The Committee approved without change the budget of the Permanent Court of International Justice. After an exchange of views between the Chairman of the Supervisory Commission and the Registrar of the Court concerning the figure to be entered in the budget item relating to the salaries of temporary staff, the Supervisory Commission, in full agreement with the Registrar, adopted the following decisions of principle:

- (1) That a post abolished by the competent Commission cannot be re-established;
- (2) That all credits asked for must be amply justified;
- (3) That a post abolished in the budget cannot be re-established either directly or indirectly and hence cannot be re-established by a transfer of funds.

(g) *Allocation of the Expenses of the League.*

The Chairman of the Committee on the Allocation of Expenses, who represents France on the Fourth Committee, recalled the fact that the sixth ordinary session of the Assembly had considered that the Committee on the Allocation of Expenses would have sufficiently reliable figures in 1928 to establish on a solid basis a final scale for the allocation of the expenses of the League of Nations. As the Economic Conference had observed, however, the world was still in an unbalanced state, particularly in Europe, where the stability of before the war was far from having been attained. In any case, the Committee on the Allocation of Expenses, whose conclusions were chiefly based on a study of the State budgets, could not expect to find a sufficiently sound basis for its work next year.

The budgets on which it would have to work would indeed be those of 1926, a year which was one of the most disturbed as regards the financial situation of several important States, owing to the erratic movements of their national currencies, while a large number of other countries which had previously stabilised their rates of exchange had serious difficulties to face owing to the reactions produced on their internal prices and directly affecting their budgets.

Agreeing with the conclusions of the French representative's statement, and without wishing to encroach on the sphere of the 1928 Assembly, which is alone qualified to take a decision on the substance of the question, the Fourth Committee considers that the time has not yet come to draw up a final scale. It nevertheless thought it well to provide in the budget the sum of 7,500 francs in order to allow of the convocation of the Committee, more especially in the event of new States applying for admission to the League.

III. REPORTS OF THE SUPERVISORY COMMISSION.

The Fourth Committee, in approving the conclusions of the Supervisory Commission's various reports, desired to express its lively thanks to the Chairman for the care with which the Commission had studied the various questions laid before it by the last session of the Assembly.

The recommendation by the Supervisory Commission to include the expenses of the Permanent Central Opium Board in the general budget of the League gave rise to an interesting discussion.

One member of the Fourth Committee adduced all the arguments which, in his opinion, weighed against the Supervisory Commission's proposal. The Geneva Convention had not yet come into force. Before the Board could act with any effect, the Convention would have to be ratified by the most important producing, manufacturing and consuming countries. The powers conferred upon the Board are a part of those already exercised by the Supervisory Commission of the League; there could be no question of charging the League of Nations budget with a fairly substantial sum in order to establish an institution towards which most of its members were indifferent, while some of them were opposed to it. Finally, the Council has not yet stated whether it intends to assume the duties devolving upon it under the Convention.

After a discussion in which several members of the Committee took part, the Fourth Committee, by seventeen votes to two, approved the recommendation made to it by the Supervisory Commission.

The Fourth Committee desires to pay a tribute to the generous act of the Netherlands Government, which, by the loan of 240,000 florins without interest, made it possible to enlarge the premises at the disposal of the Permanent Court of International Justice without appreciably adding to the Court's budget.

* * *

Lastly, the Committee's report would be incomplete if it did not include an expression of thanks from the whole of the Fourth Committee to its popular Chairman, Jonkheer van Eysinga, who has directed its discussions with firmness, tact and courtesy. The Committee's thanks are also due to the distinguished representative of Portugal, M. de Vasconcellos, who was so good as to accept the rôle of Vice-Chairman.

In conclusion, the Fourth Committee has the honour to propose to the Assembly the adoption of the following draft resolutions:

1. "The Assembly, in virtue of Article 38 of the Regulations for the Financial Administration of the League, finally approves the audited accounts of the League for the eighth financial period, ending December 31st, 1926."

2. "The Assembly, in virtue of Article 17 of the Regulations for the Financial Administration of the League, approves for the financial year 1928 the general budget of the League, of the Secretariat and of the Special Organisations of the League, of the International Labour Organisation and of the Permanent Court of International Justice, the total of which, including supplementary credits, is

"And decides that the said budgets shall be published in the *Official Journal*."

3. "The Assembly adopts, in so far as they have been approved by the Fourth Committee, the conclusions of the various reports of the Supervisory Commission submitted to its consideration."

4. "The Assembly adopts the conclusions of the report of the Fourth Committee."

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