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OF THE

NINTH ORDINARY SESSION

OF THE

ASSEMBLY

MEETINGS OF THE COMMITTEES

MINUTES

OF THE

FOURTH COMMITTEE

(BUDGET AND FINANCIAL QUESTIONS)



GENEVA, 1928

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LIST OF MEMBERS OF THE FOURTH COMMITTEE

Chairman: His Excellency Dr. Augusto DE VASCONCELLOS (Portugal).

Vice-Chairman: His Excellency M. Jean DE MODZELEWSKI (Poland).

Members:

- Abyssinia:* His Excellency Count LAGARDE, duc d'ENTOTTO.
- Australia:* Mr. Richard Percy Clive BAILLIEU.
The Hon. Alexander J. MCLACHLAN.
- Austria:* His Excellency M. Emerich PFLÜGL.
Dr. Richard SCHÜLLER (Substitute).
His Excellency M. Max HOFFINGER (Substitute).
- Belgium:* M. J. MÉLOT.
M. Fernand VAN LANGENHOVE (Substitute).
- British Empire:* The Rt. Hon. Godfrey LOCKER-LAMPSON, M.P.
Mr. G. H. S. PINSENT (Substitute).
- Bulgaria:* His Excellency M. Vladimir MOLLOFF.
M. Dimitri MIKOFF (Substitute).
- Canada:* The Hon. Philippe ROY, C.P., M.D.
Mr. O. D. SKELTON, M.A., Ph.D. (Substitute).
Dr. Walter A. RIDDELL (Substitute).
- Chile:* His Excellency M. Luis V. DE PORTO-SEGURO.
- China:* M. TSI-TCHE.
- Colombia:* His Excellency Dr. Luis SAMPER-SORDO.
M. Efraín GAITÁN-HURTADO (Substitute).
- Cuba:* His Excellency M. Aristides DE AGÜERO Y BETHANCOURT.
His Excellency M. Guillermo DE BLANCK (Substitute).
- Czechoslovakia:* His Excellency Dr. Stephen OSUSKÝ.
- Denmark:* M. F. H. J. BORGBJERG.
- Dominican Republic:* Dr. Tulio Franco FRANCO.
- Estonia:* M. Otto STRANDMAN.
- Finland:* M. E. HYNNINEN.
M. Hugo VALVANNE (Substitute).
- France:* M. François LABROUSSE.
M. Jean RÉVEILLAUD.
- Germany:* Dr. Ludwig KAAS.
M. VON KNORRE (Substitute).
- Greece:* His Excellency M. Démètre CACLAMANOS.
M. R. RAPHAËL (Substitute).
- Guatemala:* His Excellency M. José MATOS.
- Haiti:* His Excellency M. Alfred NEMOURS.
- Hungary:* His Excellency General Gabriel TÁNCZOS.
M. J. LAKATOS and
M. Zoltán BARANYAI (Substitutes).
- India:* Captain His Highness Nawab Sir Tale Muhammed Khan SHER
MUHAMMED Khan, K.C.I.E., K.C.V.O.
Mr. A. Yusuf ALI, C.B.E., I.C.S.

<i>Irish Free State:</i>	Mr. Michael MACWHITE.
<i>Italy:</i>	M. Stefano CAVAZZONI. M. Cesare TUMEDEI (Substitute).
<i>Japan:</i>	M. Saburô KURUSU.
<i>Latvia:</i>	His Excellency M. Charles DUZMANS. His Excellency M. Vilis SCHUMANS (Substitute).
<i>Liberia:</i>	His Excellency Baron Rodolphe Auguste LEHMANN.
<i>Lithuania:</i>	His Excellency M. Venceslas SIDZIKAUSKAS. His Excellency Dr. Dovas ZAUNIUS (Substitute).
<i>Luxemburg:</i>	M. Charles VERMAIRE.
<i>Netherlands:</i>	Jonkheer W. J. M. VAN EYSINGA.
<i>New Zealand:</i>	The Hon. Sir James PARR, K.C.M.G. Mr. C. KNOWLES (Substitute).
<i>Nicaragua:</i>	His Excellency M. Tomas Francisco MEDINA.
<i>Norway:</i>	M. Carl Joachim HAMBRO.
<i>Panama:</i>	His Excellency M. Octavio MENDEZ PEREIRA.
<i>Paraguay:</i>	Dr. Ramon V. CABALLERO.
<i>Persia:</i>	Dr. Hussein Khan GHADIMY.
<i>Poland:</i>	His Excellency M. Jean DE MODZELEWSKI. M. Marjan SZUMLAKOWSKI (Substitute).
<i>Portugal:</i>	His Excellency Dr. Augusto DE VASCONCELLOS. His Excellency Dr. J. C. Franco FRAZÃO, Count DE PENHA GARCIA. M. Francisco DE CALHEIROS E MENEZES (Substitute).
<i>Roumania:</i>	M. Vespasien V. PELLA. M. Savel RADULESCO and M. Alexandre BUZDUGAN (Substitutes).
<i>Salvador:</i>	His Excellency M. Gustavo GUERRERO.
<i>Kingdom of the Serbs, Croats and Slovenes:</i>	M. Leonidas PITAMIC. M. Constantin FOTITCH.
<i>Siam:</i>	His Highness Prince VARNVAIDYA. Nai THAVIN ARTHAYUKTI (Substitute).
<i>South Africa:</i>	Mr. Daniel Johannes DE VILLIERS.
<i>Spain:</i>	His Excellency M. José QUIÑONES DE LEÓN. His Excellency M. Cristóbal BOTELLA and Count DE SAN ESTEBAN DE CAÑONGO (Substitutes).
<i>Sweden:</i>	M. J. L. WIDELL. M. J. DE LAGERBERG.
<i>Switzerland:</i>	M. William RAPPARD. M. Walter STUCKI (Substitute).
<i>Uruguay:</i>	His Excellency M. Pedro COSIO. His Excellency Dr. Alfredo DE CASTRO.
<i>Venezuela:</i>	His Excellency M. César ZUMETA.

FIRST MEETING

Held on Tuesday, September 4th, 1928, at 11 a.m.

Chairman: M. DE VASCONCELLOS (Portugal).

1. Opening of the Session.

The CHAIRMAN said that his colleagues had greatly honoured him by electing him on the previous day to the Chair of the Fourth Committee. He was very grateful to them, and begged them to accept his warm thanks. He believed that, by calling to this office one who had participated in the Committee's work from the outset, his colleagues had wished to follow the Fourth Committee's traditions.

Perhaps the members of the Committee had also wished to honour, by their choice, the representative of a country which was at present making a great budgetary effort. Portugal, which had been informed by the best qualified experts of the Financial Committee of the League that it would be possible for it to balance its budget in three years, had balanced it in six months, thanks to all kinds of sacrifices which had been joyfully accepted by the various social classes. It had accomplished a true revolution which, while it had not been trumpeted by the newspapers, had none the less resulted in a financial and economic restoration which would enable the country to proceed with the work of civilisation and development in its colonial dominions which had honoured its past.

M. de Vasconcellos said that he would take care that the principles laid down by his predecessors would continue to be respected. The League's revenue should be rigorously administered, every precaution being taken, however, to avoid impeding, by excessive economy, the development of this living, young and already strong organism.

2. Election of the Vice-Chairman.

On the proposal of M. DE AGÜERO Y BETHANCOURT (Cuba), supported by several delegations, M. DE MODZELEWSKI (Poland) *was unanimously elected Vice-Chairman.*

3. Publicity of the Meetings.

The Committee decided that its meetings would be held in public, its right being reserved, however, to sit in private session when it should think this necessary.

4. Adoption of the Agenda.

The CHAIRMAN submitted for the Committee's approval the provisional agenda prepared by the Secretariat (Annex 1).

M. VAN EYSINGA (Netherlands) said that he had received from the reports of the Supervisory Commission, and particularly from the first of these reports, the impression that the Commission, whose duty it was to guide the Fourth Committee, wished the Committee to guide it in connection with certain points. He proposed, therefore, that there should be a general discussion on the League's budget in the course of the present session.

The Committee approved M. van Eysinga's suggestion and decided that the general discussion on the budget should take place immediately before the examination of the budgetary estimates for 1929.

The provisional agenda submitted by the Secretariat was adopted.

5. Preparation of a Draft List of Members for the Sub-Committee on Contributions in Arrears.

The Bureau of the Committee was invited to prepare a draft list of members of this Sub-Committee. It was understood that the draft would be submitted to the Committee at a later meeting.

SECOND MEETING

Held on Thursday, September 6th, 1928, at 3.30 p.m.

Chairman: M. DE VASCONCELLOS (Portugal).

6. Appointment of the Sub-Committee on Contributions in Arrears.

The CHAIRMAN proposed that the Sub-Committee on Contributions in Arrears should be composed as follows:

M. BORGEJERG (Denmark);
M. RÉVEILLAUD (France);
Mr. MACWHITE (Irish Free State);
M. GUERRERO (Salvador);
Prince VARNVAIDYA (Siam).

This proposal was adopted.

7. Appointment of a General Rapporteur.

On the proposal of the CHAIRMAN, M. MOLLOFF (Bulgaria) *was appointed general Rapporteur.*

8. Work of the Supervisory Commission during its Twenty-seventh, Twenty-eighth and Twenty-ninth Sessions: Statement by the Chairman of the Commission.

The CHAIRMAN put before the Fourth Committee the reports of the Supervisory Commission on the work of its twenty-seventh, twenty-eighth and twenty-ninth sessions (Annexes 2, 3 and 4).

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, briefly summarised the Commission's reports. In the first of these, the Commission had dealt with accountancy questions.

M. Osuský drew attention to the fact that the Commission had noted that the Depreciation Reserve was not, properly speaking, a " Fund ", but an account set up for balance-sheet purposes, and to the Commission's recommendation that, in future, the accounts should show the *net* amount of the various salary items, *i.e.*, the amount less, in each case, the reduction for lower cost of living. The Commission had noted that, with one exception, all recoverable advances had been regularly repaid. With regard to transfers effected in the budget, the Commission considered that its annual examination of these transfers was the best guarantee against their abuse.

The surplus for 1927 had amounted to 1,419,293.68 gold francs. On this surplus there was a first charge of 328,700.16 francs, this sum having been withdrawn from the Working Capital Fund in order to meet the expenditure authorised by the budget of the International Labour Office. At present, therefore, the surplus amounted to 1,090,593.52 francs. On previous occasions, this surplus had been allocated to the Building Fund, but this year the Commission recommended, in accordance with Article 38 (a) of the Financial Regulations, that it should be returned to Member States, it being treated as a part of the income of the year.

The Supervisory Commission had formerly proposed that a sum of 1,400,000 francs should be repaid to the States that had enabled the Building Fund to be constituted by the punctual payment of their contributions. This Fund now amounted to approximately 11,000,000 francs; M. Osuský recalled, however, that, in the previous year, the Assembly had " approved in principle that the amount to be spent on the new buildings might be increased to approximately 19,500,000 francs ". This being so, the Supervisory Commission proposed, as a measure of prudence, that a sum of only 700,000 francs should be repaid to these States in 1929.

The Commission had decided that temporary officials who had concluded seven years' service should be allowed to benefit by the Staff Provident Fund. M. Osuský also drew attention to the Commission's recommendation with regard to family allowances.

The draft budget of the Secretariat for 1929 amounted to 14,753,000 gold francs, that of the International Labour Office to 8,487,000 francs, and that of the Permanent Court of International

Justice to 2,255,000 francs. M. Osuský would explain in due course the Commission's views on the general lines of financial policy to be followed.

As stated in the report, the refugee question had taken a new development, in that the International Labour Office believed that this question, being no longer one of obtaining employment for the refugees but of supervising their colonisation, was no longer within its province.

Two important subjects remained. In the first place, there was the question of the adjustment of salaries and the cost of living. In the previous year, the Assembly had directed the Commission to make a new enquiry into all the aspects of this question. The Commission had a definite proposal to submit, and M. Osuský would fully explain this proposal when the subject was being discussed by the Committee.

The Assembly had also raised the question of the control of the grant of supplementary credits. The Commission had closely examined the problem and had come to the conclusion that it could only be solved by an amendment of the Financial Regulations and of the Rules of Procedure of the Assembly. This amendment would be made on the basis of the following principles. All proposals involving expenditure not provided for in the budget should be forwarded to the Secretary-General at least one month before the opening of the Assembly. The Secretary-General would then estimate the probable cost involved and would report to the Assembly, and the Assembly in turn would refer the proposals and the Secretary-General's estimates to its competent technical Committee. The technical Committee would discuss the proposal and, if it agreed with it in principle, would consider the Secretary-General's estimates and draw up a report, which would be submitted to the Supervisory Commission. Finally, the Commission, having considered the technical Committee's estimate, would report thereon to the Fourth Committee.

In the event of a divergency arising between the Fourth Committee and another Committee of the Assembly with regard to a budgetary credit, the Commission recommended that the point in dispute should be settled at a second reading, it being specifically laid down that an interval of twenty-four hours should elapse between the two readings. The object of this interval was to facilitate agreement between the two Committees.

The CHAIRMAN thanked M. Osuský for his statement. He pointed out that the majority of the questions that had been raised would be examined either in the course of the general discussion of the budget or when the individual chapters were being examined. The proposed amendments to the Financial Regulations and to the Rules of Procedure were, however, in a different category. He proposed, therefore, that the discussion on these amendments should be commenced forthwith (Annex 4, page 138).

9. Examination of the Amendments to the Financial Regulations of the League and the Rules of Procedure of the Assembly: Appointment of a Drafting Sub-Committee.

M. VAN EYSINGA (Netherlands) said that he had read with very great interest the draft articles proposed by the Supervisory Commission. The aim of the amendments that had been submitted to the Fourth Committee was, presumably, to obviate the possibility of the Committee finding itself again in the position in which it had been placed in the course of the preceding session of the Assembly, when numerous requests for supplementary credits had been made, and at so late a stage that the Committee had had the greatest difficulty in examining each of these requests, both in itself and in relation to its possible effects on the finances of the League as a whole. He thought that the principles on which these amendments were based would, considered in their general aspects, win the approbation of all the members of the Fourth Committee.

He wished, however, to state certain doubts which he had felt on reading the following passage:

"The Assembly, in plenary session, may, by a vote taken by a two-thirds majority, suspend the application of the Financial Regulations without reference of the question to a Committee" (Rule 14, paragraph 2, of the Rules of Procedure of the Assembly).

If he rightly understood this clause, its aim was to provide for certain exceptions to the general rule in order that the Assembly might be placed in a position to vote certain credits on the necessity of which there was general agreement. If he were sure that this provision would only be applied in really exceptional cases, M. van Eysinga would certainly have no objection to it. He thought, however, that a certain factor should be taken into consideration; sometimes fine speeches in the Assembly gave rise to such enthusiasm that purely financial considerations were somewhat liable to be overlooked. He would like to know the views of the other members of the Fourth Committee on this point, and particularly of those who were also members of the Supervisory Commission.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, explained that the effect of the suspension referred to in paragraph 2 of Rule 14 of the Rules of Procedure of the Assembly would not be that questions which were usually referred to the Fourth Committee would be settled by the Assembly without the assistance of any other organism. This rule had been drafted in view of the provision by which a proposal for supplementary credits could not be examined if it had not been communicated to the Secretary-General one month before the day fixed for the opening of the session of the Assembly, and it made it possible, in the particular case under discussion, to disregard this provision. There was nothing in paragraph 2 of Rule 14 that dispensed the Assembly from referring the request for credits to the competent technical organism

or the Fourth Committee. Moreover, the power that this article apparently gave to the Assembly had already been conferred on it by the stipulations of Rule 14 of the Rules of Procedure.

The SECRETARY-GENERAL thought that the question should be examined from its purely practical aspect. Those who had drawn up this rule had intended to enable the Assembly, in the event of a question arising unexpectedly on which it would be important to take early action, to provide for the necessary credits. For instance, it might become clear during a session of the Assembly that a Conference on some urgent question might be held, almost certainly with satisfactory results, in the interval before the next session. If the present Financial Regulations were in force, it would be impossible to convene the Conference. He recollected a specific case of this kind in which no provision had been made either by means of supplementary credits or in the original budget. He would point out, moreover, that there was a safeguard against abuse by the Assembly of powers conferred by this article in that the vote of a single delegation could prevent the grant of supplementary credits.

M. PITAMIC (Kingdom of the Serbs, Croats and Slovenes) pointed out that this question concerned not only the Financial Regulations, but also the Rules of Procedure of the Assembly. The Committee's decision would have important consequences in future years, and he would propose, therefore, that a small Sub-Committee be appointed to consider the proposed amendments.

M. LAKATOS (Hungary) said that he entirely supported the Supervisory Commission's proposals and that, in his opinion, it was not necessary to appoint a Sub-Committee for their examination. He would like, however, to know M. Osuský's views on the mechanism provided for in Article 16 (a), paragraph 2, of the Financial Regulations, for it appeared to him that the interval of at least two weeks (before the opening of the session of the Assembly), as provided for by this article, was too short. It did not give delegates sufficient time in which to consult their Governments with regard to the requests for credits that had been made. He would, however, be prepared to vote in favour of the texts proposed by the Commission, even if no amendment were made to the paragraph to which he had referred.

M. VAN EYSINGA (Netherlands) said that the statements of M. Osuský and of the Secretary-General had, to some extent, allayed his apprehensions. He quite agreed with the Supervisory Commission that there was ground for admitting exceptions to the general rule, but he did not think that the terms which had been employed for their introduction were very happy. He feared that the text of paragraph 2 of Rule 14 of the Rules of Procedure of the Assembly really went very much further than the Supervisory Commission desired, in view of the fact that this text, as at present drafted, enabled the Assembly to vote a credit without having consulted either the Fourth Committee or the Supervisory Commission.

The Right Honourable G. LOCKER-LAMPSON (British Empire) agreed with M. van Eysinga that the Secretary-General's explanation had removed the misunderstanding regarding Rule 14, paragraph 2, of the Rules of Procedure. He thought, however, that a certain amount of redrafting would be advisable, and he would therefore support the proposal to appoint a small Sub-Committee.

For his part, he was in almost entire agreement with the proposals of the Supervisory Commission with regard to the new procedure. He had, however, three amendments to suggest to Articles 16 and 19 of the Financial Regulations; these amendments were somewhat technical and it would be well to discuss them in a Sub-Committee rather than in the plenary meeting. He did not propose that the Sub-Committee should deal with points of principle, but only with drafting and any minor questions that might arise.

The CHAIRMAN suggested that the Committee should first discuss points of principle. A drafting Sub-Committee might afterwards be appointed.

M. HAMBRO (Norway) supported the proposal for the appointment of a Sub-Committee. He suggested that this Sub-Committee should consist of not more than three members, and that one of these should be a member of the Supervisory Commission.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, in reply to M. van Eysinga's observations, drew attention to the original text of paragraph 2 of Rule 14 of the Assembly's Rules of Procedure, and pointed out that the Supervisory Commission proposed no more than the application of the provisions therein contained.

M. Osuský also wished to give an explanation with regard to the provision contained in Article 16 (c) (2) (a), whereby it was stipulated that the report of the Assembly's Technical Committee " must be received by the Supervisory Commission within fifteen days of the opening of the session of the Assembly ". This provision was based on considerations affecting the practical working of the Assembly. Normally, the meetings held during the first week were devoted to a general discussion on the work of the Council and of the Secretariat, and it was difficult during that period to request a Committee thoroughly to examine a question. It was only in the second week that such examination could be undertaken. On the other hand, it had been thought desirable to restrict the period in question to fifteen days in order that the Fourth Committee might also have sufficient time for its examination of the question.

M. CAVAZZONI (Italy) supported the proposal for the appointment of a Sub-Committee.

The CHAIRMAN was glad to note that the Committee was agreed on the points of principle. He suggested that the Drafting Sub-Committee should be composed of the following members:

M. VAN EYSINGA (Netherlands);
M. PITAMIC (Kingdom of the Serbs, Croats and Slovenes);
M. CAVAZZONI (Italy);
The Rt. Hon. Godfrey LOCKER-LAMPSON (British Empire);
M. ZUMETA (Venezuela).

On the proposal of M. HAMBRO (Norway) that a member of the Supervisory Commission should be appointed to the Sub-Committee, the CHAIRMAN proposed M. RÉVEILLAUD (France).

The proposals of the Chairman were adopted.

10. Audited Accounts for the Ninth Financial Period (1927).

The Committee approved the audited accounts of the League for the ninth financial period (1927) for submission to the Assembly (See document A.3.1928.X).

11. Financial Position of the League on August 31st, 1928.

A report on the financial position of the League on August 31st, 1928, was submitted (Annex 5).

M. HAMBRO (Norway) wished to make some observations in connection with the unpunctual payment of their contributions by certain Member States. He recalled that two years previously he had raised the question whether it would be possible to demand interest from States that delayed payment. This suggestion had not met with approval. He now wished to make an alternative suggestion, which was that States paying their contributions at an early date should be rewarded by the grant of a small rebate. M. Hambro pointed out that the adoption of this system would partly obviate the danger that States which at present paid their contributions in due time might be led to follow the example of those States which perform this duty less satisfactorily. It might well happen that the very economical parties in the former States would urge this line of policy.

M. Hambro added that he believed the League to be now so well established that his former proposal would be equally feasible. In any case, some principle must be laid down with regard to the payment of contributions, for otherwise it would become increasingly difficult to obtain these at the proper time.

M. RAPPARD (Switzerland) thought that M. Hambro's proposal was an interesting one. For instance, States that paid their contributions at an early date might be promised a rebate at the rate of 5 per cent per annum for the period that elapsed between the day of the payment of their contribution and the last day of the relevant year. He pointed out, however, that this arrangement would in no way settle the question of the delay in payment by certain States.

The SECRETARY-GENERAL recalled that a proposal for the grant of a rebate similar to that just made by M. Hambro had been put forward as early as 1922. The whole question had been the subject of thorough discussion, but the proposal had been rejected on the ground that the result of the grant of such a rebate would be a financial loss. He would add, however, that he believed the prospects of payment to be better at present than they had been for some time. There were only some three or four States that had not paid their contribution, and one of these States, at any rate, had undoubtedly not been in a position to do so. He was certain that they would pay as soon as they found it practicable, and he believed that, if the position were explained to the various Parliaments, they would be satisfied.

M. HAMBRO (Norway) knew perfectly well that he had not been the first to propose the grant of a rebate. He wished, however, to draw attention to the effect of the attitude approved by the Assembly in 1922. In that year, 98 per cent of the contributions had been paid; in 1923 this figure had fallen to 92 per cent, and in 1924 to 91 per cent. It was true that, since 1924, there had been an upward movement, and that for the last years 95 per cent of the contributions had been paid. Possibly the Secretary-General's belief that this upward movement would continue was justified, but he feared that, on each occasion that suggestions such as the one he had made were withdrawn, the prospects of payment were not improved.

The League was now very much stronger, and public opinion in the various countries was much more concerned in it. There was, however, a strong feeling that the League should not be satisfied with decisions that had been taken six or seven years previously, when it had been still in its infancy.

The SECRETARY-GENERAL said he was glad to hear what M. Hambro had just said regarding the attitude of public opinion towards the League.

He explained that he had not meant to suggest that decisions taken in 1922 and 1923 should apply irrevocably, but only that the arguments then advanced retained some of their validity.

He wished to point out that the payments that had been taken into account in calculating the percentage of the contributions received in each of the years mentioned by M. Hambro had not been made only in the course of each of these years but also during the entire period between the year in question and August 31st, 1928.

The Committee took note of the report on the financial position of the League on August 31st, 1928.

12. 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.

A report on new work involving new expenditure was submitted (Annex 6).

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, wished to make an express reservation on behalf of the Supervisory Commission on point 3, relating to the arrangement of the Council room. The Supervisory Commission had now been notified of this action for the first time. He trusted that the Fourth Committee would not finally approve this point before the Supervisory Commission had had time to examine it.

The SECRETARY-GENERAL said that it was very rarely that he found himself in conflict with the Supervisory Commission on a constitutional point. He pointed out that, according to a resolution of the Assembly, a report on new work undertaken by the Council between sessions of the Assembly had to be submitted to the latter. There was no obligation to report such expenditure to any other body and he believed that from the legal, technical and constitutional points of view his action had been entirely in order. At the same time, he deeply regretted that, through an oversight, the Supervisory Commission had not been notified of the Council's decision.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, said that the principal question should not be lost sight of in the midst of considerations of detail. This was not a question of courtesy, but of the very basis of the financial supervision of the League.

The fact was that 50,000 francs had been expended from a fund on which the Assembly alone had the right to draw. To allow this action would be to allow the suppression of all supervision. Further, it should be pointed out that the expenditure now under discussion was not ordinary expenditure, but expenditure on building, upon which the Assembly alone had the right to decide. If this building were necessary, why had not the Assembly, which had met six months previously, been asked for the necessary credits to meet the cost ?

He would lay stress on the fact that the Fourth Committee was not called upon to come to a decision upon a mere question of accountancy. In reality, all the Financial Regulations of the League were at stake. If the Fourth Committee were to allow the 50,000 francs expended on the extension of the Council room to be charged to the Building Fund, it would thus be treating those regulations as so much paper, and since, in these circumstances, the Supervisory Commission could not work, it might just as well be suppressed.

The SECRETARY-GENERAL did not know of any financial regulation whereby there was an obligation for the Council to notify the Supervisory Commission of its decisions. The Council was responsible for its actions to the Assembly alone. It had been the opinion of the Council that the expenditure in question might be met from the Building Fund. If the Fourth Committee considered that this charge had been unjustifiable, it might inform the Assembly of this view and recommend that the Council's action be censured. This was the procedure that had been laid down by the Assembly itself, and he would point out that he could do no more than state the existing position.

M. RÉVEILLAUD (France) said that the fact that M. Osuský had spoken on behalf of the Supervisory Commission might have made it unnecessary for him to intervene in this discussion. He had, however, asked to speak because he thought that it would be impossible to pass by without protest the doctrines which the Secretary-General had just put forward. There was an essential principle that should not be lost to view: the Assembly alone was competent in financial matters. The only credits to which charges might be made by a mere vote of the Council were those provided for in Chapter I, Item 3, of the Budget (Unforeseen Expenditure, subject to a vote by the Council). The Chairman of the Supervisory Commission had therefore only done his duty in drawing the attention of the Fourth Committee to the first infringement of the Financial Regulations which the League had laid down for itself.

The Fourth Committee would be rejecting its own powers if it were to allow this infringement to pass by without protest. There was no occasion to doubt either the necessity or even the

expediency of the expenditure. M. Réveillaud himself quite recognised that it had been necessary. If, however, the Assembly had considered that it could not dispense with the assistance of the Supervisory Commission in the examination of financial questions of secondary importance, there was all the more reason for it to consider that it was not possible for the Council, which was composed of the most eminent men in the sphere of politics, to undertake, in the interval between the sessions of the Assembly, a minute supervision of the League finances. Since the Secretary-General had raised the question from the constitutional point of view, it was for the Fourth Committee to reply and maintain the Assembly's rights.

M. RAPPARD (Switzerland) did not think that anyone dreamt of suggesting that the Assembly blamed anybody in this matter. He trusted, however, that no step would be taken that would disturb confidence in the efficiency of the Supervisory Commission's work.

He pointed out that there was another question to be considered. The sum at the Council's disposal for unforeseen expenditure had not been exhausted. Why had not the expenditure in question been met from this sum ?

M. VAN EYSINGA (Netherlands) noted that a sum of 50,000 francs had been charged to the Building Fund and that it was proposed to expend a further 25,000 francs. He asked whether this second sum would also be charged to the Building Fund. For his part, he thought that, when the Assembly decided at one of its sessions that a certain fund should be set aside for building, this fund should remain intact until the Assembly should dispose of it at its following session. It seemed necessary now, however, to vote in compensation a credit for the restoration of the Building Fund to the amount fixed in the previous year.

In the second place, he would ask why the sum of 50,000 francs spent on the extension of the Council room had not been charged to the item " Unforeseen Expenditure, subject to a vote of the Council " (Chapter I, Item 3, of the Budget).

It was to be hoped that in the future — and the Secretary-General had fully reassured the Committee on this point — the procedure provided for by the Regulations would be followed as scrupulously as possible, and that the Fourth Committee might declare itself satisfied, which was not perhaps entirely the case at present.

M. CACLAMANOS (Greece) wished to make clear the point at issue. There were two divergent views before the Committee. One was the view of the Secretary-General, who held that there was no constitutional obligation to submit to the Supervisory Commission expenditure that had been decided on by the Council. The other was the view of M. Osuský and of certain other members of the Fourth Committee, who took the opposite position, and held that all expenditure, other than that from the sum of 500,000 francs, placed at the Council's disposal, should be so submitted.

He asked that, in order to avoid misunderstanding in the future, the following constitutional question should be settled: Could expenditure by the Council, other than expenditure from the sum of 500,000 francs, be approved by the Assembly without preliminary examination and approval by the Supervisory Commission ?

The SECRETARY-GENERAL, in reply to M. Réveillaud, said that he entirely agreed with his view that the Assembly was the sole master of all expenditure. The facts of the case were as follows: It was the right of the Council to report expenditure directly to the Assembly and this right the Council had exercised. For the oversight of failing to notify the Supervisory Commission of the Council's decision, he had already apologised. He would once more assure the Chairman of the Supervisory Commission that this failure had been due entirely to an oversight.

The question had been raised why the Council had not drawn in this case on the sum allotted to it for unforeseen expenditure. In this connection, however, a very difficult problem arose. He had given very strong pledges to the Fourth Committee that the 500,000 Swiss francs in question should be expended only for political purposes. If the Fourth Committee were to propose that the amount expended be charged to the item " Unforeseen Expenditure " rather than to the Building Fund, he would welcome the proposal. He did not wish in any way to challenge the authority of the Assembly in all financial matters.

M. HAMBRO (Norway) said that he was glad that this question had been raised in the Committee. He wished to take this opportunity of raising another constitutional question, not in order that it might be discussed immediately, but in order that his colleagues might give it their consideration before he raised it at a later meeting. At present, the Supervisory Commission was appointed by the Council. In his view, it would be more fitting, from the constitutional point of view, if this Commission were appointed by the Assembly, and he believed that some of the observations made in the course of the present discussion had illustrated the desirability of this change.

The Right Honourable G. LOCKER-LAMPSON (British Empire) thought that this debate had been an important one. He was sure that neither the Council nor Sir Eric Drummond had in any way intended to cast an aspersion on the Supervisory Commission. He did not claim to be an expert on legal matters, but he believed that the Council's action had been in order from the constitutional point of view. If this were the case, he would certainly be in favour of the Assembly passing an amendment to the Financial Regulations to the effect that all such expenditure should be submitted to the Supervisory Commission before it was submitted to the Assembly for approval.

Mr. Locker-Lampson recalled that the expenditure in question had not yet been approved, and he suggested that the Committee should submit it to the Supervisory Commission, requesting it to report thereon. He did not doubt that, when the Supervisory Commission had considered the matter, it would record its approval of the expenditure.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, wished to lay stress on the fact that it was the duty of the Supervisory Commission to supervise the undertaking of expenditure in the interval between the two sessions of the Assembly. He wished to ask whether the members of the Fourth Committee did not think it altogether extraordinary that a decision taken by the Council on March 9th, 1928, had not been submitted to the Supervisory Commission at one of the three sessions it had held since that date, viz., in April, June and July, in the course of which it had had many other questions to examine, some of which were of far less importance.

He had also to point out that a charge of 50,000 francs had been made to the Building Fund, and he wished to know who, except the Assembly, had the right to decide upon the charge of any sum to the credits set aside for building.

The SECRETARY-GENERAL said that, as far as he was concerned, he was prepared to accept the suggestion of the delegate of the British Empire. He could see no objection to a proposal that the Assembly should adopt a new rule by which any decisions of the Council involving supplementary expenditure would have to be approved by the Supervisory Commission.

For the moment, he was satisfied with the thought that the procedure followed had been regular. The Council had decided that a sum, to be charged to a given fund, was to be spent, and the Secretary-General had given effect to this decision. It was for the Assembly to say whether the Council had acted rightly or wrongly.

M. CAVAZZONI (Italy) suggested that the discussion on this question should now be closed, and that the Secretary-General should be requested to consult with the Chairman of the Supervisory Commission with a view to reaching a final conclusion.

M. RAPPARD (Switzerland) thought that the Committee should consider two separate questions that arose from the present discussion. In the first place, why had not the 50,000 francs been drawn from the funds at the disposal of the Council? He would point out in this connection that the Assembly might authorise expenditure in two ways, either specifically for a given object or in advance for general and unforeseen purposes.

Secondly, if the proposal for expenditure had been submitted to the Supervisory Commission, would the Assembly's right of decision in financial matters have been preserved?

M. CAVAZZONI (Italy) said that his only objection to the proposal of the British delegate was that it was not quite complete. The Secretary-General and the Supervisory Commission should come to an agreement, not only on the particular point now before the Committee, but also on the various points that had been raised in the course of the discussion.

The Right Honourable G. LOCKER-LAMPSON (British Empire) agreed with the Italian delegate that there was little difference between the two proposals. He preferred his own, however (with which the Secretary-General and M. Osuský were, he understood, in agreement), since, if it were adopted, the Committee would receive a written report from the Supervisory Commission, which he supposed would not be the case if M. Cavazzoni's proposal were adopted.

M. VAN EYSINGA (Netherlands) trusted that, if the Italian delegate's proposal were adopted, a written note would, nevertheless, be submitted to the Committee.

The CHAIRMAN suggested that the proposals of the British delegate and of the Italian delegate should be combined and adopted, and that the suggestion of the delegate of the Netherlands should be approved.

The Chairman's proposals were adopted.

13. Statement by the General Rapporteur.

M. MOLLOFF (Bulgaria) thanked the Committee for having appointed him general Rapporteur. As Finance Minister, he had had occasion to put the League's financial principles into practice, and he had thus acquired the reputation of being a somewhat severe critic of expenditure. He trusted, however, that the Fourth Committee would nevertheless take into consideration the counsels that he had himself followed.

THIRD MEETING

Held on Tuesday, September 11th, 1928, at 4 p.m.

Chairman: M. DE VASCONCELLOS (Portugal).

14. Budget for the Eleventh Financial Period (1929): General Discussion.

The CHAIRMAN, after having asked his colleagues to make their observations as brief as possible, opened the general discussion on the draft budget for 1929.

The SECRETARY-GENERAL said that, in accordance with the usual custom, he would preface by a few explanations the examination of the budgetary estimates that the Fourth Committee was to undertake. His observations would be addressed particularly to those delegates who were participating for the first time in the Committee's work and who, therefore, were not yet familiar with the mechanism of the League's financial administration.

The League's budget differed from national budgets in two essential points. In the first place, it was subjected, before being put to the vote, to a much more minute examination, not only by the Supervisory Commission, but also, and at the outset, by the services of the Secretariat which performed the part of a national Treasury. In so far as the Supervisory Commission was concerned, it fulfilled its duties with such rigour that any credit which the Secretary-General could not justify in part or in its entirety was ruthlessly reduced or suppressed. Secondly, it was only during the session of the Assembly that the Secretary-General could present a request for credits. If he needed a new credit, he was not able, like national Governments, to apply in the course of the financial year to a Parliament. The budgetary appropriations voted at one session of the Assembly had to suffice for the continuation of the League's work until the following session.

The budgetary estimates for 1929 amounted, to take a round figure, to 26 million francs for the three organisations, namely, the Secretariat, the International Labour Organisation and the Permanent Court of International Justice. The total amount that the States would be asked to contribute would not, however, be so great, since there should be deducted from this amount two sums that were to be reimbursed to the States, one of 1,090,000 francs, arising from the surplus of 1927, and the other of 700,000 francs, which was part of the reimbursement from the Building Fund.

The total increase in the budgetary estimates as compared with 1928 amounted, in the case of the three organisations, to 1,500,000 francs, and, in the case of the Secretariat alone, to 900,000 francs. The Secretary-General wished to state that the latter increase was entirely due to the execution of the decisions taken by the Assembly. An analysis of that increase would show that, with the exception of a small sum of 50,000 francs, the increase was to be made on four points alone:

1. 300,000 francs had been added to the budget of the Economic and Financial Organisation, in order to provide for the work that had been decided upon by the Consultative Committee and the Economic Conference, the resolutions of which had been approved by the Assembly at its last session.

2. 80,000 francs had been added to the budget of the Transit Organisation for the collection and spread of certain information. When in the previous year the Assembly had decided to refuse this credit, on the ground that the League's financial position made it undesirable to do so, it had, in some sort, given a moral pledge that the credits would be granted for 1929.

3. 330,000 francs were provided for a Conference on the Codification of International Law. In this connection, the Secretary-General wished to point out that it might be very difficult to hold in the same year two such important Conferences as those on codification and disarmament. He did not know yet whether either, and if so which, Conference would be postponed; but, supposing that it were the Conference on Codification, there would be an immediate saving of 330,000 francs on this chapter.

4. 126,000 francs were provided for the Permanent Central Board. According to the stipulations of the Opium Convention, in virtue of which this organisation was to be established, the expenses of the Permanent Board were to be charged to the League. The Secretary-General recalled in this connection that, before the institution of the League, certain international offices had existed which, afterwards, it had been thought convenient to concentrate at the Secretariat, since their activities entered within the scope of the League's work as laid down by the Covenant. It would appear, however, that the Central Board was in a similar category. But there would seem no objection in principle to the budget of the Board being made the object of a separate chapter of expenditure to which only those States that had ratified the Convention would be called upon to contribute.

The Secretary-General pointed out that there was an increase in the present draft budget for the Secretariat, as compared with the budget of the previous year, of only £38,000 sterling in English money. He knew how difficult the financial position of certain States was and he also knew how important it was that the burden which the taxpayers already bore should not be increased, but he would venture to point out that Great Britain, to take as an example the State

paying the largest contribution to the League, had had to pay in 1928, as regarded the budget of the Secretariat, a sum of £58,600 sterling. If the estimates for 1929 were adopted without alteration, this amount would be increased by barely £4,000 sterling.

If account were taken of the benefits that the States received from this expenditure of fourteen and a-half millions, by means of which it was possible to convene the Assembly and the Council, to settle disputes which, if the League had not existed, might have entailed far greater expenditure for all the States, to pay for the work of the Economic and Financial Organisation, the Health Organisation, the Mandates Organisation, etc., not to speak of the work done for disarmament and the progressive codification of international law, the costs of which would be met by the same budget — if, he would repeat, all these activities were considered, far from considering this sum to be too large, one almost wondered at its moderation.

In conclusion, the Secretary-General drew the attention of the members of the Committee to the fact that the budget of the League was the only budget that existed for the organisation of peace. It was with this observation that he would submit for the approval of the Fourth Committee the draft budget prepared by him for the financial year 1929.

The Right Honourable G. LOCKER-LAMPSON (British Empire) said that his Government was very concerned by the great increase in this year's budget, and that it believed that a fresh, energetic and determined effort should be made to reduce expenditure. The increase of one and a-half million francs constituted no less than one-seventeenth of the whole budget. It was the greatest increase since 1922. Further, a sum of 300,000 francs would be necessary in order to provide for the stabilisation of salaries; and the increase in the expenditure provided for 1929, as compared with the budgetary estimates for 1928, would thus amount to 1,800,000 francs — that was to say, one-thirteenth of the whole budget. It should be remembered, further, that requests would be made for supplementary credits. The Supervisory Commission had understood how serious the position was, but it was powerless in the presence of this increase so long as it had not received adequate instructions from the Fourth Committee and the Assembly.

The delegate of the British Empire felt very strongly that expenditure could not continue to increase, and that the time had come to pass in review the general situation in all its aspects. He was aware that the task of securing economies was an anxious one and that those who undertook it were immediately accused of a lack of sympathy with the League's aims. It appeared to him, however, that the League should be a model for all the Parliaments of the world in the smooth working of its administration and in its spirit of economy. There was no doubt that its prestige would be diminished if it were to begin to engage in prodigal expenditure.

Mr. Locker-Lampson did not wish to propose that the Committee should immediately examine the various items of the budget in which economies might be realised, but only to suggest that it should refer back the draft budget to the Supervisory Commission, drawing the attention of the Commission to the various chapters on which it considered that cuts might be made, and requesting the Commission to realise a reduction of the whole budget by approximately one million francs. When the draft budget was returned to the Fourth Committee, the latter could take the final decision on the cuts to be made. Obviously, it was not for the Supervisory Commission to examine questions of financial policy, since these questions were the concern of the Assembly.

Mr. Locker-Lampson thought that considerable economies might be realised by the suppression of certain items. Certain credits had been requested which would not be expended in the course of the coming year. Economies might be effected in connection with the Conferences; some of these were to undertake work which was already within the competence of other international organisations. This observation applied to the Conference on the Riches of the Sea, since an international organisation existed for the exploitation of these riches, and also to the Veterinary Conference, since there was an International Veterinary Office, and to the Conference on Plant Diseases, since there was an International Agricultural Institute at Rome. In his opinion, the estimates for these three conferences might be suppressed, at any rate for the following year.

With regard to the question of codification, the Secretary-General had pointed out that, in all probability, it would be impossible to hold a Conference on disarmament and one on codification in the same year. If the Conference on codification were to meet at Geneva instead of at The Hague, the British delegate believed that the budgetary appropriations for this Conference might be reduced by approximately 200,000 francs.

Economies might also be realised in the budget of the International Labour Organisation (see document A.4(a)1028.X). If that Organisation were to arrange its programme in such a way that its annual Conference and the Maritime Conference could be held consecutively, the organisation for the first of these Conferences being maintained for the second, a reduction of approximately 45,000 francs might be effected on the chapters relating to this work.

If the Committee would turn, in the next place, to the proposed credit for the collection and exchange of information on communications and transit, it would be remembered that, in the preceding year, the grant of this credit had been postponed on account of the difficult financial situation then existing. The financial situation was, however, far more serious this year, and if there had been reason for postponing the grant of this credit in the preceding year there was a still stronger reason for doing so now.

Mr. Locker-Lampson knew that the reply might be made to him that the budget could not be reconstructed; that the Conferences had been arranged for in accordance with its provisions; that an alteration would disorganise the whole of the League's work; that there was a fixed programme and that this programme could not be upset. If this were the case, however, what was the use of the Fourth Committee? It was the task of this Committee to examine the budgetary estimates with the most minute care. If it did not do everything possible to realise all the economies that it thought necessary, it might be said that it was failing in its duty.

Mr. Locker-Lampson did not wish to press the adoption of his proposal; if one of the members of the Fourth Committee could make a better one with a view to the reduction of expenditure he would be very pleased to give it his support. He only wished that the reduction of the budgetary appropriations should not be deferred until the following year, for it would be too late, subsequently to the greatest increase in expenditure that had occurred in the history of the League's finances, to obtain a reduction in the total budget. Good reasons were always to be found for expending the sums requested.

The delegate of the British Empire submitted the following draft resolution, to which his preceding observations had served as a commentary:

" The Fourth Committee:

" Recalls the resolution adopted by the Fourth Committee of the 1926 Assembly, which declared that 'it is desirable, without putting obstacles in the way of the development of the League, 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';

" Notes that the increase in the budget for 1929 already amounts to over 1,500,000 francs, and that certain supplementary estimates are foreshadowed, and that this increase is larger than has occurred in any recent year;

" Agrees with the Supervisory Commission that the financial situation thus disclosed is serious and, while believing that some increase may be reasonable and even necessary, considers that the increase proposed is greater than the Assembly is likely to accept;

" Decides to refer the budget back to the Supervisory Commission and requests that Commission:

" 1. To re-examine the budget with a view to finding economies, taking into account the suggestions made by the members of the Fourth Committee in the debate on this resolution;

" 2. To schedule such economies as it can thus suggest, in order of the importance of the services, up to a total of 1,000,000 francs;

in order that the Fourth Committee, in the light of the technical work thus carried out by the Supervisory Commission, may consider all the questions of policy involved and, after consultation, if necessary, with other Committees, recommend to the Assembly what economies ought to be effected."

M. CAVAZZONI (Italy) said that the Italian delegation's participation in the discussions of the Fourth Committee had always been guided by a very strong desire to assist in the continuous improvement of the League's financial organisation by pointing out, on the one hand, the dangers to which this organisation might be liable and, on the other, the aims that it might attain.

It was in this spirit that he had presented various observations in the preceding year. This year he wished to draw the Committee's attention to the budget for 1929 and to the observations on that budget in the report of the Supervisory Commission. M. Cavazzoni had noted with pleasure that some of his own observations had been taken into account in the drawing-up of the budget and particularly that, in some Sections the work of which had decreased, there had been a proportional reduction of staff. He had also noted the continuous improvement in the Publications Department. M. Cavazzoni wished warmly to thank the Secretary-General for his action.

On examining the budget for 1929, he had noted, in the first place, a striking increase as compared with the budget for the preceding year. He recalled that he had pointed out in that year that the budget for 1928 had reached its extreme limits, and he would stress the fact that his own anxieties were so well grounded that further attention had been drawn to many of them in the Supervisory Commission's report. On page 122 of this report (Annex 2) there was to be found the following passage:

" Rightly or wrongly, there was a general feeling that 25 million francs represented the high-water mark of expenditure for some years to come, subject to any crisis or to the necessity for any new task of special costliness. The Supervisory Commission shared this hope. It recognised that the field of the League's activities cannot be limited by specific figures; but it believed that some general limitation should be possible to the cumulative growth of personnel and expenditure. New duties will inevitably be added to the old; but ordinary prudence and foresight would suggest that the older commitments should be liquidated before the full weight of the new duties is felt. The Commission anticipated, therefore, that a standard of 25 million francs need not be materially exceeded, except for some special and temporary emergency. The estimates for 1929, however, as presented to the Commission, amounted to almost 27 million francs."

The Italian delegation had stated that it associated itself with the Supervisory Commission's point of view; it particularly agreed with the decision that the League's budget should be stabilised at a figure of approximately 25 million gold francs, a stabilisation which would have the advantage of definitely fixing the contribution of each State to the League. Moreover, in the

opinion of the Italian delegation, it was now time that the Governments should know the amount of the charges that would be made on their budgets on account of their membership of the League.

If the budget were stabilised, it was to be supposed that the fundamental problem of the League would also be solved. All the delegates realised that it would be necessary, simultaneously with this stabilisation, to limit the field of the League's activities by drawing up a very clear programme of work which should be realised gradually.

In the preceding year, M. Cavazzoni had pointed out how important the question was. He now drew the attention of the Secretary-General to it with the conviction that he would endeavour to find the most fitting solution. Lord Cecil, moreover, had expressed the same idea at the 1926 session of the Assembly. The report of the Supervisory Commission on the work of its twenty-seventh session (Annex 2) referred in the following terms to the serious nature of the problem:

"The Commission invites the Assembly to consider the extent of the functions attempted by the different organisations of the League, and the relative importance of these functions to the essential purposes contemplated by the Covenant and by the Labour Sections of the Treaties."

In the opinion of the Italian delegation, the only possible way of overcoming this difficulty was to adopt:

1. A gradual programme of work to be realised in the course of a suitable period;
2. The stabilisation of the budget of each Section in the same way as the budget of the Health Section had been stabilised.

M. Cavazzoni would repeat his caution of the previous year that the League should realise the danger of carrying out work in the course of a few years that might be accomplished with more satisfactory results in a longer period. By endeavouring to precipitate the course of events, there was a risk that the same task might have to be recommenced several times.

The Italian delegate particularly drew the attention of the Committee to the increase in the budget for 1929 of the Economic and Financial Organisation. He recalled that the Italian representative on the Council had had occasion at the last session in June to make certain reservations with regard to the excessive number of new tasks that appeared on the programme of this Organisation for the following year. The carrying-out of this programme would entail an increase of 360,000 francs on a budget which already amounted to 1,390,000 francs. The Economic and Financial Section of the Secretariat would thus have a budget of 1,750,000 gold francs, an amount that the Italian delegation considered as being out of proportion to the budget of the League as a whole.

The League should bear in mind that its work was largely based on the collaboration of the administrations of the various States, which already had very weighty national tasks to accomplish. This collaboration should not, therefore, exceed certain reasonable limits.

M. Cavazzoni wished to lay stress on the importance of certain principles by which good administration should be governed, and expressed the view that, in preparing the budget, the credits that were asked should in the first place bear a strict proportion to the objects for which they were to be employed. He also recommended that the budget should be more strictly applied. In voting such a detailed budget as that of the League, the Assembly determined the activities that it authorised and the financial limits within which those activities should be confined. No activity other than those provided for by the budget should be allowed, and it was the duty of the Supervisory Commission to see that this principle was strictly observed.

M. Cavazzoni congratulated the Chairman of the Supervisory Commission on its valuable work, and supported, on behalf of the Italian delegation, the statement that the Supervisory Commission received all its powers from the Assembly.

In conclusion, he said that the Italian delegation was very satisfied with the regular progress of the League's financial administration. He believed that he was acting as the spokesman of all his colleagues in congratulating the Secretary-General, the Under-Secretary-General in charge of internal administration, and the Treasurer on the good results that they had obtained.

Dr. SCHÜLLER (Austria) said that, as a member of the Economic Committee, he had been much impressed by the statements of the delegates of the British Empire and of Italy. It would be really regrettable to hesitate to engage in an expenditure of 50,000 francs for the convening of a Conference the results of which might influence and set in motion commercial transactions that would affect hundreds of millions of francs. It should, moreover, be recalled that the budget had been prepared at a time when it had been impossible to know the exact programme of work for the period that it was to cover. Among the conferences contemplated by the Economic and Financial Organisation, some had been more fully prepared than others, and Dr. Schüller did not think that the Fourth Committee would act wisely in deciding on its own account which of these Conferences should be postponed. He thought that the Second Committee should certainly be asked to give an opinion on this point.

M. HAMBRO (Norway) said that he had listened to the speeches of the delegates of the British Empire and of Italy with the greatest interest. He welcomed as a sign of great promise for the future the growing feeling of the delegates that it was necessary for the League to have some kind of parliamentary supervision, and the fact that the delegates were becoming increasingly conscious that it was an imperative duty for the Technical Committees and the Fourth Committee to do everything in their power to give the Assembly the authority to which it might justly aspire.

He had learned with great interest that the Italian delegation supported his suggestion that the Supervisory Commission should be elected by the Assembly.

It was somewhat difficult for the members of the Fourth Committee to examine the budget in detail, and for this reason they were awaiting a statement by the Secretary-General and the Chairman of the Supervisory Commission on the proposal of the delegate of the British Empire. Did they consider this proposal practicable, or did they consider it impossible to realise? In the latter case, M. Hambro would await with some curiosity the reply that might be made to Mr. Locker-Lampson's question with regard to the duties of the Fourth Committee.

He understood the position in which the Secretary-General found himself. He also admitted the truth of what the Secretary-General had said on the relative importance of the contributions for which the States were asked, and agreed that it should be possible for an institution like the League to increase its budget during the period of its development. He did not place any trust in the proposals for the stabilisation of expenditure, for sometimes stabilisation meant stagnation. Nevertheless, the fact should be borne in mind that in almost all States those in power had to combat financial difficulties. They were compelled to reduce the national budgets, and the advocates of the League in various countries sometimes found it rather difficult to explain why it was necessary to increase the League's budget in a difficult period like the present one. If the increase in the League's budget in the course of the last five years were to be examined, it would be found that there had been an increase of 20 per cent for the Secretariat, of $16\frac{2}{3}$ per cent for the International Labour Organisation, and of 16 per cent for the Permanent Court of International Justice. The largest proportional increase was in Item 4 (Salaries and Allowances of the Secretariat); this amounted to 27 per cent, in so far as it was possible to calculate it with the assistance of the official documents which were issued to delegates.

It was not without anxiety that the members of the Assembly noted the persistent tendency to an increase in the budget. From the psychological point of view, it was certainly desirable that the delegates of the Fourth Committee should, on their return to their respective countries, be able to inform their Government or their Parliament that everything possible had been done to reduce the budgetary expenditure of the League. There was no doubt that the cuts effected by Parliaments were much more Draconian than those required by the Supervisory Commission. In making this statement, M. Hambro did not wish in any way to criticise the budgetary work of either the Supervisory Commission or the Secretariat. Both these bodies had done very remarkable work.

The greater part of the expenditure of the Secretariat and of the International Labour Office was devoted to the salaries and allowances of the staff, and it would be difficult to reduce appropriations for this purpose since the League was bound to its officials by contracts. It was, therefore, on the remainder, relating to the less well-defined limits of the League's activities, that economies should be realised.

Mr. Locker-Lampson had expressed views which were shared by several delegates. He had said, in particular, that the zeal of the Council and the Secretariat was directed to expansion rather than to concentration, and that it was not by the number of Conferences held or of subjects taken up that the value of the League could be measured. It was not for the Fourth Committee to take a decision on this point, but probably a recommendation from the Committee would have some influence on the work of the other Committees.

M. Hambro had listened with interest to the suggestion that the Second Committee should be asked to express an opinion with regard to the Conferences that might be suppressed and those that might be maintained. He trusted that a very clear reply would be made to the Fourth Committee's questions, and that any Conference that did not appear to be strictly necessary would be removed from the programme.

He had read the draft resolution submitted by the delegate of the British Empire, but it would not be possible for him to take a decision until he had heard the observations that the Secretary-General and the Chairman of the Supervisory Commission had to present in this connection. If they approved of the proposal, he would be glad to vote in favour of its adoption.

His Highness Nawab Sir Tale Muhammed Khan SHER MUHAMMED Khan (India) recalled that the Indian delegation was one of the most persistent advocates of the cause of economy. He wished to explain the special reasons for this attitude. India ranked sixth on the list of contributing States, and it thus contributed more to the expenses of the League than any other country that did not occupy a permanent seat on the Council. On the other hand, India was one of the countries that were least directly concerned in most of the League's activities. He did not wish to complain of this fact, which was due to a great extent to geographical reasons, but he would point out that it was difficult to justify to the people of India the large contribution that they were called upon to make when it had to be recognised that the aspects of the League's activities that were most prominent in India were ones of secondary importance.

India's contribution to the League was not a very heavy burden on the State, but it represented money which could be employed for necessary, and even urgent, national services, which were at present in great need of financial provision. There was no doubt that India's interest in the work of the League was gradually increasing, and it would be most regrettable if this growth of interest were to be counteracted by a growing irritation at the amount of India's financial contribution. He assured the Committee that this amount had been the object of marked and persistent criticism by Indian public men.

He entirely supported the proposal that the estimates should be referred back to the Supervisory Commission, and for two reasons: In the first place, he believed that the Supervisory

Commission, on account of the fact that it was a small body, and on account of its special competence and long experience, was better qualified than a large body like the Fourth Committee to undertake with a reasonable prospect of success the task of reduction. Secondly, as a member of the Indian delegation, which at an early session of the Assembly had been largely responsible for the creation of the Supervisory Commission, he wished to ensure that in such a case as the present one full use should be made of the Commission's services.

The Supervisory Commission had stated that the estimates for 1929 presented features of grave importance. He had satisfied himself, by a careful examination of the figures, that this statement was true. The Committee was faced with a demand for an increase of 1½ million francs on 25 ⅓ million francs, to which would have to be added supplementary credits, the exact amount of which could not at present be foreseen. He recognised that in the case of such a comparatively young organisation as the League allowance should be made, on good cause being shown, for an increase of modest dimensions, but he would ask his colleagues to consider what the position would be in some ten years' time if the Fourth Committee were to accept an increase of this kind every year. He did not wish to insist too strongly upon a rigid application of the resolution passed on the motion of the Indian delegation in 1926, but it was clear that the spirit of that resolution was not being fully borne in mind at the present time.

He understood that it would be left to the Supervisory Commission to indicate under which headings it would be most practicable and least disadvantageous to realise the economies that were desired. He wished, however, to present some brief observations on two particular cases. In the first place, he agreed with the British delegate as regards the estimates for the Economic Organisation. The Supervisory Commission had expressed doubt as to whether the Secretariat and the Government departments concerned would be able to cope with the additional amount of work provided for by these estimates. The delegates might not be in a position to estimate the work that the Economic Section was competent to undertake, but they could at least express an authoritative view as to the capacity of Governments to give the necessary degree of collaboration. He thought that it would be advantageous, from all points of view, if the proposed programme were to be reduced. Secondly, in view of the statements of the Indian representative on the Governing Body of the International Labour Office, he trusted that the Supervisory Commission would scrutinise not only the budget of the Secretariat, but also the budgets of the International Labour Organisation and the Permanent Court of International Justice.

M. RÉVEILLAUD (France) said that the task of the members of the Fourth Committee was a very thankless one. They appeared to the public, and perhaps also to certain delegates, to be very short-sighted men of very limited intelligence who did not seem to understand that the League was a young organism in full course of development, whereas they should be filled with surprise, as the Secretary-General had pointed out, on comparing the vastness of the work accomplished with the modest resources at the League's disposal.

Nevertheless, despite misunderstanding on the part of the outside world, the Fourth Committee should resolutely pursue its task. Side by side with the generous thoughts that were uttered from the tribune of the Assembly and in the other Committees, there was the more matter of fact view of the Governments and the various Treasuries. This point of view should be taken into account, for it was a vital one; if one day a majority or even a minority of the States were to declare that they could no longer support the charge laid upon them, the danger for the League would be serious.

A very close examination of expenditure should therefore be continued, in order to ensure that the expenses incurred were indispensable and had been calculated with exactitude. Calculated with exactitude they certainly were; the Supervisory Commission guaranteed this. As regards their necessity, this was a question that had been raised by the British delegate, and afterwards by various other speakers. These members, while reiterating their praises of the Supervisory Commission, asked it to take the entire budget into further consideration, and to examine what economies on a large scale might be realised in it, with a view to submitting proposals in this connection to the Fourth Committee.

The French delegate noted that the million francs by which it was proposed to reduce the budget was a larger sum than the total amount of the supplementary credits contemplated, namely, 928,000 francs. It might be wondered how the Supervisory Commission would realise this economy.

The question arose, however, whether it was the Supervisory Commission to which the Fourth Committee should entrust the task of carrying out its wishes. M. Réveillaud thought that this task belonged to the Assembly. In view of the new draft rules of procedure proposed at the last meeting of the Fourth Committee by the Supervisory Commission, it would be paradoxical to say, at a time when the Assembly should assume its responsibilities, that it should refer back the question to the Supervisory Commission.

M. Réveillaud explained that he was now speaking not as a member of the Supervisory Commission but as French delegate. The Supervisory Commission had a very important part to play, but it could only be the part of a supervisory body.

In support of these observations, the French delegate recalled what had happened in the preceding year, when the Supervisory Commission had been asked to determine the respective

order of the most urgent tasks to be taken up by the League, and had concluded that it was for the Fourth Committee to take up such a problem.

The French delegate stated a second consideration that appeared to him to be in favour of this argument. It had always been understood that all the proposals for new credits were first referred to the Technical Committees and that it was only after these Committees had completed their reports and made their estimates that the Fourth Committee was apprised of the proposals. The Fourth Committee could not now lay down its task, and thus be guilty in some sort of a lack of courtesy towards the other Committees, by directing the Supervisory Commission, before having heard the point of view of these Committees, to realise throughout the budget any reductions that it wished.

The reports of the Technical Committees would be received in the course of four or five days. The Fourth Committee could then estimate the total amount of the various proposals for expenditure and would be able, in the light of the instructions that its members had received from their delegations, to say which expenditure should be retained and which should be suppressed. To take any other course would be to act blindly.

M. Réveillaud said that he supported the legitimate desire of the delegate of the British Empire that the budget of the League should be kept within reasonable limits. It would, however, be a mistake to direct the Supervisory Commission to undertake this task, which belonged to the Fourth Committee; it would even be a mistake for the Fourth Committee to take up this question immediately.

In conclusion, the French delegate submitted the following draft resolution, the substance of which was based on the ideas that had been expounded by several of the preceding speakers, and which, he believed, contained the true doctrine that the Fourth Committee should follow:

“ The Fourth Committee:

“ Having examined the draft budget for 1929 and noted the rapid increase in the credits demanded, which at present represents about 6 per cent as compared with the 1928 budget;

“ Draws the special attention of the other Assembly Committees to this position, at the moment when they are about to consider the new work contemplated for the League, and asks them to bear in mind the necessity of a reasonable limitation of the expenditure of the League. ”

M. Réveillaud asked that, if this draft resolution were adopted, it should be officially communicated to the Chairmen of the Technical Committees.

M. VAN EYSINGA (Netherlands) said that in his opinion the League was suffering from two ills that were incidental to childhood and which had a great effect on all its actions and decisions.

The first of these related to the respective contributions of the Member States, the amount of which, there was no doubt, needed to be revised. Certain States believed that their contribution was too large. The Committee would discuss later the very interesting report of the Committee on the Allocation of Expenses and perhaps it should then express some regret that this Committee had proposed that the revision of the contributions of States should be readjourned for some years.

The second of the youthful illnesses from which the League was suffering, and which was a real danger to it, was that of contributions in arrears. On this point the representative of the Netherlands was, nevertheless, prepared to share the hope that the Secretary-General had expressed at the preceding meeting.

The Fourth Committee would have to decide whether the desire to stabilise the budget at a sum of 25 million gold francs was a practical one or whether it was an illusion. M. van Eysinga doubted whether stabilisation at this figure would be possible, and it would certainly appear that the Supervisory Commission also had its doubts, since it had stated in its report that “ rightly or wrongly ” it was sought to stabilise the budget.

The delegate of the Netherlands drew the attention of the Committee to the fact that, by a resolution voted some years previously, the Assembly had shown a desire that the budget of the League should be kept within the limit of these 25 million francs. He thought, for his part, that it was necessary to give a frank and clear explanation of the difficulties that the Fourth Committee saw in the path of stabilisation. The League was not a factory in which it was possible to decide in advance the products that would be manufactured in the course of a year. It was a living organism which was developing from day to day. At times, certain of its activities should be allowed to advance more rapidly, and the occasional slower progress of certain parts of its programme was even to be deplored.

For instance, some years previously, the Fourth Committee had provided for expenditure on a Disarmament Conference. It had been with regret that the members of the Committee, like those of the other Committees of the Assembly, had had to note that this part of the League's activities had hitherto encountered great difficulties.

On the other hand, the Fourth Committee might congratulate itself on the development of the League's economic action, following on the Economic Conference. This action was in direct application of Article 23 (e) of the Covenant concerning the equitable treatment of commerce. It would be undesirable to oppose this development by a steadfast desire for stabilisation of the budget.

It was therefore on account of very happy circumstances that M. van Eysinga wondered whether the desire to fix the budget at 25 million francs was not somewhat dangerous. He need hardly say, however, that he was a very warm advocate of economy.

The British delegate seemed to agree with the above observations; he had pointed out that the draft budget for 1929 exceeded that of the preceding year by 1½ million francs; he had not, however, asked the Supervisory Commission, as it would have been logical for him to do, to suppress the whole of this difference. He would be satisfied with a reduction of a million francs, though he recognised that the Supervisory Commission would find it very difficult to reach this figure. The delegate of the Netherlands said that he had added the sums which the British delegate proposed to suppress, and had found that the total did not amount to half-a-million francs.

With regard to the question of the method which the Committee should adopt in undertaking this work, M. van Eysinga said that he was in agreement with the Norwegian delegate, and would be very glad to hear the views of the Secretary-General and the Chairman of the Supervisory Commission on this point.

There were now two views before the Committee: that of the delegate of the British Empire and that of the French delegate. These two views, although very different in theory, could quite easily be reconciled in practice. All the members of the Fourth Committee were in agreement in recognising that the matters regarding which the Supervisory Commission were somewhat anxious were those to which M. Réveillaud had referred, and which related to the four following points: development of economic activities and of the activities of the Organisation for Communications and Transit, Codification of International Law and the Central Opium Board. The Committee might ask the Supervisory Commission to undertake a special study of these four essential points. Another method of proceeding would be to await the reports of the Technical Committees and to take up these four points again, either in a plenary meeting of the Committee or, after general discussion, in a Sub-Committee.

For his part, M. van Eysinga would willingly associate himself with the proposal of the delegate of the British Empire, if the Supervisory Commission had no objection to that proposal. He thought, however, that M. Réveillaud's proposal would have the same effect.

The delegate of the Netherlands thought that, when considering each of these points, the Fourth Committee should see whether there were real grounds for a permanent increase in the Secretariat staff. If this were the case, it should exercise great prudence. At all events, it should examine the question of the establishment, which was very necessary, of an order of priority for the conferences that had been contemplated, since, obviously, too great a number could not be contemplated in the same year.

Mr. BAILLIEU (Australia) said that, since his country was at present confronted with deficits, his fellow-countrymen would not, of course, welcome with much pleasure an increase of the Australian contribution to the League's expenditure.

Australia, which was so remote from Europe, was less familiar than other nations with the League's work, and perhaps the view of public opinion in that country was that certain of the League's activities should be decreased or suppressed.

The Australian delegate said that he supported the proposal of the delegate of the British Empire that the draft budget should be referred back to the Supervisory Commission, in order that the Commission might realise all the reductions that it thought possible. He associated himself with the congratulations offered to the Supervisory Commission by other members.

M. RAPPARD (Switzerland) said that all the speakers who had proposed a reduction in expenditure had declared that the task they were undertaking was a thankless one. He, on the contrary, found it an interesting task, for he considered that the Fourth Committee should serve as an auxiliary and not only as a brake. The task of the representative of Switzerland, however, was a particularly delicate one and made reservations necessary owing to the fact that his country had the great privilege of offering the League hospitality. If the Swiss delegate were to discuss, point by point, and in a critical spirit, all the credits that were asked, he would certainly be reproached with a want of courtesy towards his guests. It was for this reason that he confined himself to saying that the work of the Secretariat and the International Labour Office called for more praise than reservations on the part of those who were immediate witnesses of it. On the other hand, if the delegate of Switzerland were to urge the continual development of the League's services he might perhaps be reproached with showing an interested nationalism, since a large part of the credits proposed would be spent in Switzerland.

M. Rappard thought that one fundamental principle should guide this discussion, namely, that the League should be granted all the credits that would assure the healthy development of its legitimate and necessary work, all other credits being ruthlessly rejected. This principle was completely compatible with the proposal for a mechanical stabilisation of the budget, and in this connection M. Rappard said that he had been impressed by the fact that those Governments which liked to regard the League as still a delicate and puny child were the very ones that proposed to stabilise the budget. Was not childhood the period of life in which growth was the most rapid? To "stabilise" a child, to place it in a tight waistcoat, would surely, in reality, kill it.

It was necessary, in his view, to oppose the idea that an excess of one year's budget over the preceding year's budget was a disaster. The credits that were asked were small, since they only amounted to 25 million francs, which would be shared by fifty nations. Even if the expenditure entailed for States by their membership of the League exceeded those that were entered on their budget — for the expenses of the delegates and those due to the development of certain national services had to be taken into account — even if this expenditure were to reach a total of 50 millions, the contributions of any State to the expenses of the League would in no case exceed one-hundredth part of its national budget. In view of the fact that humanity was progressing towards a new order of things, that international relations were developing, that the human race was taking into account more and more the general interest, it was quite natural that the nations belonging to this great international body should be asked to make sacrifices on an increasing scale in order to provide for

the necessities of their common life. Moreover, these were not real sacrifices, for what was spent on preparing peace was, in reality, profit. It might be said that the expenses entailed by the League were justified in so far as they diminished the charges on the national groups.

M. Rappard supported this statement by instancing the example of the Swiss Cantons, which had undertaken expenditure for the establishment of the Confederation, but had defrayed this expenditure by better organisation of their national economy.

If, however, the principle that he had enunciated at the outset of his speech was incompatible with the principle of mechanical stabilisation, which would run the risk of transforming the organisation of the League into a sterile bureaucracy, this principle was, naturally, also incompatible with rash expenditure. While all the economies might not be necessary, the spirit of economy was always necessary, and there was no doubt that the budget had been drawn up in this spirit. While it was necessary always to create organisms which would make it possible for necessary functions to be satisfactorily accomplished, organisms must not be created which would require artificially new functions or which tended to carry out functions which were no longer justified.

Referring to the question of the Conferences, the Swiss delegate pointed out that it was the supervision of the expenditure of the League which really concerned the Fourth Committee, rather than of the League's budget. If arrangements were made for a Conference, and circumstances made it impossible to organise it, the fact that the expenditure had been voted was in no way unfortunate. There would only be a danger if the Secretariat and the International Labour Office were to decide to spend all the sums voted in any case. It should be pointed out that there was no sign of this abuse in the League. On the contrary, there were continual surpluses of revenue.

Perhaps, however, the Conferences contemplated were, nevertheless, too numerous, and M. Rappard wished to explain his apprehensions in this respect. He believed that a Conference was justified if it contributed to the improvement of international relations. Usually, a Conference led to the drawing up of a Convention, but a Convention might as well not exist if it were not signed, ratified and, above all, applied. There was a very strong feeling in Switzerland that the large number of Conventions in abeyance showed that certain of the League's friends had endeavoured to make international life progress too rapidly and in excess of the real possibilities. Prudence was therefore necessary in the interest of the League itself. International life should not be nourished with food which the international group could not digest, for the resulting indigestion, namely, Parliamentary lassitude, would be fatal both to the individual countries and to the League.

Care should, of course, also be taken that useless appointments were not made, appointments dictated by the wish to satisfy certain new or long-standing members of the League rather than by the utmost administrative needs. There was no doubt that if the Parliaments or national administrations believed that the money they placed at the disposal of the League was not intended solely for the service of the common interest, but that it was used in satisfying certain particular demands, they would show themselves increasingly reluctant to furnish this money.

The Swiss delegate wished to lay stress on the fact that the reductions required by the political philosophy that he had sketched would not paralyse the work of the League, but would improve it. The League depended above all on the goodwill of the national Parliaments and administrations towards it, and anything that increased this goodwill was to its interest.

In conclusion, M. Rappard said that the aim of the Fourth Committee was to strengthen the responsible heads of departments in their resolution always to regard their work from the point of view of quality rather than from that of quantity. There should be ground for wonder at the vast work that was done with modest resources, rather than for asking how it was possible to find useful occupation for so many international officials.

FOURTH MEETING

Held on Wednesday, September 12th, 1928, at 3.30 p.m.

Chairman: M. DE VASCONCELLOS (Portugal).

15. Budget for the Eleventh Financial Period (1929): General Discussion (continuation).

The CHAIRMAN said that the general discussion on the draft budget would be continued, and invited the Polish delegate to re-open this discussion.

M. DE MODZELEWSKI (Poland) said that he had read with great interest the proposals of the British and French delegates, but that he could not give either of these his entire support. The League had been compared to a small child that should not be overfed; this child should not, however, be allowed to die of hunger. It was for the doctors, in the shape of the Technical Committees, to decide how much nourishment it should be given. He feared that, if the resolution submitted by the British delegate were adopted, and a reduction made in the budgetary credits without the Technical Committees having been consulted, certain regrettable errors might be committed.

As regards the resolution submitted by the French delegate, he did not think that it was sufficiently explicit. It referred only to a future limitation of the League's expenses, whereas

it was for the Committee to ascertain whether a reduction could not be realised in the present budget. The Polish delegate would propose, therefore, that, with M. Réveillaud's consent, this resolution should be completed as follows:

“ Similarly, the Fourth Committee requests the other Committees to revise the programme of Conferences for which provision is made for 1929 and to limit them to those which cannot be postponed till 1930. ”

M. RÉVEILLAUD (France) said that he was prepared to accept this amendment, which completed his resolution and made its meaning clearer.

Baron LEHMANN (Liberia) recalled that for seven years the Fourth Committee, and especially the delegations of the small nations, had requested a reasonable stabilisation of the League's budget. Nevertheless, this budget was increasing rapidly. It had often been stated in the Assembly that one of the objects of the League was the protection of small nations; but, if this increase were to continue, the small nations might be finally obliged to resign, very reluctantly, their membership of the League. He would ask the Secretary-General whether it would not be possible to stabilise the budget, for instance at 26½ million gold francs, at any rate for the three following years.

Dr. KAAS (Germany) said that the fact that the discussion on the budget had been commenced by requests for economy had not surprised him. The tendencies to expansion of the League had often been seriously discussed by the Fourth Committee and in other quarters and it had already been suggested that expansion of the League's work was not necessarily accompanied by its intensification. Anxiety on this point had been expressed in many countries, and since the work of the League depended on the collaboration of its Members, based on their free and voluntary consent, he would suggest that the League's activities should take a more steady and moderate course.

The desire to stabilise the budget was quite a natural one, but he believed that at present such stabilisation would be premature. Every organisation was governed by biological laws, which should not be thwarted by bureaucratic methods, and he recalled that the founders of the League had wisely avoided any too rigid limitation of the sphere of its activities.

Dr. Kaas thought, however, that it was important that the Fourth Committee should draw the attention of the other Committees of the Assembly to the grave nature of the budgetary problem and should request them to ensure that their suggestions would be in conformity with the moderation that was necessary in the financial domain. It was clear from the report of the Secretary-General and from the discussions in the Supervisory Commission that considerations of this kind had already occupied their attention.

The German delegation, after having studied the budget in detail, considered that the increase in expenditure was a very serious one. On the other hand, it recognised that, as the Secretary-General had recalled, expenditure must be judged by its results, and that in many of the League's activities, and particularly in the sphere of international economic collaboration, the Member States received compensation that was far from negligible. Dr. Kaas agreed with the British delegate that it would be necessary to realise economies, but he did not think that it would be wise to adopt that delegate's proposal to refer the budget back to the Supervisory Commission with a view to reducing expenditure by a million Swiss francs. The Supervisory Commission might thus be obliged to suppress certain credits that had been provided for valuable work, without having previously heard the views of the competent Technical Committees. He thought that stabilisation of certain chapters of the budget for two or three years might be of value, but that a stabilisation of the entire budget should not yet be undertaken.

It appeared to him that the best solution was to be found in the resolution proposed by the French delegate, as amended by the Polish delegate. This resolution might be communicated to the other Committees, which would take it into consideration, and the Fourth Committee might thus obviate the unpleasant contingency of having to meet certain resolutions of these Committees with what might appear to be an ungracious rejection.

Count DE PENHA GARCIA (Portugal) said that the position was much the same as in most Parliaments in which there was opposition between those who desired certain work to be done and those who hesitated to vote the necessary credits. All the preceding speakers had made reservations with regard to the constant increase in the League's expenditure, but all had agreed in recognising that there must be a sound reason for this increase.

The League was still in the early period of its development and that asks incumbent on it under the Covenant were becoming increasingly numerous. The Portuguese delegate realised that a great deal of prudence was necessary in the League's expenditure, but he thought that it would be unjust to state that this expenditure was excessive in all the services. It was sometimes difficult to estimate the importance of the material results of the League's work, and this difficulty was still greater in the case of the moral results, which were even more important. The Portuguese delegate believed that the League's expenditure was, as a rule, perfectly justified. He would point out, moreover, that in his opinion, the best criterion for judging whether the credits requested were justified was to be found in the results that had actually been attained by the services asking

for them. It was, nevertheless, necessary to study certain possible economies and frequently to examine the actual results obtained by the services that had been set up.

For his part, he thought that there were not many financial organisations as perfect as that of the League. Clarity and precision of detail should be the essential characteristics of a budget, and in the League budget these qualities were easily recognisable.

It was true that the heavy increase in the budget estimates for 1929 called for severity on the part of the members of the Fourth Committee and a request that such increases should cease. It was to be hoped that the other Committees of the Assembly would take into account the present state of affairs.

Count de Penha Garcia thought that, if a stabilisation of the budget were desirable, it could only be a partial one. In order to secure such stabilisation, the work of each of the League services would have to be carefully examined, and this was a task for the other Committees of the Assembly rather than for the Fourth Committee. He believed, therefore, that it would be difficult to apply the proposal made by the British delegate, although he appreciated the principles on which that proposal was based. He wished, however, to support the proposal of the French delegate, which would, he thought, be found to be more satisfactory in practice.

M. KURUSU (Japan) thought that all the Member States of the League would be happy to note the extension of its activities. At the same time, economy was essential. M. Kurusu appreciated, however, the difficulties that the Secretary-General and the Supervisory Commission had to face.

He would point out that, in the opinion of the Japanese delegation, the two proposals before the Committee were not contradictory but supplementary. The proposal of the British delegate referred to present action and that of the French delegate mainly to future action. M. Kurusu noted that the resolution proposed by the British delegate provided for consultation with other Committees if this should appear to be necessary. In order to expedite the Committee's work, he suggested that the resolution proposed by the French delegate as amended by the delegate of Poland should be immediately submitted to those Committees.

Finally, M. Kurusu said that he would have certain reservations to make when the budget was being discussed in its detail. These reservations would refer to any contemplated defrayment of the expenditure of the Central Opium Board by the States that had ratified the 1925 Opium Convention and to the question of the stabilisation of the salaries of League officials.

The CHAIRMAN declared the general discussion closed. He wished to congratulate the Committee on the breadth of views which had distinguished this discussion, and which recalled the memorable meetings at which the Fourth Committee had laid down the principles for the establishment of the League's finances. He invited the Secretary-General to reply to the observations that had been made.

The SECRETARY-GENERAL said that in the course of the discussion a large number of points had been raised, and that on one of them at any rate he hoped to have an opportunity at a later stage of expressing his views, namely, on that of the Swiss delegate with regard to certain staff questions.

The proposal had been made by the delegate of the British Empire, and this proposal had been particularly supported by the Indian and Australian delegates, that the budget should be referred back to the Supervisory Commission with a view to realising a reduction of one million Swiss francs. Before commenting on this proposal, he wished to lay further stress on a point that he had raised at the previous meeting. The Australian delegate had said that he sympathised with the Secretary-General's position. Sir Eric Drummond was not sure, however, that there was any cause for sympathy. His duty was only to carry out the Assembly's decisions, and the present budget was no more than the result of these decisions. He would point out that these decisions had been taken with the full approval of the Australian delegation. The parallel of a national Parliament had been mentioned, but he did not think that any national Parliament that had been recorded as being in favour of the execution of certain tasks would afterwards refuse the credits necessary for the execution of those tasks.

With regard to the proposal of the British delegate, the Secretary-General did not think that it would be really effective in practice. The Supervisory Commission had already pointed out that expenditure was on the increase and it desired to have some information as to future policy in this respect. The suggestion that the budget should simply be referred back to the Supervisory Commission, with a request for suggestions for a reduction of a million Swiss francs in connection with tasks to which the Assembly had already given its consent, would not, in his view, advance matters much. He doubted whether the Supervisory Commission would find that it was possible to realise such a reduction, and added that he would have been more impressed by the British plea for economy had he not been aware that a week previously a formal proposal had been made in the Council by the British representative for an extensive enquiry into certain aspects of the opium question. That enquiry would involve an extra expenditure of between 400,000 and 500,000 francs. The Secretary-General ventured to suggest that before embarking on a plea for economy, it would be better not to propose fresh activities.

The Italian delegate had expressed the view that the budget might be stabilised at approximately 25,000,000 Swiss francs. The Secretary-General had pointed out at the previous meeting that, taking into account the amounts that would be returned to the States, the figure of the present budget exceeded only very slightly this figure of 25 millions. He trusted, therefore, that the Italian delegate would vote in favour of the budget in its present form.

M. Hambro had asked him to reply to certain questions. He had stated that the greatest increase was the one of 27 per cent in the item for the salaries of the members of the Secretariat as compared with the amount of that item five years previously. At the time, the Secretary-General had ventured to doubt whether M. Hambro's statement was absolutely correct, and in the interval he had verified the figures. These figures were of some importance, because they proved that, in so far as the members of the Secretariat were concerned, they were doing their utmost to prevent the League Secretariat from developing into a bureaucracy. Taking the period 1924 to 1929 as a basis, he had found that during this period the total increase in the Secretarial budget had amounted to 30 per cent. The Conferences, the Assembly, etc., showed an increase of 89 per cent, while the increase as regards Under-Secretaries and Directors was 16 per cent, and as regards Members of Sections 44 per cent. Thus, while the work of the Secretariat and of the League had increased enormously, the bureaucratic side had increased to nothing like the same extent.

The Secretary-General entirely associated himself with the observations of the German delegate. He was convinced that the best method of realising economies in the budget now under consideration and in future ones would be to obtain the consent of the Technical Committees to a diminution of their programmes. He believed, therefore, that if the resolution submitted by the French delegate, as amended by the delegate of Poland, were adopted, the first step would certainly have been taken towards the stabilisation or reduction that was so eminently desirable. In his view, it would not be possible to stabilise the total budget of the League. The experiment, however, of stabilising the budget of one of the great technical organisations — that of the Health Organisation — had succeeded admirably, and he believed that, if it were possible similarly to stabilise the budgets of some of the other technical organisations, equally satisfactory results would be obtained. To draw the attention of the other Committees to the great necessity for economy would also be of value.

The Secretary-General recalled, and he wished to lay stress on this point, that, in submitting the budget to the Fourth Committee, he had stated that, if the First Committee would agree that the Codification Conference should not be held in the same year as the Disarmament Conference, there would result an immediate reduction of the budget by between 300,000 and 350,000 francs.

In conclusion, the Secretary-General said that he would be pleased to see the Fourth Committee acting as a co-ordination committee, particularly in regard to expenditure, and checking the budget wherever it considered the demands to be unreasonable. He doubted, however, whether the Fourth Committee would be able to make many changes of detail, for he believed that the Supervisory Commission had planed down the budget to the absolute minimum that was consistent with the efficiency which he trusted the Secretariat could attain.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, wished to explain why he had hitherto abstained from taking part in the discussion. He wished to point out that his abstention had not been due to mere chance. In April, and again in May, when the Supervisory Commission had examined the budgetary estimates for 1929, it had been confronted by a serious increase in those estimates, an increase which was due to new work and to the extension of work already undertaken.

After examining the matter, the Supervisory Commission had concluded that it was difficult to know whether the Assembly would wish to enter upon this path.

M. Osuský recalled the manner in which the Committees of the Assembly worked. Each Committee worked separately, and each Committee believed that the special questions which it was its duty to consider were of primary importance. The resolutions of these Committees had been submitted to the Supervisory Commission and the Commission had seen only one course to take, namely, to submit the programme before it to the Fourth Committee and ask the Committee whether it approved this programme and whether the Supervisory Commission was to provide for the necessary credits to carry it out. It was because the Supervisory Commission had been confronted by the necessity for a decision of principle on League policy that it had abstained from expressing its views, and M. Osuský explained that the reason why he had not spoken since the beginning of the discussion had been that he had not wished in any way to influence the Fourth Committee in this respect. The extremely thorough discussions that had taken place in the Supervisory Commission showed that the Commission was anxious to carry out the decisions of the Fourth Committee to the best of its ability.

M. Osuský now wished to speak on a point of procedure. The Fourth Committee had before it a question of principle to which it was its duty to reply. The League's programme, however, was involved and there were certain questions that were dealt with in their technical aspects by the various Committees of the Assembly. The Committee should now hear the views of these other Committees. The delegates of Czechoslovakia trusted, however, that the Fourth Committee would not confine itself merely to ratifying these views, but that it would maintain its own decisions intact and consequently pursue its task of co-ordinating and organising the isolated efforts of the other Committees.

Such was the main function of the Fourth Committee, and it was the duty of the Supervisory Commission by giving technical advice to assist it in fulfilling this function.

In conclusion, M. Osuský said he trusted that, once the question of principle had been settled and the programme approved, this programme in its entirety would be referred back to the Supervisory Commission, in order that the Commission might give effect to the decisions that had been taken. M. Osuský would then state the Supervisory Commission's views both on the principle and on its application.

The Right Honourable G. LOCKER-LAMPSON (British Empire) said that he had followed this interesting discussion with close attention, particularly the statements of M. Osuský and of the Secretary-General. He had stated at the previous meeting that he would be prepared to accept as an alternative to his own resolution any other resolution that would meet the case. He still preferred his own, however, to that of M. Réveillaud, as amended by the delegate of Poland, for he believed that, if it were adopted, greater reductions could thus be realised. At the same time, he was anxious that the Committee should adopt a resolution by a unanimous vote.

With regard to the Secretary-General's reference to the proposal made by the British representative on the Council for a new enquiry into certain aspects of the opium question in the Far East, he would point out that the expenditure proposed would be the object of a supplementary credit, and that it would be for the Fourth Committee to decide whether this credit should be approved. He did not think that the British Empire had been in any way extravagant in its demands in the past.

He would point out that the proposal of the French delegate only related to the Conferences that it was proposed to hold. These Conferences, however, were far from constituting the sole item of importance on the budget, and, after having consulted certain of his colleagues, he would propose that the Polish amendment be completed as follows:

“ . . . and, more generally, to examine especially the budgets of the Economic Organisation and the Transit Organisation and to make proposals for restricting expenditure, and to suggest any other directions in which economy can be effected. ”

The Fourth Committee would thus request the Technical Committees to direct their attention not merely to the Conferences but also to the other main headings which would be under review.

He trusted that the Committee would be prepared to accept this small addition, and begged to support the proposal of the French delegate, as amended by the delegate of Poland and himself.

M. CAVAZZONI (Italy) said that he was prepared to vote for M. Réveillaud's proposal, as amended by M. de Modzelewski. In order, however, that this proposal might be more effective, he suggested that the Chairman of the Fourth Committee should request that a meeting of the General Committee of the Assembly be held, at which meeting he would explain to the Chairmen of the other Committees the full scope of the questions discussed by the Fourth Committee, and would state the main facts to which this discussion had related.

M. HAMBRO (Norway) said that he would be very pleased to vote in favour of the draft resolution submitted by M. Réveillaud. He wished to point out, however, that this would not be the first occasion on which the Fourth Committee had made a communication to the other Committees in an extremely well-phrased and diplomatic form. He wished to know whether the Chairman of the Supervisory Commission believed that the step proposed would give more satisfactory results than the former ones.

The Norwegian delegate associated himself with the suggestion of the delegate of Italy. The new practice that this suggestion had in view might be an effective one.

Passing to one of the Secretary-General's observations, M. Hambro said that the Secretary-General, a clever politician and a sagacious diplomat, showed a certain tendency to reply to observations that had never been made. The Norwegian delegate had not said that the increase of 27 per cent in the total salaries of the Secretariat was the greatest increase in the budget, but the greatest of the four figures he had given—the total increase for the Secretariat, 20 per cent; for the Labour Office, 16 $\frac{2}{3}$ per cent; and the Permanent Court of International Justice, 16 per cent, and the first of these was expenditure of a permanent nature.

Various speakers had said that the task of the members of the Fourth Committee was rather a thankless one; but M. Hambro thought that delegates would need more courage, when they had returned to their respective countries, in order to justify to their Parliament or their Government an increase in the League's expenditure than they would need to explain a decrease in their contribution.

What made the task of the members of the Fourth Committee most trying was their feeling that it was useless. The Secretary-General had just explained to them that it was not really their duty to discuss the details of the budget and of the financial administration, which had already been examined fully by the Supervisory Commission. If this were the case, however, and if it were true, as Gladstone had maintained, that it was necessary to examine the details if it were desired to realise large economies, it would have to be recognised that the Fourth Committee was doomed to practical impotence. M. Hambro thought that the members of the Supervisory Commission would not dispute the truth of this observation. The Committee's task was complicated by another difficulty, namely, that the delegates passed in a fleeting procession, while the Secretariat remained. The members of the Secretariat should not imagine, however, that the delegates of the Fourth Committee, particularly when they proposed reductions, wished to criticise their work. Far from it. M. Hambro fully recognised that the application to the League of the principle of stabilisation was not possible. It would be well, however, to point out a difficulty that was inherent in the nature of the League. It was in periods of unrest that States needed the League most, and it was also in these periods that they were most obliged to realise economies.

In conclusion, M. Hambro expressed the hope that the discussions that had taken place in the Fourth Committee would facilitate the task of the Supervisory Commission in the future.

The SECRETARY-GENERAL, replying to M. Hambro, apologised for having misinterpreted his words. He promised that he would do all that he could to counteract the regrettable tendency to which M. Hambro had drawn attention.

M. PITAMIC (Kingdom of the Serbs, Croats and Slovenes) said that he supported M. Réveillaud's proposal, as amended by the delegate of Poland.

M. RÉVEILLAUD (France) said that he did not share M. Hambro's pessimism with regard to the utility of the Fourth Committee's work. Sooner or later this work would bear fruit. Moreover, it was in the present that the Committee was working, and it would have occasion to note the beneficial effect of its unanimity on the principles that had just been developed. Its best opportunity of showing what it could do would be when it had been informed of the proposals of the other Committees. It was then that it would begin to fulfil its duty which, as M. Osuský had so happily expressed it, was one of co-ordination, an essential duty the importance of which should not be under-estimated.

As the author of the first proposal, with regard to which, it appeared, the Committee was unanimous, the French delegate said that he was extremely pleased by the support of the eminent representative of the British Empire. The fact that the Fourth Committee had taken its decision unanimously, added to the step that it had directed its Chairman to take, would not fail to produce some impression on the members of the Technical Committees.

In order to restore to his own draft resolution the general character of which the proposed amendments had partly deprived it, M. Réveillaud suggested that, after mentioning in the text of the resolution economic and transit questions, mention should also be made of the opium question, other humanitarian questions, and the codification of international law. He pointed out that he had not mentioned health, nor intellectual co-operation, since the two items in the budget relating to these matters had been stabilised two years previously.

The Right Honourable G. LOCKER-LAMPSON (British Empire) said that he accepted the addition that M. Réveillaud had proposed.

Dr. KAAS (Germany) said he had learned that the Second Committee had made a suggestion with regard to a joint meeting of that Committee with the Fourth Committee, with a view to obtaining unity of outlook between these two bodies. The German delegate wished to draw attention to the attitude of the Second Committee, which proved that that Committee was in favour of the co-ordination, to the urgent necessity of which M. Osuský had referred.

Dr. Kaas asked the Secretary-General whether the Second Committee had taken an official decision in this respect.

Dr. SCHÜLLER (Austria) said that he was prepared to support the draft resolution as completed by M. Réveillaud. It would have been unfair to direct all the efforts for reduction to the budget of the Economic and Financial Section, which constituted in all only one-fifth of the total budget of the Secretariat.

The SECRETARY-GENERAL said, in reply to Dr. Kaas, that the suggestion to which he had referred would be discussed on the following day.

M. VAN EYSINGA (Netherlands) recalled that he had already expressed a wish that the Fourth Committee should examine the question whether it was or was not desirable to adopt the principle of stabilisation. Personally, he had strong doubts on the subject as regards the budget as a whole, though he agreed with Dr. Kaas and the Secretary-General that stabilisation would be possible as regards certain parts of the League's work. Further, stabilisation in connection with one of the technical organisations had already been achieved with success.

The delegate of the Netherlands would prefer for his part that the terms of the resolution on which the Committee was to vote should be as general as possible. If, however, the enumeration made in the draft resolution were to be preserved, he would urge that mention should be made in the text that was to be adopted of the possible consequences, as regards an increase in the permanent staff, which the Conferences that it was proposed to convene might have.

M. Cavazzoni's proposal was adopted.

M. ZUMETA (Venezuela) supported the draft resolution submitted by M. Réveillaud, as amended by the various additions that had been made. He wished, however, to point out that each year speeches were made that indicated the desire of the Fourth Committee to effect reductions in the budget. Suggestions were made, but it was noticed in the following year that these suggestions remained without effect. Moreover, when there was divergency between a Technical Committee and the Fourth Committee, the Fourth Committee had, on more than one occasion, lost its cause. The experience of almost seven years had shown M. Zumeta that the members were too often content with making speeches and that they did not take enough action. Only once had a real result been obtained, namely, in 1921, when the Noblemaire Commission had been instituted. That Commission had had the unanimous support of the Fourth Committee, and had been able to reduce the budget by more than a million francs.

M. Zumeta proposed that, if the resolution that the Fourth Committee was about to pass were to remain without effect, a Sub-Committee similar to the Noblemaire Commission should be appointed and invested with the same powers. He added that M. Osuský would be a very suitable Chairman for this Committee.

M. VAN EYSINGA (Netherlands) said that, having consulted some of his colleagues, he felt that they would prefer to preserve the enumeration contained in the draft resolution. There would be no objection to this enumeration, provided that the addition to it that he proposed were accepted. The delegate of the Netherlands suggested, therefore, that there should be added to the end of the draft resolution the following words:

“ Taking account particularly of the effect that the new tasks may have on the increase in the permanent staff. ”

The SECRETARY-GENERAL proposed that the word “ new ” be suppressed in the phrase “ new work contemplated by the League ”.

M. RAPPARD (Switzerland) supported this proposal.

The resolution was unanimously adopted in the following form:

“ The Fourth Committee:

“ Having examined the draft budget for 1929 and noted the rapid increase in the credits demanded, which at present represents about 6 per cent as compared with the 1928 budget;

“ Draws the special attention of the other Assembly Committees to this position at the moment when they are about to consider the work contemplated for the League, and asks them to bear in mind the necessity for a reasonable limitation of the expenditure of the League.

“ Similarly, the Fourth Committee requests the other Committees to revise the programme of Conferences for which provision is made in 1929 and to limit them to those which cannot be postponed till 1930 and, more generally, to examine especially the budgets of the Economic Organisation and the Transit Organisation, of the opium and humanitarian activities and of codification of international law, and to make proposals for restricting expenditure, and to suggest any other direction in which economy can be effected, taking account particularly of the effect that the new tasks may have on the increase in the permanent staff. ”

FIFTH MEETING

Held on Thursday, September 13th, 1928, at 3.30 p.m.

Chairman: M. DE VASCONCELLOS (Portugal).

16. Appointment of a Sub-Committee of the Second Committee to discuss with the Fourth Committee the Budget of the Second Committee.

The CHAIRMAN informed his colleagues that, following the circular communication of the Fourth Committee to the other Committees, the Second Committee had just appointed a Sub-Committee composed of M. VEVERKA, M. GLIWIC, and Dr. BREITSCHIED, which had been directed to reach agreement with the Fourth Committee on the Second Committee's budget.

17. Detailed Examination of the Budgetary Estimates of the Secretariat and Special Organisations of the League (see document A.4.1928.X): Chapter I, Item 1: Session of the Assembly (356,500 gold francs).

M. HAMBRO (Norway) recalled that it was impossible for the Assembly to meet in a place which would satisfy all its members; some of the members had to make a long and expensive journey. In order to place delegations on an equal footing, might it not be possible to do what had already been done in the case of other meetings of the League and pay the travelling expenses to Geneva of three delegates from each delegation? The adoption of this course would remove one of the obstacles that stood in the way of the participation of new representatives from certain very remote countries. He asked the Secretariat and the Supervisory Commission to submit, in the following year, an estimate of the expenditure that this course would entail.

The SECRETARY-GENERAL understood that M. Hambro only proposed that travelling expenses should be paid, and not allowances for delegates during their stay at Geneva. The Secretariat would submit this estimate.

Item 1 was adopted without amendment.

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

Item 2 was adopted without amendment.

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

M. RAPPARD (Switzerland) asked whether it was to be understood that this item was intended to meet unforeseen expenditure of any kind that the Council might undertake on its own responsibility.

M. VAN EYSINGA (Netherlands) recalled that the sum of 500,000 francs placed at the Council's disposal was intended solely for expenditure of a political nature.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, agreed with M. van Eysinga. The Assembly was the sole master with regard to all other expenditure. This was one of the most elementary principles of the Assembly's supervision in budgetary matters, and he hoped very much that no departure would be made from this rule.

M. RAPPARD (Switzerland) wished to make his question clearer. It had been found that unforeseen expenditure might arise which was not political in nature. The Council was then compelled to draw from other funds, which was contrary to the rule of the Assembly's supremacy in budgetary matters. Means should be found to prevent the Council being placed in the position of having either to commit a breach of the rules or to abstaining from any action when action was necessary.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, replied that each year the Assembly placed a certain sum at the disposal of the Secretary-General for unforeseen expenditure. If credits were to become suddenly necessary, it would be for the Council to apply to the Secretary-General, who would consider whether it would be possible to meet the Council's wishes.

M. RAPPARD (Switzerland) said that he would not press his suggestion, since it appeared that in the future credits for unforeseen expenses allotted to the Secretary-General would be sufficient for the unforeseen needs of the Council for non-political purposes.

Item 3 was adopted without amendment.

20. Chapter II, General Services of the Secretariat: General Discussion.

M. HAMBRO (Norway) said that questions regarding the staff of the Secretariat had been raised recently in the Press of many countries which had occasioned a good deal of anxiety to those interested in the work of the League. It had been suggested that the independent international character of the Secretariat was no longer what it should be. He referred to articles in the *Journal de Genève*, the *Manchester Guardian* and particularly to the articles by Professor de Madariaga in *The Times* recently, and the leading article in that journal following upon them.

At the beginning, the Secretariat had possessed a very high international character. The attitude of the Secretary-General and the feeling with which he inspired all his original collaborators in the work of the League was one of high international independence — the feeling that all were serving the welfare of mankind and not the various national interests of their respective countries and Governments.

It was now alleged that a somewhat remarkable change in the character of those who filled the higher positions in the League had occurred. At the outset, the holders of those higher positions included two diplomats and eight men from the Universities or from journalism. To-day, the position was reversed, and of the holders of the higher posts seven were diplomats. In the lower positions of the League the same development had taken place. He was ready to acknowledge the necessity for having some trained diplomats on the League staff, but it had also to be borne in mind that a diplomatic career was essentially, more than any other calling, a national career. It was the duty of the diplomat to work for his own country, and it would be contrary to his duty, as popularly understood, if he tried to think and feel, not only for his own country, but for every country and the whole human race. That, however, was precisely the duty of all the members of the Secretariat.

There had been an extension of the influence of Foreign Offices in the work of the League, or at least an impression had been created all over the world that such was the case. He was not criticising individuals, nor the work of any individual, but he was criticising a principle, or something that looked like a principle. It was against the constitution of the League that any Government should try to exercise influence on appointments made in the League. Such action was against the spirit of Article 6 of the Covenant. It was also against the principles laid down in the report of the Fourth Committee itself, and adopted by the Assembly, that any State should consider that it had a right to fill any single post on the Secretariat of the League of Nations.

The fact that representatives of one single nationality had, on three succeeding occasions, been appointed to the same position in the League was against the principles adopted by the Assembly. It was vital to the interests of the League that any man or woman on the Secretariat should have the feeling that service with the League of Nations was a career with opportunities of promotion, given competence and ability, no matter what his or her nationality might be. If that feeling did not exist, if everyone who entered the service of the League had to work under the conviction that the higher posts were reserved, not for those who had already done good service for the League but for the candidates of a Government, it would be more and more difficult to secure the right people for the Secretariat.

A few years ago, the Secretary-General was asked to issue a document, for the information of the Fourth Committee, stating the names and nationality of those who had resigned from the Secretariat during the year and those who had been appointed. The list which had been

distributed to the Committee gave the names of the officials who had resigned but not of those who had been appointed since the last session of the Assembly. He would like to have included in the list of those who had resigned the number of years they had worked in the Secretariat. It was stated in the Press that, especially during the last year and a-half, a good many men and women on the staff, who had served the League for many years, had left its service, in some cases before their time had expired, because they felt that there was no career before them.

At a meeting of the League of Nations Union held in July at The Hague, attention was called, in a very guarded way, to what he had just said. That Congress resolved:

“ That the permanent officers of the League of Nations, in particular the members of the Secretariat-General, should, in fact as well as by right, be recruited in accordance with the provisions of the Covenant under the exclusive responsibility of the Secretary-General, with the approval of the Council, and that no nation or Government should in any way interfere with the stability and the independence of their positions or with their rights to promotion. ”

No official disclaimer had been put forward which could remove the anxiety of those who had written on the subject. There could be no doubt as to the facts mentioned, and it was the duty of the Fourth Committee to point this out. He would take the statistics for the past year. There were on the staff of the League of Nations at present fifty-five men and women who had a salary of more than 25,000 francs a year. Of this number, fourteen were British, nine were French, five were Italian and five were German. What was left for the others was divided up between America (4), Spain (3), Poland (2), Netherlands (2), Uruguay (2), and certain other States. If the statistics for the staff of the League over a number of years were taken, there could be very little doubt that, for practical or other reasons, a large number of positions were reserved for certain special Members of the League.

It was very desirable that delegations from small States, when they came to Geneva, should, if possible, find on the staff of the Secretariat at least one man or woman who could talk with them in their own language and make them feel at home. During the last year there had been some improvement in this respect. There were at present forty-four Members of the League of Nations represented on the Secretariat — a higher figure than at any time previously. The fact remained, however, that the whole system of appointments needed revision. That system had been laid down at a very early period in the history of the League. The Secretariat was only one year old when these matters were settled, and now there was available the experience of the intervening years.

All the members of the Committee were aware of the high ideals with which the Secretary-General was inspired. Rightly or wrongly, however, there was also an impression that not all those in high positions in the Secretariat had the same feeling, and that it had not been possible for the Secretariat to escape the pressure of certain Governments or nationalities which had not the same understanding of the relations between national and international ideas.

The Staff Regulations of the Secretariat lacked those strict rules of national impartiality which were laid down in the Statutes of the Permanent Court of International Justice — Nos. 16, 17, 18 and 20.

He would not call upon the Secretary-General to answer, because he could not from the nature of the case give a candid answer, and the speaker did not want a diplomatic one. But it was the general feeling that the points to which he had drawn attention ought to be altered with a view to ensuring that what had occurred in the past should not occur again. He thought that perhaps the time had now come for the Secretariat to reconsider the Staff Regulations and rules of appointment and to place before the Fourth Committee and the Assembly next year a revised edition, building upon the experience available in recent years. Possibly, a small Committee of the Secretariat might do the preparatory work and collaborate at a later stage with a Sub-Committee appointed by the Fourth Committee or the Assembly. It was absolutely necessary, in any case, that something should be done and he would emphasise that, for the future of the League of Nations, what the Press of the world meant and felt was far more essential than what the various Cabinets of to-day and their diplomats meant and felt.

He did not criticise any single individual. He did not question whether those appointed had been the best men. He was quite content to believe that everything had been done in the conviction that it was for the best, but the present practice was in violation of the principles laid down from the very foundation of the League. He would remind the members of the Fourth Committee of one single principle, which had been assented to more than once, namely, the principle stated on page 7 of the report of the Noblemaire Committee:

“ To the higher officials it does not, in the opinion of the Committee, seem possible to give long-term engagements. The international character of the League of Nations and the legitimate desires of the Member States render it essential that systematic changes should take place in the higher posts of the Secretariat in order to enable them to be filled by persons of any country whatsoever who are of recognised importance and widespread influence among their own people, and whose views and sentiments are representative of their national opinion. ”

Was there any member of the Fourth Committee who would declare that this principle had been adhered to, even during the last year ?

There were men on the Secretariat who had been doing very good work from the beginning of the League, but had obtained no promotion, either in rank or salary, while others had been called

in from outside, raised at once to the higher posts, and given a higher salary from the start. He would remind the Committee of the speech made by the first delegate of the Irish Free State to the Assembly. The Irish delegate had come to the conclusion that it should be made clear in the Staff Regulations that, whenever a higher post was vacant, it should be filled by a man of a different nationality from the man who was leaving. It might be of some importance to deprive various Governments of the delusion that they had a right to influence these appointments. He could not, however, completely agree with the conclusions reached by the Irish delegate.

In conclusion, he would mention that in his country, this year, a very large number of members of Parliament had voted for a resolution that Norway should resign her membership of the League. Behind this resolution was the feeling that everything had not been done to uphold the original principles of the League. All who were fighting for the League of Nations and endeavouring to secure its future should be in a position to state that everything possible had been done, that every criticism had been heard and examined openly, and that every desire had been shown to correct the grounds for criticism.

M. VAN EYSINGA (Netherlands) thought that the Fourth Committee should be grateful to the Norwegian delegate for having opened in so masterly a manner a general discussion on a problem which had long exercised many minds, and which was a dangerous one in that it might diminish the great authority which it was desirable that the Secretariat should enjoy to the full.

In the first place, he wished to say that he was a warm admirer of the work of the Secretariat and particularly of the remarkable part played by the Secretary-General. He had followed the League's work from the outset, and he had always noticed that the delegations found in the Secretariat the greatest possible moral support, understanding and initiative. If the League was the most remarkable international organisation of the modern world, it owed this fact, above all, to its Secretariat. Several eminent Dutch men of affairs had often borne witness to this fact. Immediately on coming into touch with the Secretariat, they had all, without exception, told M. van Eysinga that splendid work was being done by it.

Being such a sincere admirer of the work of the League, the Dutch delegation had been greatly moved by the uneasiness that was beginning to develop. This uneasiness was all the more regrettable in view of the fact that it had always been within the Secretariat that the international spirit had found its happiest manifestation.

The principles on which the administration of the Secretariat should be based had been strikingly indicated in a report by Lord Balfour, adopted by the Council on May 19th, 1920, which constituted in some sort the basic charter of appointments. In this report the following passages were to be found:

“ By the terms of the Treaty — Article 6 of the Covenant — the duty of selecting the staff falls upon the Secretary-General, just as the duty of approving it falls upon the Council. In making his appointments, he has primarily to secure the best available men and women for the particular duties which had to be performed; but, in doing so, it was necessary to have regard to the great importance of selecting the officials from various nations. Evidently, no one nation or group of nations ought to have a monopoly in providing the material for this international institution. ”

In the further passage, Lord Balfour had added:

“ I emphasise the word ‘ international ’ because the members of the Secretariat once appointed are no longer the servants of the country of which they are citizens, but become for the time being the servants only of the League of Nations. Their duties are not national, but international. ”

Two principles might be drawn from this text. In the first place, in making appointments, the choice should be an international one, there should be no recognition of the slightest monopoly of one country or of a group of countries. In the second place, once an official had been appointed, he should work in an exclusively international spirit, ceasing to be an official of his country and considering himself as being in the service of the community of nations.

How had this fundamental law been applied? Without wishing in any way to criticise persons on Governments, and examining only the development of a system, it had to be noted, in the first place, that the general rule that there should be no monopoly conferred on any group of States had not been applied in the spirit in which it had been framed. There was a certain number of States which, under the Covenant itself, enjoyed a monopoly in respect of the permanent seats on the Council. Must it be concluded from that fact that the five highest posts in the Secretariat, those of the Secretary-General, the Deputy-Secretary-General and the Under-Secretaries-General, should be entrusted solely to persons belonging to those same great Powers? Why was it necessary to create, in this case, a monopoly that had not always existed? This monopoly, moreover, was duplicated by another monopoly. With two exceptions, the Members of Section in the offices of these high officials were countrymen of those officials.

This situation was not a happy one and should be remedied. It was, of course, natural that one official of each of these offices should be of the same nationality as the head of the office, in order that he might act as his substitute and ensure a certain liaison with his Government. Thus, M. van Eysinga quite understood that the Deputy-Secretary-General should be assisted by a high French official. Was it, however, necessary that the second high official also should be of this nationality, since he was concerned above all with the technical organisations? In

a word, was it necessary to establish bodies which were really almost like embassies of the great Powers at Geneva?

As regards the question of appointments, an Appointments' Committee was established by the Secretary-General under Article 10 of the Staff Regulations; the Secretary-General then made the appointments which were approved by the Council. This Appointments' Committee at present consisted of the officials to whom M. van Eysinga had just referred, assisted by a single representative of another country which did not figure among the great Powers. Was this arrangement also necessary? Not only was it essential that Cæsar's wife should be virtuous, she should also appear to be so. It would therefore be preferable for the credit of the League that a return should be made to the state of things which had existed at the beginning.

According to the Staff List, dated August 1st, 1928, it appeared that in Class A of the Members of Section, which consisted of sixty-six officials, thirty-four were nationals of the great Powers — that was to say rather more than one-half; furthermore, of the eighteen officials of Class A who received the maximum salary of that class, fourteen belonged to the same great Powers. Was it too much to say that, in these circumstances, the rule of the 1920 regulations, which forbade any monopoly, was not sufficiently applied to the Secretariat?

The situation *de facto* thus created must necessarily influence the minds of the officials, the second point dealt with in the 1920 resolution. In a body which was constructed on aristocratic lines, and it followed from what had been said that this was actually the case as regards the Secretariat, it was inevitable that the aristocratic spirit should prevail. This was precisely what the Balfour report had wished to avoid. It was perhaps difficult to demonstrate that any particular person did not work in a sufficiently international spirit. The *prima facie* proof drawn, however, from the facts that had just been stated was corroborated by so many indications that there was cause for the opinion that "something is not perhaps yet rotten in the state of the League of Nations, but something *could become* rotten in the state of the League of Nations". This state of things must be remedied. A change must be made.

The Council must realise that the Assembly did not desire any monopoly and wished the spirit of the staff to be clearly international. Perhaps the Secretariat had somewhat forgotten the great value of the Balfour resolution. Perhaps the Council had not always realised the great value of this document, which constituted, to a certain extent, the fundamental law for appointments. Perhaps the Assembly had not intervened soon enough. If this were the case, each body must say "*Peccavi*". However that might be, since the very heart of the Secretariat was concerned and since the League could not live without a Secretariat animated by an international spirit, M. van Eysinga had prepared a draft resolution which might meet with general approval.

Before reading this draft resolution, however, he wished to point out that, in his view, certain measures might be taken in order to give new life to the rules embodied in the resolution of the Council of 1920. Thus, it would perhaps be well, as M. Hambro had asked, to revise the Staff Regulations, which had been in force for several years. Without going into details, he wished to refer to one point: namely, the discrepancy between the rules governing the status of officials who were appointed on an international basis and those who were appointed locally; a distinction which was logical in principle but which might lead in its application to a state of affairs which called for certain amendments. Finally, M. van Eysinga associated himself with M. Hambro's request that the members of the Assembly should be provided with a more detailed statement concerning the officials of the Secretariat. It would be interesting in particular to know the amount of salary granted to an official at the time of his appointment.

He would repeat that it was as a friend of the Secretariat and an admirer of the work done by Sir Eric Drummond that he wished to see the League of Nations freed from the uneasiness which appeared to prevail, and in that spirit he would submit the following draft resolution:

"The Assembly adopts and recalls the principles with regard to the personnel of the Secretariat contained in the report that Lord Balfour, in agreement with a memorandum by the Secretary-General, presented to the Council and which the Council adopted on May 19th, 1920. According to the terms of this report, the Secretary-General, in making nominations for the personnel of the Secretariat, had as his object, in the first place, to assure the obtaining of men and women best qualified to fulfil the functions assigned to them, taking account of the necessity for choosing persons of different nationalities. It was evident that no nation or group of nations ought to have a monopoly of the privilege of furnishing the personnel required by an international institution. Lord Balfour insisted on the word 'international' because, once the members of the Secretariat had been designated, they were no longer in the service of the country from which they came, but became temporarily and exclusively functionaries of the League, their character being not national but international.

"The Assembly is of opinion that the execution of these principles constitutes an essential factor in the confidence that the Members of the League have in the Secretariat.

"The Assembly puts before the Secretary-General and the Council, which, in virtue of Article 6 of the Covenant, is called upon to approve the nominations made by the Secretary-General, the necessity for maintaining in their integrity the principles which have been referred to. Having regard to the considerable number of functionaries who have entered the Secretariat since the adoption of these principles by the Council, and notably during the last few years, the Assembly suggests to the Secretary-General that he should call the attention of the personnel of the Secretariat to the present resolution, particularly to the passage in the report of Lord Balfour which has been cited.

"The Assembly asks the Council to submit to the Members of the League, within a reasonable time before the tenth ordinary session of the Assembly, a summary of the measures

which have been taken to give effect to this resolution, and in particular the nominations, promotions and resignations of the personnel, as well as the conditions of service allotted to them in each individual case."

M. RÉVEILLAUD (France) said that the sessions of the Assembly were somewhat like the vintages of a large vineyard: sometimes the year was good, and sometimes bad. The session of 1928 certainly seemed to be one of promise, since it might be said that almost each of the meetings of the Fourth Committee was becoming a sensational one.

M. Hambro had energetically opened a large window, and a breeze had passed through the room. M. van Eysinga had, in a manner which had somewhat more surprised M. Réveillaud, opened a second window. M. Réveillaud would not try to close it. It was very nice to have air in the room, for it was possible thus to breathe better.

It was for the Secretary-General to reply to one part of M. van Eysinga's arguments, since, under the terms of the Covenant, he was charged with the care and responsibility of making the appointments, under the supervision of the Council.

M. Réveillaud would only say that he entirely agreed with the preceding speaker that a resolutely international spirit should inspire the members of the Secretariat. M. van Eysinga had referred, by way of example, to certain French nationals in the Secretariat. M. Réveillaud would venture to state — and he was sure that no one would contradict him on this point — that no criticism had ever been made of the way in which the French officials on the Secretariat understood their international duties, and that no one had ever been able to say that the French Government had given them any instructions, or that it had even made the slightest suggestion in order to lead them to depart for a single instant from the strict neutrality which should be observed by officials of the League of Nations conscious of their duties.

In principle, M. Réveillaud would not dwell on the observations submitted by M. van Eysinga. He would, however, venture to make the friendly suggestion that the word "uneasiness" (*malais?*) that M. van Eysinga had used was perhaps — whatever limits M. van Eysinga had sought to set to this idea — too strong a term to describe the atmosphere within the League of Nations. Was the fact that two journalists — one of whom had frankly signed his criticism, and had formerly been a high official of the League — had published two articles justification for stating that uneasiness existed within the administration of the Secretariat? Did not M. van Eysinga fear that the present meeting, on account of the inevitable circulation of the word in question, would aggravate a situation which had probably never existed except in the minds of a very few persons?

With regard to M. Hambro's observations, doubtless M. Hambro would not be surprised if, far from disputing them, M. Réveillaud agreed with him on most of the points that he had raised. He particularly agreed with M. Hambro's view that, after the nine years during which the Secretariat had been working, it was necessary to look more closely into the Staff Regulations. He also agreed with M. Hambro that amendments should doubtless be made in those regulations. Moreover — and the Secretary-General knew this well — the Supervisory Commission had for two years been struck by the difficulties which had arisen in certain cases, and had wondered whether the time had not come to revise the regulations, which had been framed, with a care to which all the speakers had rendered a tribute, by the Noblemaire Commission. M. Réveillaud would therefore content himself with supporting M. Hambro's request.

When the Noblemaire Commission had prepared its draft statutes, it had begun by making a distinction between the officials of the Secretariat and those of the International Labour Office. It had thought that the contracts at the Secretariat would be fairly short-term ones, and that, for various reasons — among which the national or international idea might play its part — there should be a rapid system of rotation. For this reason, contracts had been contemplated of only seven years' duration, with a possibility of renewal on two occasions. In the case of the International Labour Office, on the other hand, it had been thought that this administration was much more like the nationals ones, and contracts of twenty-eight years had been contemplated.

Experience had shown that, in the administration of the Secretariat, there were a great many posts for which rotation was not only impossible but was not even desirable. By force of circumstances, the officials remaining in the Secretariat rapidly reached the maximum salary of their grade. The Secretary-General had, therefore, quite naturally been led to promote Members of Section Class B, so to speak, automatically, to the higher category, though these members were considered to be entrusted with duties that required less initiative than those of Members of Section Class A. Obviously, it had been impossible to raise an obstacle to the careers of these officials — whom M. Réveillaud did not consider as being less valuable than the others, but who, nevertheless, had not been chosen to fill posts in the first rank. The category of Members of Section Class A had therefore been blocked, and to such an extent that it could no longer be renewed from the outside. Such a renewal would result in an army consisting of more generals than soldiers, which was far from being ideal.

The Secretary-General had answered this objection of the Supervisory Commission by giving statistics, from which it appeared that the proportion of Members of Section Class A to Members of Section Class B had hitherto remained almost stationary because, as the League of Nations had during recent years been developing, it had been possible to extend the various grades without any breakdown of the existing system.

Now, however, that the work of the League, if not absolutely stabilised, had nevertheless in most directions been organised upon a solid and clearly defined basis, the Noblemaire regulations could no longer be applied in their entirety; the time had come to revise them in order to establish a due proportion between these two categories of officials.

So true was this that a reference to the documents issued by the International Labour Office revealed the surprising fact that, in the reports of the Director and of the Governing Body, this question had been taken up. The fact that in the Secretariat officials reaching the top of the

category Member of Section B passed, so to speak, automatically, into category A, whereas in the International Labour Office a fixed proportion was always maintained between the two categories, tended to produce a secession of officials from the International Labour Office towards the Secretariat. This state of affairs had occasioned official complaints, and it was for this reason that M. Réveillaud had referred to it. The Director and the Governing Body of the International Labour Office felt that they were thus losing their best officials.

This state of affairs was far from satisfactory. M. Réveillaud did not think it necessary to qualify it by the word "uneasiness"; the time had come, however, to examine how it could be remedied.

One of the first ideas that had occurred to him was the establishment of a very clear division between Members of Section Class A and Members of Section Class B, without, however, compromising the future of the latter class, which constituted the nucleus of the administration, since these members performed the duties, at the same time intellectual and material, which were indispensable for the continuous working of the services.

In his opinion, the Members of Section Class B should not be given only seven-year contracts; they should be engaged for the whole of their career, but the period of increment should be longer and, without swelling the ranks of Members of Section Class A, they should be enabled to receive, under the same conditions as those existing in the French administration, that bonus which was indispensable to any valuable official, who should be able to hope, until the end of his administrative career, to improve his position and that of his family.

M. Réveillaud had not yet considered the question at leisure, but he wished, like M. Hambro, to ask the Secretary-General and the Council to accept a revision of the Noblemaire regulations, which hitherto had been the law in this matter.

The SECRETARY-GENERAL, dealing with the difference which existed in the Secretariat and the International Labour Office between the appointments of Members of Section Class A and Class B, pointed out that, in the Secretariat, there was a system by which, when a B Member had reached the top of his grade and had really proved himself efficient in the service of the League, he became, for that reason and that only, an A Member. The Secretary-General understood that, in the International Labour Office, this system did not exist, but a system of proportion between the two classes. Such a system was quite possible to apply in an organisation like the Labour Office, because most of the members there were interchangeable. The Secretariat, on the other hand, was divided into sections, which were almost like different ministries; it was quite clear, for example, that a Member of the Legal Section could not be promoted into the Health Section, since the technical qualifications necessary were utterly different. If it were decided to maintain a definite proportion of A Members to B Members, he would find it almost impossible to keep the services of persons who worked well for the League, and who, by their very technical knowledge, after having served the League for eight or nine years, were certainly entitled to receive A membership. Any obstacle to really good work would be very undesirable.

The speeches which had been made were of very great interest, and had been founded on what he personally believed to be the fundamental principles which should inspire and had inspired every member of the Secretariat.

All he could say with regard to the newspaper articles which had been mentioned was that he hoped that the people who had written them realised the great responsibility they had thus taken.

M. van Eysinga and M. Hambro had referred to the Balfour report as laying down broad principles which should govern all action by members of the Secretariat. Personally, he entirely agreed. In fact, he might reveal a secret and say that he had been at least a part author of that report. The charges which had been made in certain quarters and which had resulted in creating the unhappy feeling that all was not right in the Secretariat were not well founded. The first and guiding principle as far as the members of the Secretariat were concerned — and it was a principle which he had laid down in regard to any appointment — was that the members of the Secretariat were not in any way servants of any nation; they were servants of every individual nation which was a Member of the League. In no case had a Government forced one single appointment upon him. It might be that a Government had suggested certain names for a given post, but he had never taken from amongst those names any one whom he did not think was really fit for the position. Thus, in one case, a Government, having heard that a post would shortly become vacant, had submitted a list of candidates. Not being satisfied that any of the candidates had the required qualifications for the particular post, he had refused to appoint any of them, and he had secured the services of a national of the same country whose name had not been shown on his Government's list.

He was not going to discuss the merits or demerits of university professors or diplomatists or even politicians. All he maintained was that, if a man was really the right man for the post, whether he was a university professor or a diplomatist or a politician, he ought to be appointed without taking into consideration the career which he followed. It had been said that various posts were reserved for what were known as the "great Powers". It was true that, in the beginning before he himself had had any responsibility for appointments to the Secretariat — before, indeed, the Treaty of Peace had been ratified — there had been set up in Paris a body called the League of Nations Organising Committee. It had been that Committee which had definitely informed him that he was to take as Under-Secretaries nationals from France, Italy and Japan. That being so, he had been faced with a situation of which he had had to make the best. Happily, the people who had been chosen for those posts had been inspired by the high spirit of the League. There was now an additional Under-Secretary, and it was the Fourth Committee which had created that particular post with the full knowledge that it was going to be filled by someone of German nationality. Therefore, if any monopoly existed, he did not feel that he was responsible; and, secondly, he felt that there was a certain responsibility on the Fourth Committee and on the

Assembly. He could also say that the system itself, however wrong it might be in principle, had worked well. There was no monopoly. It would be intolerable that there should be. That principle had been laid down over and over again. The time had now arrived when the various posts were open to people of every nationality.

Reverting to the number of diplomatists, he had made no calculation. M. Hambro knew perhaps the past careers of members in the Secretariat better than he did himself. Personally, he did not enquire into that matter; he only enquired into the work they did.

M. HAMBRO (Norway) pointed out that the Secretary-General had appointed them and must have had some knowledge of them.

The SECRETARY-GENERAL repeated that he had not made a calculation, because, once they had entered the Secretariat, he considered them as members of the Secretariat. Quite frankly, he had not made any enquiries, and should not like to do so. He might just as well make enquiries as to their various religions.

As regards resignations, there had not been very many, most of those which had occurred were to be explained by the fact that the persons concerned had been enticed away by the offer of higher salaries than the Secretariat could afford. As regards the resignation of M. de Madariaga, the writer of the brilliant article in *The Times*, the Fourth Committee would remember that the Secretary-General had given a pledge under pressure, in the course of certain discussions, that he would not appoint to any post in the Secretariat nationals of countries which were not Members of the League. That had been a definite pledge, and he had felt bound to fulfil it. Circumstances had arisen, to which he need not refer, which had made M. de Madariaga's position as head of the Disarmament Section somewhat difficult. M. de Madariaga had been uncertain about what would happen in the future; he had received a most attractive offer from an English University which had appealed to him, and he had decided to accept it in view of the uncertainty — which the Secretary-General need not go into because everybody would understand its cause. Those were the circumstances relating to M. de Madariaga's resignation. He deeply regretted M. de Madariaga's departure from the Secretariat.

He thought there must be in the Committee representatives of various Governments who had unhappily in the past brought before the League certain questions upon which they disagreed with their neighbours. He believed that, if the representatives of those Governments were consulted, they would give an assurance that, in the course of those disputes, when they had had to deal with representatives of the Secretariat, they had never had anything except the most impartial advice and the most impartial treatment. The object of the members of the Secretariat was to help each Member of the League as far as lay in their power and never to be influenced by outside or national considerations.

He now came to a point raised by M. van Eysinga in reference to the changes in the higher personnel of the staff which had occurred during the last seven years. It was quite true that it had been laid down in principle that none of the higher officials were to remain for more than seven years; but he had found in 1924 that, if that recommendation were obeyed literally, he would have lost practically simultaneously all his heads of departments. He had therefore submitted to the Council in May or June 1924 a definite memorandum explaining the situation and asking that, in the exceptional circumstances, it would agree, in regard to certain persons whose continued service he thought essential, that he might have the power to reappoint them subject to the approval of the Council. It might, he thought, be useful that that particular document, which was public but which might have been forgotten, should be circulated to the members of the Committee. He certainly thought that M. Hambro would like to see it. In submitting his proposals to the Council, he did not think that his action involved any derogation from the powers of the Assembly, since the Covenant had made the Council the body to whom he was alone responsible, in the technical sense, for appointments. He did not by any means wish, by thus acting, to avoid any discussion in the Committee. Such an action would be wrong; but he had felt that he had to lay his suggestions for reappointments before the Council and secure its approval. The Council had approved. That was the reason why some of the higher staff had been reappointed. He should now always have a good nucleus of first-class people in the higher positions in the Secretariat.

M. van Eysinga had made rather a point about what he called the monopoly of the offices of the Under-Secretaries-General. There were five Under-Secretaries-General. M. van Eysinga had admitted that it was reasonable that each of them should have in his office in a higher position one member of his own nationality. Out of the five there were two, namely, M. Dufour-Feronce and M. Sugimura, who had only one member of their own nationality. The Secretary-General himself had a British secretary, and also a New Zealander. Therefore out of the five persons concerned there were really only two to whom M. van Eysinga's complaint applied, namely, M. Avenol and the Marquis Paulucci, both of whom had two members belonging to their own nationality. It must not, therefore, be thought that things were quite as bad as they had been represented by M. van Eysinga.

As regards the Appointments Committee, the members of the Fourth Committee might or might not remember that, three or four years previously, the whole question of the representation of the different countries in the Secretariat had been discussed. At that time he had given a very definite pledge that he would not, in the future, appoint any members of British or French nationality until the proportions of the nationals of other countries in the Secretariat had received due and adequate consideration. That pledge had been fulfilled. As far as the British were concerned, he was absolutely convinced that he had not agreed to the appointment of a single Member of Section of British nationality during the period in reference to which he had given that pledge. This, of course, did not and could not apply to translators or interpreters. For such posts he was bound to have men speaking their mother-tongue, either English or French. Otherwise that pledge

had been kept. He thought that now he could give a similar pledge as regarded persons of German and Italian nationality. That being so, he thought that it was wise that the Appointments Committee should mainly consist of nationals of countries which, by the facts of the case, could not anticipate appointments for their own nationals. He had chosen for the Appointments Committee the men whom he believed were the best fitted to carry out the task.

It was not very easy sometimes to know who the best men were. The men appointed must be men commanding considerable weight.

A point had been made about the higher salaries which happened to be received at the present time by a considerable number of nationals of great Powers. He thought that what had been said was probably perfectly true in one sense. The reason was self-evident. At the beginning, nine years previously, most of the persons appointed were nationals of great Powers. By degrees, those persons who might have been appointed at the lowest salary in Class A were now receiving the highest salary. It must also be remembered that, at that time, the salaries given were considerably higher than at the present time. It would be remembered that at one time all the members of the Secretariat had agreed to a reduction in salary.

The Secretary-General would now pass to the draft resolution that had been proposed. He believed that that resolution, since it referred to a memorandum and a report for which he was responsible to a considerable extent, was put forward with the express intention of helping him and the other members of the Secretariat to observe, if possible, even more fully than before, certain principles which were the guiding principles of the whole Secretariat. If that were so — and he was glad to see that the delegate who had proposed the resolution agreed — he accepted it not only willingly but with enthusiasm. He was glad of it, because he was glad of anything that might tend to strengthen the international spirit of the Secretariat. That was what he and all the members of the Secretariat wanted.

He had had the honour of holding his office for a very considerable time. He did not know how much longer he would be able to continue to hold it. There were two factors which to him were perfectly decisive. The first was that he should immediately resign if there was any attempt (there never had been any; he wanted to make that clear) on the part of the British Government to influence his action as Secretary-General of the League. He would not hesitate for a moment, not for a second. The second factor was more important and even essential: he did not wish to continue in office unless he was assured that he possessed the confidence of the Members of the League as a whole.

The task of the Secretary-General was not an easy one. He was subject to all sorts of pressure, which he was always resisting. But if in the end he had the confidence of the Members of the League, he felt that he could leave himself entirely in their hands.

As regards the Staff Regulations, he would like himself to make a thorough study of them before the subject was studied by others.

M. VAN EYSINGA (Netherlands), in reply to M. Réveillaud, wished to explain that when he had spoken of uneasiness he had not referred merely to opinions expressed in newspaper articles, but to indications of a general state of mind.

M. Réveillaud had also said — the fact was already known — that the French Government had never given any instructions to the French members of the Secretariat. M. van Eysinga was fully convinced of this.

The Secretary-General had referred to the services of the five highest officials in the Secretariat. All that he had said was true, but it was necessary also to mention the other members attached to those services. Apart from the Members of Section, there were, for example, three members of the same nationality as the Secretary-General in his service; three of the same nationality as the Deputy-Secretary-General in his service; two of the same nationality as the Under-Secretary-General in charge of internal administration. These facts should be taken into account.

M. van Eysinga was very glad that the Secretary-General had agreed with his proposal, and that he had even accepted it with enthusiasm. The Secretary-General had clearly understood the spirit in which that draft resolution had been submitted. It was with the hope of strengthening the position of the diplomat at the head of the staff of the League of Nations that he had made the proposal. He hoped that the Secretary-General would continue to occupy his position for a long time to come.

Whenever M. van Eysinga spoke in his own country of the League, he never failed to point out that, while it was true that the Treaty of Versailles contained articles which were open to criticism, there existed in any case one excellent provision which no one dared to criticise, and that was Annex II to the Covenant of the League of Nations, which said that the first Secretary-General of the League should be Sir Eric Drummond.

M. RÉVEILLAUD (France) thanked M. van Eysinga. He would venture, however, to emphasise the fact that he did not consider it to be a tribute to recognise that the French Government had never given instructions to the French officials. Personally, he had gone much further. He had said that the French Government had never allowed those officials who had the honour to belong to the Secretariat to imagine that they could ever depart from that spirit of absolute independence which was characteristic, as far as the League was concerned, of the international spirit.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, wished to take up again a question which seemed to be a matter of particular concern to M. Hambro; the fact that the highest posts in the Secretariat were filled by representatives of the great Powers.

He did not wish to give an account of the appointment and of the creation of certain posts in the Secretariat. He would merely recall that the Supervisory Commission had suggested

several years previously the suppression of one of these posts. Unfortunately, the Fourth Committee had unanimously rejected his proposal.

M. Osuský was glad that such a discussion as the present one had taken place. The Assembly did not meet at Geneva to exchange compliments, but to exchange ideas and openly to criticise. When a discussion with the Secretary-General such as the present one took place, he was quite sure that it was not due to any wish to be personally disagreeable to him. On the contrary, it was hoped that the discussion would facilitate his heavy task.

In reality, the criticisms made were directed not so much against the head of the Secretariat as the Governments represented on the Committee. Each member could draw a lesson for the future.

M. Osuský was the sole survivor of the original Supervisory Commission. He was aware how difficult was the task of that organisation. It was also a difficult problem for the Secretary-General to work in harmony with fifty-five nations. M. Osuský thought that he was qualified to express a judgment on the manner in which the Secretary-General had ensured the working of the Secretariat, since, for seven years, M. Osuský alone had probably occasioned more trouble than all the members of the Commission together. He was convinced, however, that Sir Eric Drummond had never thought that the Supervisory Commission had any other object than to be of assistance. The present discussion would have the same effect.

He was sure that he might speak not only in his own name, but also on behalf of all his colleagues on the Supervisory Commission, who had always shown absolute and unlimited confidence in the Secretary-General. The present discussion would not diminish that confidence. He would repeat that the Supervisory Commission, far from desiring to weaken the Secretary-General's position, wished on the contrary to strengthen it, in order that he might be better able to accomplish the heavy task which had devolved upon him.

M. TUMEDI (Italy) desired to add a practical suggestion to the draft resolution of M. van Eysinga. He thought that the object of this resolution was to revise the Staff Regulations and the organisation of the staff. It had already been pointed out that the League of Nations had been in existence for ten years, and that it had been established in Geneva for eight years. Thus, for a long time it had been possible to experiment with the organisation of the staff, as approved by the Assembly of 1921, and to note that, in general, the system of organisation had worked well.

The principle adopted by the Assembly in 1921 had consisted in providing the League with a body of trained officials. Personally, he thought that this object had been achieved. What was now necessary was to maintain the requisite conditions for obtaining the same result in the future, and for retaining the services of the present staff, whose merits were appreciated by all.

M. Tumedei did not think that he could enter into a detailed discussion, since for such a discussion it would be necessary to have exact information and a complete picture of the present position. Such information could be given by the Secretary-General. He proposed therefore that the Secretary-General should be asked to make this study and to submit a detailed report to the Council.

M. RAPPARD (Switzerland) recalled that the name of M. de Madariaga had been quoted as the author of articles that had given rise to much discussion, and as a member of the Secretariat who had resigned. Certain people might believe that there was cause and effect between the two circumstances. As a friend of M. de Madariaga, M. Rappard would like to state that M. de Madariaga had, before he had thought of resigning, entertained the ideas that he had developed in those articles. He would also point out that those articles constituted a very fine tribute to the work of the Secretariat.

He wished to thank M. Hambro and M. van Eysinga, who had introduced this useful discussion. They had undertaken a duty which was not a pleasant one, and had fulfilled that duty valiantly. He felt that they deserved the gratitude of everyone concerned.

Finally, he would also thank the Secretary-General for the spirit in which he had received the observations made during the discussion. He accepted "with enthusiasm" the proposal made, the utility of which he had recognised at the outset.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, warned the Committee against a text which would convey the impression that the Committee was infringing upon the powers of the Council. For this reason, though he accepted the suggestions contained in the proposal of M. van Eysinga, he suggested that the last paragraph should be drafted as follows:

"The Assembly asks the Council to submit to the Members of the League, within a reasonable time before the tenth ordinary session of the Assembly, a list of appointments, promotions and resignations of the personnel which have taken place since the present session of the Assembly, as well as the conditions of service allotted to them in each individual case."

M. VAN EYSINGA (Netherlands) accepted this amendment. He thought that it would be useful to include the idea put forward by the delegate of Italy to the effect that the Council should be asked to submit at the same time a revised version of the Staff Regulations.

M. HAMBRO (Norway) said that he would like to see the text of the two amendments that had been submitted. He wished to study them carefully before taking a decision.

The SECRETARY-GENERAL recalled that he had stated that he would accept the first proposal with pleasure. He thought, however, that only the first part of that proposal would be retained.

The amendment of the Italian delegation might then be made the subject of a second draft resolution. He also agreed with M. Osuský. He did not think that it would be possible to make the statement that was asked of him.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, pointed out that the question concerning the regulations was now one of form. He could see no objection to introducing this point in a resolution, but, in view of the fact that the question had been already raised by the Committee, and had been approved by all, it would be the duty of the Supervisory Commission to ensure that at the next ordinary session of the Assembly a text would be laid before the delegates. Whether a resolution were taken or not, the result would be the same.

M. TUMEDI (Italy) said he had never meant to suggest that the Committee should immediately open a discussion and draft a new system of rules. He had only meant to suggest a preparatory examination, which the Secretary-General, who was particularly competent in the matter, could carry out, presenting a detailed report on the matter to the Council.

The CHAIRMAN noted that the Committee agreed with M. Hambro. He proposed, therefore, that the vote on the draft resolution be adjourned to the next meeting.

This proposal was adopted.

The CHAIRMAN wished to emphasise the fact that the discussion which had taken place would certainly facilitate the task of the Secretary-General. He wished to assure the Secretary-General that the confidence reposed in him had never for one instant been at issue.

SIXTH MEETING

Held on Friday, September 14th, 1928, at 3 p.m.

Chairman: M. DE VASCONCELLOS (Portugal).

21. Report on the Meeting of the General Committee of the Assembly held to consider the Necessity of not endangering Budget Equilibrium.

The CHAIRMAN stated that the General Committee of the Assembly had met to take note of the communication which the Chairman of the Fourth Committee had been instructed to make to it. Two currents of opinion had shown themselves during the meeting — one in favour of very stringent economy, the other in favour of tightening the financial regulations of the League. He had stated that this question was to be studied by the Fourth Committee. The Chairmen of the various Committees had all promised their support.

22. Chapter II, General Services of the Secretariat: General Discussion (continuation): Adoption of the Draft Resolution proposed by M. van Eysinga and M. Tumedei.

M. KURUSU (Japan) said that, according to the ancient tradition of the Samurais, it was necessary to be polite and courteous without forgetting to be true to oneself. He had read in the Press some of the criticisms which had been referred to at the preceding meeting, but he was under the impression that these criticisms were somewhat contradictory. On the one hand, it was urged that nationality should be disregarded in order to preserve the international spirit of the League of Nations. On the other hand, it was insisted that nationality should be taken into account so that the League should be spared the criticisms to which it had been subjected in this connection. This contradiction also existed in other people's minds. It was necessary to think nationally when dealing with national questions, whether internal or external, and to think internationally when discussing the affairs of the League of Nations. Yet even when people believed that they were thinking internationally, a certain national consciousness was liable to creep into their arguments.

M. Kurusu desired the League of Nations to adopt all practical means capable of putting an end to misunderstandings and dissatisfaction. In this spirit, he supported M. van Eysinga's draft resolution and would, at the same time, remind his colleagues of the risk of insisting too strongly on the question of nationality, for this might defeat its own object — the lofty ideal of internationalism. In Sir Eric Drummond, the League of Nations had the personification of the standard which must be followed in selecting officials. This standard should be, not nationality, but competence and devotion to the League of Nations. In time to come, the foundations of the League would be so firmly consolidated and world peace would be so firmly established that there would be no serious risk in radically changing the League system, but at the present time the League was still too young for the introduction of revolutionary changes. He hoped that all the delegates would remain ardent idealists, but would at the same time keep a calm and sound judgment.

M. VAN EYSINGA (Netherlands), in view of the assurance that the Secretary-General had given at the previous meeting, proposed to omit from his draft resolution the passage requesting the Secretary-General to draw the attention of the staff to this text and especially to the two passages of Lord Balfour's report.

The SECRETARY-GENERAL thanked M. van Eysinga for this amendment, which facilitated his acceptance of the draft resolution. In general, he thought it would be all to the good if the staff were reminded of the fundamental principles of its Statutes. He proposed a slight amendment, which M. van Eysinga accepted.

After a brief exchange of views, *the draft resolution was adopted in the following form:*

“ The Assembly endorses and would recall the principles concerning the staff of the Secretariat contained in the report which Lord Balfour submitted to the Council, in agreement with a memorandum drawn up by the Secretary-General, and which was adopted by the Council on May 19th, 1920. In the words of this report, the Secretary-General, in making appointments to posts on the Secretariat, ‘ had primarily to secure the best available men and women for the particular duties which had to be performed. But in doing so, it was necessary to have regard to the great importance of selecting officials from various nations. Evidently no one nation or group of nations ought to have a monopoly in providing the material for this international institution ’. Lord Balfour emphasised the word ‘ international ’, because the members of the Secretariat, once appointed, are no longer the servants of the country of which they are citizens, but become for the time being servants only of the League of Nations. Their duties are not national, but international.

“ The Assembly believes that the observance of these principles constitutes an essential factor in the confidence which the Members of the League of Nations repose in the Secretariat.

“ The Assembly relies on the Secretary-General and on the Council, which, in virtue of Article 6 of the Covenant, is responsible for approving the nominations made by the Secretary-General, to uphold in their entirety the principles stated above.

“ The Assembly requests the Council to submit to the Members of the League of Nations in good time before the tenth ordinary session of the Assembly a list of the appointments, promotions and resignations of officials of the rank of Member of Section or of higher rank that have taken place since this session of the Assembly and of the salaries allotted in each case. ”

M. TUMEDEI (Italy) submitted the following draft resolution:

“ The Assembly:

“ Considering that the Staff Regulations were drawn up shortly after the organisation of the Secretariat and that it would be desirable for the League to avail itself of the experience acquired since 1922;

“ Considering that, although the Regulations have, on the whole, proved satisfactory, it would be well to remedy certain disadvantages, particularly as regards the conditions necessary in order to retain the services of a carefully selected staff, to whose work the Assembly has often paid a tribute;

“ Instructs the Secretary-General, after examining the present situation and the improvements which might be made, to consider what steps — in particular, amendments to the Staff Regulations — could be taken to ensure, in the future as in the past, the best possible output by the staff, and to submit the results of this enquiry to the Supervisory Commission, in order that a report on the question may be communicated to the next ordinary session of the Assembly. ”

M. HAMBRO (Norway) and M. RÉVEILLAUD (France) submitted certain formal amendments.

The CHAIRMAN suggested that M. Réveillaud should agree on a final text with M. Tumedei.

This proposal was approved.

It was understood that the draft resolution would be submitted at a later meeting.

23. **Chapter II, Item 4: Salaries, Wages and Allowances** (5,673,492 gold francs).

Item 4 was adopted without amendment.

24. **Chapter II, Item 5: Contribution to the Staff Provident Fund** (310,000 gold francs).

Item 5 was adopted without amendment.

25. **Chapter II, Item 6: Liaison with Latin America** (219,150 gold francs).

Item 6 was adopted without amendment.

26. **Chapter II, Item 7: Branch Offices** (127,444 gold francs).

M. HAMBRO (Norway) enquired whether it was thought essential that the branch offices at London and Paris should be permanent, and why such offices were established in these two capitals and were not also to be found in all the other important centres of the world.

The SECRETARY-GENERAL replied that the main reason for the existence of these two offices was that they acted primarily as distributing centres. Information bureaux, which were

somewhat different, were established at Berlin, Rome and Tokio. Their purpose was propaganda. As a matter of fact, the two offices in question were more post-offices than anything else.

M. HAMBRO (Norway) said that he had always admired the skill with which the League of Nations economised. For instance, when the Austrian crown stood very low, the League of Nations had used its offices in Austria to some extent as distributing offices, thus effecting great economies in postage. He could therefore understand that the present arrangement was not intended to be permanent, but would be liable to alteration if the value of any country's currency changed so that it became more economical for the League to have a post-office elsewhere.

The SECRETARY-GENERAL said that, if Paris and London ceased to be important distributing centres, the League of Nations would choose some other towns in which to set up such offices.

M. RAPPARD (Switzerland) enquired whether the officials of the League of Nations who resided abroad and who enjoyed, as international officials, diplomatic immunity, also enjoyed fiscal immunity in the country of their residence.

The SECRETARY-GENERAL was unable to reply off-hand, but said that he was under the impression that these officials were treated in the same way as officials in the country of residence. He would verify this point.

Item 7 was adopted without amendment.

27. Chapter II, Item 8: Travelling Expenses of Officials of the League (260,000 gold francs).

M. VAN EYSINGA (Netherlands) wondered whether it was necessary to make such a large allowance for travelling expenses and subsistence allowances. He was surprised at the difference between this amount (145,000 francs) and the sum of 55,000 francs required for the expenses of members of the Secretariat returning home on leave, since, as a matter of fact, the staff was entitled to the travelling expenses in question. He asked that the Supervisory Commission and the Secretary-General should examine this question very closely and endeavour to cut down considerably travelling expenses and subsistence allowances in connection with general services.

The CHAIRMAN stated that the Supervisory Commission would consider this proposal.

Item 8 was adopted without amendment.

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

Item 9 was adopted without amendment.

29. Chapter II, Item 10: Property Account: Maintenance (263,149 gold francs).

Item 10 was adopted without amendment.

30. Chapter II, Item 11: Publications Department (430,500 gold francs).

M. HAMBRO (Norway) recalled that the Supervisory Commission had observed that it might be as well to make certain recipients of publications pay for the postage. People who received documents free of charge very seldom read them. The *Monthly Summary* had been widely circulated to people who did not even pay the postage. He did not wish to make any definite proposal, but would merely draw the Committee's attention to this point.

He had been very pleased to note that the Information Section had done excellent work and had distributed a large number of useful publications. He would like to offer the practical suggestion that it might be of advantage to make these publications somewhat more attractive from the artistic and typographical point of view. There was everything to be said in favour of improving them typographically and of giving them somewhat gayer covers than those which they had at present.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, stated that his Commission had drawn up a report on the general question of publications. He proposed to include this report in the agenda in order that the Committee might be in a position to make useful suggestions.

M. RAPPARD (Switzerland) referred to the increasing receipts from the sale of publications. While expressing his satisfaction with the increase shown over the three preceding years, he would like to know how the estimate of 250,000 francs for 1929 had been reached.

The SECRETARY-GENERAL stated that the Head of the Information Section had requested him to thank M. Hambro for the suggestion which he had made concerning the colour of the publications. It was, in any case, difficult to decide on a colour. A Committee was at the present time considering whether the recipients of documents from the Information Section ought to pay postage or not.

The optimism shown concerning the receipts from publications for 1929 was thoroughly justified. About a year ago this Service had been completely reorganised and the figures for sales were most remarkable. An extremely capable organiser had been placed at the head of this Section and the receipts for the year 1928 amounted to 214,000 francs up to September 10th, 1928.

The CHAIRMAN stated that it was understood that the Committee would discuss later the general question of publications.

Item 11 was adopted without amendment.

31. **Chapter II, Item 12: General Office Expenses** (472,000 gold francs).

Item 12 was adopted without amendment.

32. **Chapter II, Item 13: Special Staff Charges** (118,980 gold francs).

Item 13 was adopted without amendment.

33. **Chapter II, Item 14: Interest Charges: Bank account.**

Item 14 was adopted without amendment.

34. **Chapter II, Item 15: Unforeseen and Miscellaneous Expenses of the Secretariat** (40,000 gold francs).

Item 15 was adopted without amendment.

35. **Chapter II, Item 16: Unpaid Liabilities Fund** (5,000 gold francs).

Item 16 was adopted without amendment.

36. **Chapter II, Item 17: Supervision of Revenue and Expenditure** (37,600 gold francs).

Item 17 was adopted without amendment.

37. **Chapter IV, Item 30: Profit and Loss on Exchange.**

Item 30 was adopted without amendment.

38. **Chapter V, Item 31: Furniture and Equipment** (70,000 gold francs).

Item 31 was adopted without amendment.

39. **Chapter V, Item 32: Library** (97,000 gold francs).

Item 32 was adopted without amendment.

40. **Chapter III, Item 18: Administrative Commissions and Minorities Questions** (333,718 gold francs).

M. HAMBRO (Norway) called attention to Schedule K on page 23 of the draft budget. He knew that a new Director was to be appointed. Was it intended that his salary should start at the maximum figure of the scale for his category?

The SECRETARY-GENERAL replied that the salary would be nearer the maximum than the minimum in view of the very special qualifications of the person to whom the post was to be entrusted.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, quoted the following passage from the report of the Supervisory Commission dated May 5th, 1928 (Annex 2):

“ When considering the budget of the Section for Administrative Commissions and Minorities Questions, the Commission noted that the sum provided for the salary of the new Director was higher than the minimum of the scale. While accepting the Secretary-General's explanation, the Commission emphasised, and not only on financial grounds, that officials should normally be engaged on the initial salary of their scale, and that exceptions to this general rule should be made as seldom as possible. As regards the other posts, the Commission noted with satisfaction that the Secretary-General had been able to diminish by one the number of Members of Section. ”

M. HAMBRO (Norway) said he had listened to this statement with great satisfaction, but the schedule the Committee was discussing made a bad impression. He was quite willing to leave the Secretary-General an entirely free hand, but he did not see the reason for keeping up the maximum and minimum limits of the salary when it was possible for diplomatic reasons to disregard them altogether. He did not think it advisable to start a new official at once at the maximum of his salary scale.

The SECRETARY-GENERAL said that this figure had been inserted before it was known who was going to be appointed to the post. It was done in order to give the Secretary-General a free hand in making the appointment, which had been reserved for someone having special qualifications who might not have been able to come to the Secretariat at a salary smaller than the maximum. Nevertheless, the appointment having now been made, he could accept a reduction of 2,000 francs, which would reduce to 51,000 francs the sum included in the budget.

M. HAMBRO (Norway) expressed his satisfaction with this concrete result of the discussions of the Fourth Committee and hoped that the words of the student who translated the maxim "*Obsta principiis*" by "abstain from principles" would not be followed.

M. BARANYAI (Hungary) had noticed that the number of posts under the Item "Administrative Commissions and Minorities Questions" had changed from seventeen to sixteen. Would this reduction have an adverse influence on the work or adversely affect the solution of the important problems that were continually being submitted to the League of Nations?

The SECRETARY-GENERAL gave a formal assurance that the decrease did not mean in any way that the Secretariat was failing to recognise its obligations in these questions.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, added that the post in question had been occupied by an official who dealt with questions relating to the Saar. The amount of work on this subject having now become less, it had been thought unnecessary to appoint a successor.

The Right Honourable G. LOCKER-LAMPSON (British Empire) asked if there would be an opportunity to vote on the budget as a whole, as he might then have some observations to make.

The CHAIRMAN replied that there would be an opportunity of voting on the whole budget at the end of the discussion.

Item 18 was adopted with a reduction of 2,000 francs in the salary of the Director of the Minorities Section in view of the observations made in the report of the Supervisory Commission (see Annex 2, Section 22).

41. **Chapter III, Item 19: A. General Work of the Economic and Financial Organisation (1,359,045 gold francs); B. Consequences of the General Economic Conference (375,000 gold francs).**

Item 19 was postponed to a later meeting.

42. **Chapter III, Item 20: Mandates (249,412 gold francs).**

Mr. Yusuf ALI (India) said that the mandatory Powers published annual reports which were purchased and distributed by the League of Nations. It was not quite clear what was the loss on this transaction. Was it justifiable that this loss should be borne by the League of Nations? It was the business of the mandatory Powers, and to their interest, to publish all the information available, but he doubted whether the League of Nations was justified in spending so much money in buying these reports.

He called attention to the provision of 11,500 francs in 1929 for purchasing the annual reports. In 1927, however, the sale of reports for the year 1926 amounted to 5,600 francs. Though the figures were not exactly comparable on account of the difference in years, a loss of about 6,000 francs every year might be anticipated. He would like to know, however, if this estimate was correct.

The SECRETARY-GENERAL said the figures quoted were correct. The Secretariat was acting under an Assembly resolution to the effect that the League of Nations should make public the reports of the mandatory Powers. The question had been gone into very carefully as to whether it would be cheaper to buy the reports or for the League itself to reprint them, and it had been found that the loss involved in reprinting would be considerably more than the loss involved in buying them. The League received 150 copies free, but had to buy a considerable number more for distribution.

Mr. Yusuf ALI (India) asked if it would not be better for the Fourth Committee to recommend the Assembly to discontinue this practice by deciding that the League should only distribute those copies which were given to it free. If the mandatory Powers were agreeable, the Secretariat might send them a list of those Associations, Governments and other persons to whom the League now sold the reports at a loss, with the suggestion that the mandatory Powers themselves might distribute copies of their reports if they so desired.

M. VAN EYSINGA (Netherlands) pointed out that, at the time when the matter was under consideration, it was deemed to be of very great importance, and consequently it was thought advisable to distribute as many copies of the reports as possible. It was considered to be absolutely necessary that every Government and official interested in this question should obtain copies. For that reason he thought that the sum involved was spent very usefully and to the advantage of the League itself. He hoped, therefore, that Mr. Yusuf Ali would not press his point.

Mr. YUSUF ALI (India) agreed with regard to the necessity for distributing the reports free, but it seemed to him that it was as much to the interest and credit of the mandatory Powers, themselves to distribute them. All the mandatory Powers were very anxious to show the world at large the work they were doing and he thought these Powers could be trusted to distribute as many copies as were necessary. He considered that the League had done everything it could, when creating the mandates, in giving every facility for presenting petitions and in setting up a special Commission to supervise the mandate work. He would be happy to withdraw his suggestion if he felt that it would in any way check the progress of the mandate work, but he felt that this was not so; on the contrary, he thought that the mandatory Powers would be keener than the League itself to get into touch with the people who would be interested in the reports. It would therefore be better to leave the matter of distribution to them and at the same time save the League a little expenditure.

M. RAPPARD (Switzerland) appreciated the motives which prompted this proposal, but thought it was most important that the present procedure should not be altered. Supposing, for instance, a professor of international law at the University of California was interested in the question of mandates, he would write to the League of Nations for copies of the reports. But if the proposal of the delegate of India were adopted, the Secretariat would have to be content with replying that the reports were available in London, Brussels, Tokio and Paris and, in consequence, the professor in question might have the impression that the League was only giving perfunctory attention to the question of mandates.

It should be possible to meet Mr. Yusuf Ali's point by asking the Assembly to request the mandatory Powers to supply an extra fifty copies of each of their reports.

He wished heartily to congratulate the Secretariat on the promotion of the Chief of the Mandates Section. He was particularly glad that recognition had been given to M. Catastini's work by appointing him to the post of Director. He took it, first, as a tribute to the importance of the work effected under M. Catastini's direction and, secondly, as a mark of gratitude for his devotion and valuable services. The Mandates Section had rendered very valuable services in the course of recent years and the speaker felt sure he was interpreting the sentiments of all his colleagues on the Mandates Commission in paying a tribute to the Director of the Section and to all who worked under his orders, particularly Mr. Gilchrist, whose departure they regretted.

At the last session it had been feared that the Minutes of the Commission would not be ready in time for the Assembly. Thanks to the diligence of the Section and of the Central Services of the Secretariat, they had performed a miracle of speed. He was happy to have the opportunity of paying a tribute to the spirit which animated the Mandates Section and the Central Services of the League of Nations. It was due to this exceptional diligence that the last report of the Mandates Commission could be fully discussed by the Sixth Committee that morning.

M. HAMBRO (Norway) recalled that there were other principles besides those mentioned by M. Rappard which made it desirable that the distribution of these reports should be in the hands of the League rather than in the hands of any other body. The sum involved was so small that, personally, he would hesitate to send out a solemn invitation to a mandatory Power to supply the League with fifty extra copies. Such an invitation might make the League look a little ridiculous. He thought Mr. Yusuf Ali should rest content with a request to the Secretary-General to obtain as many free copies as were required.

Mr. YUSUF ALI (India) agreed. He wished to pay a tribute to the work of the mandatory Powers. Recently, he had travelled through three mandated territories and naturally had looked at all sides of the question. The work which the mandatory Powers were doing was work, which, allowing for defects inherent in the particular circumstances concerned, would live in the history of the world. The Committee ought to be grateful to the Powers for that work, which reflected great credit on the League of Nations. He was in complete accord with the suggestion that the work should appear in the eyes of the world as the work of the League.

Baron LEHMANN (Liberia) associated himself with the congratulations conveyed by M. Rappard to the new Director of the Mandates Section.

The CHAIRMAN said that he wished to add his congratulations to those which had already been expressed to M. Catastini for the remarkable work he was doing in the Mandates Section.

M. RAPPARD (Switzerland) said that he had never thought that the Assembly ought to pass a solemn resolution on the point raised by Mr. Yusuf Ali, but he was of the opinion that reference might be made to it in the report of the Fourth Committee so that the Secretary-General might be asked to write to the five mandatory Powers in the sense indicated.

M. RÉVEILLAUD (France) said there was a very simple way of drawing the attention of the Assembly to the point. It was to vote a reduction simply as a reminder, which the Rapporteur might comment on later. He therefore suggested a reduction of 1,000 francs.

The SECRETARY-GENERAL said that the object aimed at would be attained if the Committee suggested a reduction of five francs. The figure did not matter.

M. RÉVEILLAUD (France) proposed fixing it at 100 francs.

Item 20 was adopted, with a reduction of 100 francs as a reminder of the wish expressed by the Fourth Committee.

43. **Chapter III, Item 21: Transit** (422,941 gold francs).

Item 21 was postponed to a later meeting.

44. **Chapter III, Item 22: International Health Organisation** (998,853 gold francs).

M. HAMBRO (Norway) expressed the hope that the use of the words "stabilisation of the budget" would not be taken to imply that a Section should not try to keep down expenses.

Item 22 was adopted without amendment.

45. **Chapter III, Item 23: Social Questions** (407,315 gold francs).

Item 23 was postponed to a later meeting.

46. **Chapter III, Item 24: Reduction of Armaments** (1,094,964 gold francs).

Mr. Yusuf ALI (India) quite agreed that provision must be made for investigations, but pointed out that there was no experience to show what might be required.

Moreover, the Conference on the Private Manufacture of Arms and the Conference on Disarmament were bound to take place, but there was nothing to indicate whether they would meet in 1929 rather than in any other year, although the latter was the more probable.

Under those circumstances, it might perhaps be possible to combine the three following items:

	Francs
Investigations.	200,000
Conference for the Control of Private Manufacture.	130,000
International Disarmament Conference	300,000

The Committee would thus vote a lump sum of 500,000 francs, which would mean a nominal saving of 130,000 francs. Without insisting too much on this point, he suggested that this figure would probably come nearer the actual expenditure than any imaginary figure which might be chosen. He made his suggestion merely from the financial point of view, because the work required that no opportunity of success should be lost, for the whole world was eagerly waiting for some progress in the matter of disarmament.

The SECRETARY-GENERAL said that it was probable that the total amount of the three items would not be spent in the course of 1929, but there was also a possibility that it would be. This gave rise to a very difficult problem; if it became necessary at a given moment to expend the total amount, he could not at that moment submit the question to the Fourth Committee asking for a supplementary credit. It was often necessary to budget beyond what might be required, in order to take into account all probable contingencies. Moreover, if the whole amount given in the estimate were not spent, it would go towards the surplus which was returned to the States, who would thus suffer no loss.

It was true that there had been no experience yet of investigations, but it was possible that they might involve great expenditure. He therefore hoped that the Indian delegate would not insist upon his suggestion, and would agree to leave the three items distinct.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, stated that the Commission had studied all the aspects of the question and had agreed that this estimate should be left in the budget. It was not desirable to give any ground for suspecting the League of Nations of confining itself to fine speeches in the Third Committee as regards disarmament, while in the Fourth Committee some pretext was given for not holding a Disarmament Conference.

He proposed that the Fourth Committee should leave the item as it stood on the budget.

Mr. Yusuf ALI (India) said he had thought that, if the lump sum he suggested were exceeded, it would have been possible to draw on the unforeseen expenditure allowance, which he believed stood at 500,000 francs. The credit which he proposed should be voted would in all probability

be sufficient; but, if it were not, no one wished to delay the solution of the disarmament problem on financial considerations. They should in that case draw on the "unforeseen" item. He had made his proposal, because he thought that the budget for this year should show that the League of Nations was conscious of the need for drastic financial retrenchment. Moreover, it should set the example of perfect financial balance for national budgets.

He appealed to the Secretary-General or to the Chairman of the Supervisory Commission to settle the budget on actualities rather than sentiment.

Mr. MACWHITE (Irish Free State) stated that, in view of the importance attached to the work of the Disarmament Commission, it would create a very bad impression if the credit asked for were reduced in any way. He therefore associated himself with the proposal made by the Chairman of the Supervisory Commission.

M. VAN EYSINGA (Netherlands) expressed agreement with regard to this point, but he would like to know why the Director of the Disarmament Section was receiving a personal allowance of 6,000 francs — that was to say, an allowance beyond the maximum of his class — and why one of the Members of the Section was also receiving a personal allowance of 800 francs.

The SECRETARY-GENERAL stated that the latter case was that of a Member of Section to whom he could not give a permanent contract by reason of his nationality, since he, the speaker, was bound to observe the pledges he had given to the Assembly. This official, who was a highly qualified specialist, was of Russian nationality, but was now about to acquire another nationality. Pending the fulfilment of the necessary formalities, he had been granted a personal allowance of 800 francs. This sum represented the normal increment which he would have received with a permanent contract.

The other case was an exceptional one. The present Director of the Disarmament Section was M. Colban, who had for seven years been Director of the Minorities Section. His contract had been renewed for a further seven years. In view of the fact that for a very long time M. Colban had been in receipt of the maximum salary for his class, and in order to express appreciation of his services, the Secretary-General proposed, with the consent of the Supervisory Commission, to make an exceptional allowance of 6,000 francs. If the Fourth Committee were of opinion that the proposal clashed with principle, neither he nor M. Colban would insist.

He hoped, however, that the Committee would take into consideration the very exceptional nature of M. Colban's services, the fact that he had acted as Director for seven years, and that it was very important to secure his services for a further period of seven years in the Disarmament Section.

M. VAN EYSINGA (Netherlands) said he perfectly understood the reasons given by the Secretary-General in the case of the Member of Section, a case which was, of course, quite exceptional. With regard to the Director of the Disarmament Section, he also understood the Secretary-General's point of view and he did not wish to propose that the sum of 6,000 francs should be suppressed. But it should be clearly understood that this was quite an exceptional case.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, desired first to answer the Indian delegate, who had asked why the budget did not exactly correspond to reality. That was due in the first place to the fact that the budget of the League of Nations was not like the budget of a State in which it was necessary only to provide for the normal running of the various services. In the League budget, it was necessary to foresee expenditure which could only be granted by an Assembly resolution. In the second place, if the Assembly which voted the budget were like a national Parliament, any unforeseen contingency could be met by a supplementary credit, but this was impossible in the case of the League.

The Supervisory Commission had always advocated that the various items should be definitely specified. As soon as sums were lumped together for several purposes, there was the danger that more would be spent than was actually necessary.

With regard to the item of 500,000 francs for unforeseen contingencies, that sum was voted particularly for the Council and for political purposes. As Item 24 of the budget did not come under this category, but was the normal work of the League of Nations, it would be impossible to draw on the 500,000 francs in question.

Mr. Yusuf ALI (India) thanked M. Osuský and consented to withdraw his proposal.

Item 24 was adopted without amendment.

47. **Chapter III, Item 25: Intellectual Co-operation** (239,846 gold francs).

Item 25 was postponed to a later meeting.

48. **Chapter III, Item 26: International Convention on Slavery** (1,000 gold francs).

Mr. Yusuf ALI (India) proposed that this credit should be suppressed, in view of the fact that the work on this question was done by the Mandates Section, from the budget of which the necessary expenses in connection with the printing of reports on the progressive abolition of slavery and conditions analogous thereto could be met. The Committee had already effected a saving of nearly 1,000 francs under the item "Mandates".

The SECRETARY-GENERAL thought it would be unfortunate if the impression arose that the Permanent Mandates Commission had anything to do with slavery as such. He therefore hoped

that the Indian delegate would allow Item 26 to remain. He wished to keep quite clear the distinction between the Mandates Commission and the question of the suppression of slavery.

On the other hand, he would be willing to reduce the amount of this item to 500 francs.

Mr. Yusuf ALI (India) thanked the Secretary-General for his explanation and did not press the matter further.

Item 26 was reduced to 500 gold francs.

49. **Chapter III, Item 27: Legal Assistance for the Poor** (*ad memoriam*).

Item 27 was adopted without amendment.

50. **Chapter III, Item 28: Progressive Codification of International Law** (410,000 gold francs)

Item 28 was adopted without discussion.

51. **Chapter III, Item 29: International Federation for Mutual Assistance in the Relief of Peoples overtaken by Disaster** (15,000 gold francs).

Item 29 was adopted without discussion.

52. **Question of including in the Budget of the Secretariat and Special Organisations an Introductory Note showing the Difference between the Estimates of the Coming Year and the Budget of the Current Year.**

M. VAN EYSINGA (Netherlands) wished to point out that on page 2 of the budget of the International Labour Office there appeared an introductory note showing very clearly the difference between the estimates for the coming year and the budget for the current year. He hoped that in the future this example would be followed in connection with the budget of the Secretariat and Special Organisations.

The SECRETARY-GENERAL said he thought the suggestion might be discussed, but he would not like to give instructions to that effect without reference to the Supervisory Commission.

The budget of the Secretariat was provisionally approved, with the exception of certain items which were left over for future consideration.

53. **Budget of the International Labour Organisation for 1929: General Discussion.**

The CHAIRMAN invited M. Albert Thomas, Director of the International Labour Office, to address the meeting on the question of the budget of the Office.

M. Albert THOMAS, Director of the International Labour Office, pointed out that the estimates for the International Labour Office for 1929 (see document A.4.(a).1928.X) showed an increase of 528,810 francs on the budget for 1928. He wished to point out that if, at first sight, this increase appeared considerable, the greater part of it, namely, about 395,000 francs, was required to cover expenditure of an obligatory and sometimes exceptional nature. In the coming year, there would be a double session of the International Labour Conference, which would involve an exceptional expenditure of 178,000 francs. The two Conferences were necessary because the provisions annexed to the Peace Treaty laid down that a special Conference should be devoted to maritime interests. The Third Maritime Conference was to be held in 1929.

The other obligatory or exceptional expenditure would be necessitated by:

1. Meetings of the Committees and of the Governing Body (25,000 francs).
2. Statutory obligations: Provident Fund (1,800 francs), Normal Increase of Salaries provided for in the Contracts (124,000 francs), Travelling Expenses (43,000 francs).
3. Expenses of the Delhi office for twelve months instead of nine (17,000 francs).

Further, the International Labour Office required certain increases on account of the development of its scientific work; that was to say, general work in connection with the various States, which increased year by year. The Governing Body had decided to establish nineteen fresh items for this purpose, involving an expenditure of 219,000 francs.

A sum of 26,200 francs would be required to cover the relevant statutory expenditure; there was a slight increase of 11,000 francs for external collaboration, and of 15,000 francs for publications.

This was the total amount of the relatively large increase in the budget.

He pointed out that, by reducing a certain number of items, it had been possible to effect an economy of about 150,000 francs on the estimates for 1928. Thus the total estimate submitted amounted to 8,657,280 francs. The 300,000 francs for the Refugees Service, which had always been considered as a temporary budget of the International Labour Office, must be considered separately. The whole problem of that service would this year be brought before the Fifth Committee, and would probably form the subject of a report which would later be submitted to the Fourth Committee. The Governing Body had nevertheless anticipated that it was hardly likely that the changes could be effected in the course of a few weeks, and that the Assembly would

allow the Refugee Service to continue working in its present form. Hence the provision of 300,000 francs for the working of the service in 1929.

M. HAMBRO (Norway) suggested that the same communication as had been sent to the various Committees of the League of Nations, emphasising the necessity for strict economy, should also be sent to the International Labour Office. In his opinion, the budget showed a marked tendency to increase, and the Fourth Committee was finding greater difficulty than in the case of the Secretariat in keeping it within the strict limits.

M. GAITÁN-HURTADO (Colombia), while voting for the credits intended for the International Labour Office, could not refrain from mentioning the unfavourable impression which had been created by the apparent unfairness with which posts in the International Labour Office were filled. Indeed, although Colombia had been a Member of the League of Nations since its foundation and had always loyally collaborated with the League and paid its contributions regularly, not a single official of Colombian nationality had been appointed on the staff of the International Labour Office. This was all the more surprising and regrettable when it was admitted that, in that Institution, there was a steadily increasing number of officials drawn from States which were not Members of the League at all.

The Colombian delegation, while fully recognising the great freedom of action which the Statutes conferred on the Director of the International Labour Office, and being equally aware that the technical competence of the candidates was of primary importance, desired that, when staff appointments were made in the International Labour Office, account should be taken of the considerations of equity, in the interests of an organisation whose prestige, authority and universality could only be increased by the presence of competent officials from all countries of the world, and particularly from countries Members of the League. The Colombian delegation had made this observation entirely with a view to securing more effective means of collaboration in the common task.

COUNT DE PENHA GARCIA (Portugal), while approving the budget, desired to repeat certain general remarks which were closely similar to those he had already made in connection with the budget of the Secretariat. It was true that a part of the fresh expenditure arose out of decisions which had been taken or of conventions which had been concluded, but there were others which were due to the progressive development of the work of the International Labour Office, and in view of that fact he wished to make an appeal for prudence. While paying his warmest tribute to the inspiring personality at the head of the Labour Organisation, he would like to be reassured that M. Albert Thomas, who was essentially a man of action, would not let himself be carried by his temperament rather further than the financial situation of the League of Nations permitted. The protests raised by certain countries concerning costs involved by their share in the budget called for the greatest circumspection in the matter of expenditure.

With regard to the appointment of officials according to their nationality, his country was in precisely the same position as Colombia. There was not a single official of Portuguese nationality in the International Labour Office. He hoped very much that this situation would be remedied as far as possible. In the meantime, he could only offer the Colombian delegate the consolation of knowing that he had a companion in misfortune. As the Latin poet had so well said: *Solatium miserum socios habere.*

M. RAPPARD (Switzerland) said he had more than one reason for being moderate in his remarks: in the first place, he represented a country which had the privilege of offering hospitality to the International Labour Office, and it was impossible to discuss very freely the behaviour of one's guests. Secondly, he felt some doubt as to the exact competence of the Fourth Committee. Was it a body for registering approval or had it also the absolute right to criticise? Finally, it was both dangerous and painful to damp the enthusiasm of so sympathetic and eloquent a man as M. Albert Thomas.

Nevertheless, he would not be carrying out his instructions if he did not explain his Government's apprehensions. The budget showed additional expenditure amounting to half a million francs. The International Labour Office might be compared to a great mill grinding out conventions and publications. Were there enough consumers for this constantly increasing output? He rather thought not. When he reflected that a new Conference would draw up new International Conventions, and when he saw masses of volumes constantly growing on the library shelves, he was appalled.

Looking at the matter from another point of view, was it really impossible to amalgamate the two Labour Office Conferences in one? Such procedure would considerably reduce the expense. Again, was there any administrative necessity for the creation of the seventeen posts that had been announced? He sincerely hoped that M. Albert Thomas would furnish him with excellent arguments so that he could defend the Director of the Labour Office to the Swiss Government against the charge of what might be called "megalomania".

M. VAN EYSINGA (Netherlands), replying to one of the points raised by the previous speaker, reminded the Committee that, in 1920, the constitutional question of the powers of the Assembly over the budget of the International Labour Office had been integrally settled. It had been recognised at that time that it followed from Article 399 of paragraph XIII of the Treaty of Versailles that these constitutional powers were exactly the same for the International Labour Office as for the other organs of the League of Nations.

Mr. BAILLIEU (Australia) observed that his country was not represented on the Governing Body, and therefore its only opportunity of making itself heard was in the Fourth Committee. In the Australian budget there were a number of deficits, which forced the Australian Government to be very careful in regard to expenditure.

In the first place, he thought that a considerable reduction could be made in the Labour Office budget if the two Conferences announced for 1929 were held simultaneously.

Secondly, he was familiar with most of the literature published by the Labour Office. He was very much afraid that no reliable answer had ever been given to the question he had asked himself — whether all this literature was read and brought in a profit to the Labour Office. He doubted whether such was the case. Some of these publications, however, were extremely expensive, and the Australian delegation would therefore ask for an appreciable reduction in the budget.

The Right Honourable G. LOCKER-LAMPSON (British Empire) admitted that the British representative on the Governing Body of the International Labour Office had accepted these estimates; but the meeting of the Governing Body had been held in April, and the budget as a whole was not made public until May. Consequently, noting the considerable increase over the figures for the previous year, he did not feel that his hands were tied in any way. When Chapter I came to be discussed, he intended to move that the estimate should be reduced by 45,000 francs, and, unless excellent arguments were put forward against him, he would ask that that motion be put to the vote. The sum of 45,000 francs represented approximately the saving which he was told could be effected by amalgamating the two Conferences.

In any case, he saw no obvious reason for holding two separate Conferences. He understood that the reason was that one of the principal questions to be discussed at the Maritime Conference was that of the working day at sea, and that it was desired to postpone the Maritime Conference because that question was a particularly controversial one. Did anybody suppose for a moment that a three months' postponement would make it possible to secure in the meantime any kind of agreement on one of the most controversial questions that the Labour Office had ever had to discuss? Even if the Conference were postponed for fifteen months, the two parties would not get near an agreement. Such an argument, therefore, did not hold water. It might also be urged that in May the Labour Office was to hold a Conference on Safety at Sea, and that if the two Maritime Conferences were held simultaneously a larger number of delegates would have to be sent. An examination, however, of the dates proposed for the three Conferences showed at once that there was not the slightest danger of overlapping. There was thus no question of principle at stake. The only question that arose was whether a change of date might save 45,000 francs.

He could see no justification for adhering to the dates proposed, and he would therefore ask for a reduction in the estimate as stated.

The discussion was adjourned to the next meeting.

SEVENTH MEETING

Held on Saturday, September 15th, 1928, at 3.30 p.m.

Chairman: M. DE VASCONCELLOS (Portugal).

54. Question of the Revision of the Staff Regulations: Draft Resolution submitted by M. Tumedei (Italy).

The CHAIRMAN opened the discussion on the revised text of the draft resolution proposed by M. Tumedei at the last meeting.

M. HAMBRO (Norway) asked that the meaning of the draft resolution should be made clearer by the addition after the word "satisfactory" of the following words:

"Certain modifications would appear desirable to obviate the disadvantages that have been noticed."

M. RÉVEILLAUD (France) recalled that he had collaborated with M. Tumedei in the drafting of the resolution. He saw no objection to this addition, but did not think it would add to the meaning of the text.

Marquis PAULUCCI DI CALBOLI BARONE (Under-Secretary-General) said that the Secretary-General, who had found it impossible to attend the present meeting of the Committee, had asked him to inform the Committee that he accepted the amendment proposed by M. Hambro. The Secretary-General would ask, however, that the second paragraph of the draft resolution should be amended as follows:

"Considering that, although the Regulations have on the whole proved satisfactory, certain modifications would appear desirable to remedy certain disadvantages to which attention had been drawn."

The draft resolution was adopted in the following form:

"The Assembly:

"Whereas the Staff Regulations were drawn up shortly after the organisation of the Secretariat and it would be advisable for the League to avail itself of the experience acquired since 1922;

“ Considering that, although the Regulations have, on the whole, proved satisfactory, certain modifications would appear desirable to remedy certain disadvantages to which attention had been drawn;

“ Instructs the competent officials of the autonomous organisations, after examining the present situation and the improvements which might be made, to consider what steps—in particular amendments to the Staff Regulations—could be taken to ensure, in the future as in the past, the best possible administrative results, and to submit the results of this enquiry to the Supervisory Commission, in order that a report on the question may be communicated to the Assembly at its next ordinary session. ”

55. **Budget of the International Labour Organisation for the Year 1929: General Discussion**
(continuation).

Mr. Yusuf ALI (India) said that he had received the impression from the discussions at previous meetings that there was general agreement in the Committee that a policy of retrenchment should be followed. The Government of India fully appreciated the value of the work of the International Labour Office for the furtherance of industrial peace, both in the national and international spheres. At the same time, it believed that retrenchment was essential to the success of this work. All proposals for undertakings of only secondary importance should be entirely rejected, in order that the main work might continue unimpeded. Mr. Yusuf Ali understood that the delegate of the British Empire intended to make concrete proposals for reductions. He was sure that his colleagues would give these proposals their consideration.

For the moment, the only item in the budget to which he would refer was the proposed creation of seventeen new posts, involving an expenditure of 219,000 francs. The Committee was, he thought, entitled to ask whether these posts were absolutely necessary. He was bound to confess that his Government, in common with others, viewed with some apprehension the increase year after year in the budget. Mr. Yusuf Ali was aware, of course, that the Supervisory Commission had satisfied itself that the proposal in question was justified, but he did not think that the Fourth Committee should merely accept that Commission's conclusion. So long as there was a feeling among the delegates that the creation of these new posts might possibly be due, in part, to political considerations, it was the duty of those responsible for the proposal to give full and frank explanations not only with regard to the necessity of the work contemplated, but also with regard to the reasons why the creation of these posts should not be postponed until the budget was in a more flourishing condition. Mr. Yusuf Ali added that he trusted that when the various items were examined individually the Committee would subject them to very close scrutiny.

M. Albert THOMAS, Director of the International Labour Office, would reply as briefly as possible to the observations that had been made at the previous meeting as well as at the present one.

The Chairman had hesitated to have a general discussion, which had begun of its own accord. It had been a rapid discussion composed of concise observations made by various members. M. Thomas had thought that a hailstorm was falling on the glass roof of the International Labour Office, suddenly interrupting their peaceful work.

He would try to reply to all the problems which had been raised and which, although the questions were short, were extremely complicated and often delicate. Constitutional problems had been raised as well as problems of international organisation and problems of internal administration. Sometimes even political problems had been advanced of which he had been totally unaware. Sometimes also judgments had been passed on individuals. He would take these various problems in order.

M. Rappard seemed to have indicated in a very summary manner that the International Labour Office would not admit any discussion of its budget by the Committee, or any possibility of realising reductions.

M. Thomas was obliged to state that he entirely agreed with M. van Eysinga. Year after year there had been a discussion in the Fourth Committee on the budget of the Labour Office, sometimes even certain reductions had been accepted, though not as regards matters which involved the general policy of the Office or its particular policy on specific points. The main object had been to bring the budget of the Labour Organisation into line with that of the other institutions of the League.

M. Thomas agreed with M. van Eysinga in recalling that, under the terms of Article 399 of the Treaty of Versailles, “ all the other expenses (that is to say, all those that are not paid directly by Governments) of the International Labour Office, and of the meetings of the Conference or Governing Body, shall be paid to the Director by the Secretary-General of the League of Nations, out of the general funds of the League ”.

He thought, however, that it would be advisable to recall another text, one which was at the very base of the entire financial construction raised for the autonomous institutions of the League. He referred to the report on the second budget adopted by the Council at San Sebastian. It is stated in that report that the terms of the aforementioned article show clearly “ that the Secretariat or the Council of the League can have no control over the decisions of the Budget Committee of the International Labour Office, or over the total estimate for the budget itself. It is the duty of each Government to give to its delegates on the Governing Body of the General Labour Bureau any instructions it may deem necessary ”.

While recognising that the Assembly which voted the budget was entitled to examine it, since it voted the budget in all its detail, M. Thomas believed that the interpretation laid down at San Sebastian nevertheless invited the representatives of the Governments to be somewhat prudent in the discussions, since the budget was not established on the basis of mere proposals made by the Director of the International Labour Office, adopted by the Supervisory Commission, and then submitted directly to the Fourth Committee, but by the Budget Committee and by the Governing Body as a whole, and on the basis of instructions received from Governments.

This was the first point on which M. Thomas wished to lay emphasis. He believed that everyone agreed on the general doctrine that the rights of the Fourth Committee were absolute rights. The fact remained, however, that the existing harmony between all the institutions of the League would be endangered if, after the budget of the Office had been thus established on the basis of instructions received from Governments, it were to be discussed once more in all its aspects, without any consideration being taken of the particular interests represented by the delegates of employers and workers on the Governing Body, and if the entire general policy of the Office were thus to be placed once more at issue.

In the general discussion, the office had been thanked for having prefaced its budget by a short note, and Sir Eric Drummond had also been asked to include a note of the same kind in the budget of the Secretariat. It was certainly interesting to have such a note, which was a kind of summary or general statement of the budget. But such a procedure was also sometimes dangerous.

M. Thomas had pointed out that there was an increase of 528,000 francs in the budget for 1929 as compared with that for 1928. When this increase had first been considered by the Committee, it had immediately been felt that the apprehensions of several members were being re-awakened, and that they were recollecting legends which had been gaining ground.

In these legends — and he would refer to them briefly — certain personal considerations were involved. It appeared that there was at the head of the International Labour Office, or rather at the head of its administration, a Director, a man of action, endowed with all kinds of oratorical qualities, a dangerous man of a usurping nature, and in a way an imperialist who rendered Parliaments and Governments breathless by his unbridled race towards the ratification of Conventions that become incessantly more numerous.

M. Thomas wished to destroy that legend once and for all. Certainly, he would not deny that he believed in Part XIII of the Peace Treaties as in a gospel that should be spread throughout the world. He would not apologise for believing in the future of that Organisation, the basis of which was laid in Part XIII of the Peace Treaties. He would not apologise for the faith and the enthusiasm with which he endeavoured to bring about the reforms that the sovereign States desired at the moment when they had signed those Treaties.

The enthusiasm shown was a rational one. He did not think that there had been imprudence. He would even venture to recall that, on three occasions, certain States, certain Parliaments, had thought that the Office had exceeded its powers, that on three occasions it had presented itself before the Permanent Court of International Justice on account of questions of competence; and that on three occasions the Permanent Court of International Justice had stated that the Office was in the right and had not exceeded its competence.

Further, he would ask the Committee to remember that there was a Governing Body, which, under the terms of the Peace Treaties, guided and instructed the Director of the International Labour Office, and that the members of that Governing Body — especially those who wished to limit and check the Office, especially the representatives of the group of employers — would be very annoyed if they thought that the Director was conducting the whole Organisation.

The budget of the Office was the subject of severe discussion. Year after year a whole series of resolutions was adopted which were limited and restricted by the Governing Body, and the duty of the Director was merely to carry out the decisions of that body and of the Conferences.

Indeed, when the financial regulations were being established, and when the Organisation was considering how it should be represented on the Fourth Committee, it had even been suggested that the Director should be accompanied by three or by six members of the Governing Body. He did not know whether these members had feared to show themselves in disagreement before the Committee, and whether they had not thought that it would be better for the Director himself to defend the resolutions which had been taken. Their proposal, however, clearly showed that they had wished to come before the Committee to defend decisions for which they had assumed responsibility.

M. Thomas therefore begged the Committee to leave out of consideration the personal character of the Director. He asked it to turn to the work of the International Labour Organisation and its expenditure.

He used the term "International Labour Organisation", because the work of that Organisation had been the subject of what he might describe as somewhat harsh comment.

M. Rappard, delegate of Switzerland, and himself were old colleagues and neighbours. They were even collaborators. M. Rappard had joined one of the Committees to the future of which the Office attached great importance. M. Rappard had watched the work of the Office for eight or nine years. He had paid it compliments. Nevertheless, he had, in an epitomised phrase which M. Thomas was more accustomed to expect from the pen of an enemy of the League, stated that the International Labour Organisation was only a mill for turning out conventions, conventions which were not ratified, or for turning out publications, the consumers of which were on strike and the leaves of which were never cut.

M. Thomas had abstained at the previous meeting from making a preliminary statement, for he had thought that, since he had appeared before the Fourth Committee for eight years, it was no longer necessary to give explanations concerning the work of the International Labour Office. Since, however, the words of the delegate of Switzerland had become so celebrated, since

they had now spread throughout the Press, and since the judgment they contained would be the final one which certain circles would accept as a weapon to be used against the International Labour Office, he would reply briefly to what had been said.

M. Rappard had used the words "a mill for turning out conventions" as if the Labour Organisation were possessed with a legislative frenzy, and as if, indifferent to all economic and social realities, its sole concern, year after year, had been rapidly to increase the number of conventions.

That view was false. He would recall very briefly the history of the Organisation. Like the Assembly, the Labour Organisation was aware of the difficulties that might exist in Parliaments after the war, when their attention was taken up by all kinds of problems arising from the peace settlement. There had been grounds for thinking that it would be dangerous to have too many conventions, and an endeavour had been made to limit the work in this respect. For two consecutive years it had been agreed that there should be no conventions and, afterwards, that there should be only one convention a year. Later, however, from the force of circumstances, the Governing Body, which prepared the agenda, had found itself obliged, year after year, to take into account certain *de facto* situations and increasingly numerous claims on the part of various countries or of different groups of workers. A crowd of questions had knocked at the door, and the door had been set ajar. Each year there had been one, two and sometimes three conventions, and after meetings of the Governing Body, which lasted sometimes for two, four, six or eight hours, a certain number of problems had finally been placed on the agenda. It was because it had been forced by facts, forced by the claims of the producers who provided employment, and by the claims of the workers who were employed, that, year after year, in order to fulfil its obligations under the Peace Treaty, the Governing Body had placed on the agenda subjects for discussion at the request of new groups of workers.

It had been said that too much haste was being shown and that the conventions were not ratified. He did not wish to make too many comparisons in this respect; one man's load was not made any the lighter by the fact that another man was loaded too. If, however, the Labour Office were a machine for turning out conventions, the remainder of the League must also be one. The League also was anxious that its conventions should be applied. If the results obtained by the International Labour Office were compared with those obtained by the other institutions of the League, the Labour Office did not compare too badly.

Everything considered, the preparation of Labour Conventions made it possible to reach certain results. M. Thomas knew he would be told that the application of those conventions was limited in a certain number of countries. He might set over against this their serious application in other countries, for it was necessary to look not only at the defective and depressing side of the situation, but also at the good side. He was justified in reminding the Committee of the moral influence exercised by the fact that a question had been dealt with by the Conference on the social development of the countries, and how the provisions of conventions, even when those conventions were not ratified, very often found expression in a whole series of legislative acts in new countries, or in reconstituted countries.

The Office, it had been said, was a mill for turning out conventions. Perhaps that was so. To quote a proverb of the Middle Ages, the grindstone did not move of its own accord, for it had no life.

It appeared that the Office was also a mill for turning out publications. On that point, M. Thomas would reply very briefly. It had been stated that those publications were not read. They were distributed in considerable numbers and it might be that in certain organisations the leaves of some of the volumes had not been cut. Such a thing did sometimes happen. Many organisations possessed secretaries which were neither studious nor well trained. This fact might have been noticed at Geneva, where a considerable number of the publications of the Office exist, and where there were copies of them in profusion.

Not all the publications of the Office, however, were made to be read. When an enormous collection of data on insurance against sickness was made, it was not intended to be read like a novel, but to be consulted. When, year after year, legislative series became increasingly numerous, and to such a point that it could be no longer contained in two volumes, but have to cover three, it was not intended that these volumes should be read in the evening when work was done. That series also was intended for consultation. Indeed, it was so often consulted that Governments were asking to have it issued in instalments, so that it might not be necessary to wait for the publication of the whole volume, and so that it might be made use of for immediate legislative work.

After hearing M. Baillieu's observations at the previous meeting, he had rapidly glanced through his files and had found that the Industrial Court of Adelaide had thanked the Office for all the information that it had found in the publications of the Office. He had found that the Court of Arbitration of Perth had stated that the publications were "of considerable value in connection with its work". He had found that one of the Adelaide public services had asked the Office to continue sending its publications to that service, since they were "very useful".

Even in Australia the publications of the International Labour Office were read. If there were not many Australian millionaires to buy them, the public services appreciated the assistance that the Office was able to give them.

Referring to M. Rappard's observations, M. Thomas observed that the strike of consumers in Switzerland was not so great as M. Rappard had indicated. Like a small firm, the Office followed very closely the development of its business. Last year in Switzerland, in the course of twelve months, it had received 12,500 francs from the sale of publications. During the present year, and up to the month of August, 12,800 francs had already been received from their sale.

In 1924, the Office received 45,000 Swiss francs from the sale of publications, despite the copious distribution undertaken not only to States and public services, but also to the organisations which were constitutionally represented at the Office; in 1925, and again in 1926, 80,000 francs had been received; in 1927, 115,000 francs. It had been stated in the 1928 budget that the sum of 140,000 francs was anticipated from the sale of publications. By the beginning of September that sum had amounted to 148,000 francs, and it was hoped that, if the sales continued to be good, the sum of 175,000 or 200,000 francs would be obtained by the end of the year.

These were definite results. It must be remembered that on the volumes, studies, documents and reviews that were published the Office spent approximately 455,000 francs, that they were distributed very widely to all the organisations which exchanged their reviews with those of the Office, and that nevertheless these results had been obtained.

No, there was no strike of consumers. A great number of consumers bought these books and these reviews. In the case of many of the volumes, the Office had received requests that translations should be made into German, Italian and Spanish.

The French Review and the English Review, which at present covered their costs, since the number of subscribers enabled the Office to recover the cost of printing, would have to be issued in other languages also. There was a German Review. Next year it also would cover its cost. There was also a Spanish Review, which covered its cost, and an Italian Review which would soon do the same.

This being the case, M. Thomas could reply that there was no strike of consumers. The publications mill worked regularly enough, and its work was found to be sufficiently valuable to enable the Office to have the pleasure of seeing what was seen around mills in times of prosperity, namely, long files of men coming to seek flour and carrying it away to countries which needed food.

So great was the demand that those whom the Office could not assist themselves made translations of the publications. He could quote the names of a very large number of books that had thus been translated into Czech, into Polish and sometimes into Norwegian. M. Hambro had referred to one of those translations on the previous day. Agreements had also been made with Norway regarding translations of this kind.

M. Thomas would not say any more on this subject, for he did not wish to take up the Committee's time in order to show that his friend M. Rappard would do well to correct his words somewhat, removing from them what was categorical and peremptory and to consider the actual facts.

M. Thomas wished next to deal with the definite proposals that had been made in the course of the discussion and to reply to the questions that had been asked. The satisfaction which might be felt with the results obtained did not lead him to think that all was for the best in the International Labour Organisation, and that it was escaping the difficulties which had occasioned a certain amount of criticism in the Fourth Committee, both of that Institution and of others.

The Organisation had its troubles, which were inherent to any international organisation. Among the insistent questions that had been asked, and regarding which he now wished to give explanations, there was one in particular which had been raised by M. Rappard and by the delegates of Portugal and Colombia, and which had been repeated by the delegate of India. He referred to the question of the seventeen new posts. He had been asked whether these posts were necessary, and, if so, whether they were indispensable, and immediately indispensable.

He could reply quite sincerely that, from the point of view of the organisation of the Office, those posts were immediately indispensable. He had replied in that sense to the Supervisory Commission when all its members had asked him the same question, and he would repeat it now.

At first he had asked for twenty-seven new posts. When his services had drawn up the budget, they had asked him, and they had adduced a great many arguments to support their request, to create sixty posts. The figure had not surprised him. He was fully aware of the needs of a great many Sections in the Office. He knew that when it was necessary to cope with studies and enquiries into agricultural matters, which the Office was asked to do by people in many countries, and even by Governments, and when there were only three or four unfortunate individuals to do the work, they could not carry out the task.

He knew that if he had only eight or ten persons for so great a work as that relating to social insurance, including all the new forms that that insurance had now taken, the capacity of the Office was not equal to the task, and that he could not satisfy the new needs that were finding expression in a great many countries.

Thus, from among those sixty posts which had been reduced to twenty-seven and submitted to the Governing Body, he had been forced only to accept the most urgent ones.

He would give very short explanations concerning each of these posts:

M. Thomas asked for a Chief of Division, for a division of general administration. He asked that, for editing problems, staff problems and problems of financial management, there should be a Chief of Division side by side with his friend Mr. Butler. This request was not a new one. It was one that Mr. Butler and he had made to the Governing Body for some six years. They did not wish to make a false window for reasons of symmetry. They did not make this request because there was in the general Secretariat an Under-Secretary-General who dealt with all these problems and who considerably lightened the duty of supervision. Despite the general problems with which they were assailed, Mr. Butler and he concerned themselves with all the problems concerning the staff and the relations between the various Sections, with the problems of financial management and of supervision, and with certain of the chapters of the budget. The development of the diplomatic and the scientific activities of the Office had become so great that for six years the creation of this post had been contemplated. Once more, he had reiterated the request before the Governing Body. The Governing Body had considered the post to be indispensable and had accepted it.

A request was made for a Member of Section A for the Division of Investigations into Social Insurance. This official was to be a specialist. For many years the International Labour Office

had undertaken all kinds of investigation into social insurance. It had been obliged to resort to specialists whom it could consult outside the Office, and sometimes to pay fairly dearly for their collaboration. The Office, therefore, asked for a specialist, who was also immediately indispensable.

He was asking for a Member of Section A for the Division for Native Labour. He must point out at once that this branch of the work related to a vast Empire — the Netherlands Indies. Attention had been drawn on several occasions to what was incomplete and insufficient in the documentation of the Office, and he would urge that an expert in colonial problems in the Netherlands Indies should be appointed in order to carry out the heavy task which had been laid on the Office.

A request was made for a Member of Section A for the Emigration Section. That Section was still wretchedly equipped. The Office was constantly approached from all sides with new questions. It was being asked to study all the problems concerning protection. The Havana Conference contemplated referring all emigration problems to the International Labour Office. The Workmen's Meeting held in London had sent delegations to the Governing Body in order to draw attention to all the respects in which the work undertaken was insufficient. In view of these circumstances; he had been led to ask for and obtain a Member of Section A and also a Member of Section B for diplomatic liaison and for the question of ratifications, since year after year the work of urging the Governments to ratify was increasing, as well as the work of setting in order all the ratifications and their application.

A request was made for a Member of Section B for the legislative series. It was found impossible to cope with the rules that were being translated into three languages and the very important social laws which had multiplied since the war. The small staff available found it utterly impossible to do this work; it was eighteen months or two years behindhand in the work on certain indispensable publications. It was for these reasons that a request had been made to create this new post.

A request was made for two Members of Section B for the Translation Section and for an assistant Member of Section, Division B, for the work entailed by the provisions of Article 408. Information for which there was daily need was being asked from the International Labour Office for the workmen and the millions of employed who were already organised. He could give details regarding each of the posts. With regard to those he had mentioned last, he would venture to make one observation. The Supervisory Commission had often noted the fact that there was an extremely small number of minor officials in the International Labour Office—that was to say, of stenographers and clerks.

If the budget of richer institutions were compared with that of the International Labour Office, an enormous difference would be seen between them. The Governing Body had considered the position to be no longer tenable and had therefore granted the last posts which it was his duty to defend before the Committee.

Year after year, he had pointed out to the Governing Body the urgent need of creating certain posts. According to the Treaty, however, the Director had to choose the staff, ensure that it was competent and endeavour to include representatives of the various nationalities. When the delegates of Colombia and Portugal pointed out that there was no official of their nationality on the staff of the International Labour Office, he was forced to take this legitimate claim, based on the Peace Treaty, into account.

M. Thomas even wondered—it was a mere question he put to himself—whether sometimes the request for the creation of an urgent post was not satisfied precisely because certain States had agreed among themselves to agree to the creation of such a post, with the ulterior motive that, perhaps, since their countries figured on the waiting list, their request might be satisfied.

He did not know, however, the secrets of the sovereign States Members of the Organisation. He contented himself with presenting the requests of the Organisation and then with seeking by what means he could give satisfaction to each State, and establish a balance of representation within the International Labour Office, in order that the Bureau might have the necessary liaison services both for the development of good relations and for the scientific co-ordination of daily information, and also in order that when he presented his proposals to the Fourth Committee certain quite friendly States might not be prejudiced against them.

It was easy to see how difficult the daily task might be. There were certain States which were exacting—sometimes, he might say, even a little indiscreet—and which endeavoured to bring pressure to bear on the Director who, in this case, was defended by nobody.

What rules had the Office laid down for itself and what rules did it endeavour to observe? The first rule was that it refused, taking into account the article of the Peace Treaty in question, to establish proportional representation between States. To do so would be easy, since the States might, in virtue of fixed coefficients, be ranged in order of industrial importance. A certain number of States made repeated requests for representation by officials in proportion to their industrial strength, or even sometimes to the importance of their social policy.

For eight years this first tendency had been steadily resisted and it had been stated that it would be absurd to have a Director for France or Great Britain, a Deputy-Director for Great Britain or France, a Chief of Division for some other State, and at the end of the list a stenographer or a messenger for the Principality of Liechtenstein or of Monaco.

Such an idea would be impossible to realise. It was necessary, nevertheless, to take into account the importance of certain States and the importance of the daily relations of the Office with these States. The idea of proportional representation between the States had, however, never been accepted.

There was a second rule which had sometimes been a little transgressed on account of certain traditions, namely, that the representation of various nationalities on the staff should not become stereotyped. For instance, if an Anglo-Saxon lawyer left the staff, the country of which he was a

national might insist that his place should be taken by another lawyer of the same nationality. This rule had, he would repeat, sometimes been transgressed, on account of existing relations or agreements, but in most of the cases that arose the strict rule had been maintained that no constant representation of a State could be established in any one post of the International Labour Office. The third rule that had been observed was that no interference on the part of any State in order to impose any particular official candidate could be admitted.

It would be easy to prove to the Committee by the correspondence of the Labour Office in the last eight years that the three rules on which M. Thomas had commented had been established and defended.

His difficulties, however, did not end there. When new posts were created, and when the representatives of States, availing themselves of the waiting list, made approaches to him, M. Thomas was obliged to take another consideration into account. His staff had twenty-one-year contracts, sometimes even contracts for twenty-eight years, resulting from decisions taken by the Organisation Committee of 1921. This staff expected promotion, and if the new posts were intended for States not yet represented, there was a danger that the staff of the International Labour Office, although it was as a whole an extremely praiseworthy one, would be demoralised when it saw that promotion was impossible.

Such were the difficulties with which M. Thomas was confronted. The Secretary-General had pointed out previously that in the Secretariat each Member of Section B carried in his knapsack, not a Marshal's bâton, but the title of Member of Section A. This was not the case in the International Labour Office. Every year, in the budget which the Committee wished to revise once more item by item, the Budget Committee established what was called the framework—so many A Members and so many B Members for each Section. It was impossible for one of the B Members in the Office to become an A Member if no post was vacant.

The consequence was that, while the Secretariat was assured by the Secretary-General that A and B Members formed the same category in which progress could be made, the Labour Office had a fixed number of A posts, while the number of its B Members was indefinite. Forty B Members had now reached the top of their category; they were receiving the maximum salary provided for that category, and had hardly any future before them.

In the administration of a large office such a situation would be impossible to maintain, and he would be obliged very shortly to appeal to the Supervisory Commission and the Fourth Committee, if he was to be in a position to defend and sustain the morale of his staff. This was a serious question which M. Thomas did not wish to raise at the present meeting, but which was apparent every day.

When the new posts for which he had asked were about to be created, his whole staff would ask him which of them had been reserved for purposes of promotion. In the meanwhile, the members of the Fourth Committee would rise one after another—or if they did not, their Governments would be exacting in their private correspondence—and would ask him for whom the new posts were reserved and what new nationality was to be represented.

Such was the present situation of the Directors of the International Labour Office. Such were the daily problems they had to solve. They were bound to the wheel. At each new appointment the work had to be resumed and the whole staff of the office reconsidered. When, on account of a suspicion that some particular post might be reserved for a certain State, that political pressure had been brought to bear on the Office, the Fourth Committee contemplated passing all the posts again in review, and suppressing a certain number of credits and posts, what would be the position of the Director on the morrow?

The Committee might give him their recommendations and instructions. He would venture to say that they were useless, and that if the Fourth Committee were to decide to suppress these posts it would destroy a rather weak edifice and very delicate provisions established after months of negotiation. If the Committee did more than make recommendations and give instructions, the Director would be placed in an extremely difficult position.

M. Thomas would now turn to the definite proposals that had been made.

M. Hambro had proposed that a resolution should be sent to the Governing Body and to its Committees — which were all one and the same body, for there were no special Committees, since they either originated from the Governing Body or were controlled by it, the Governing Body taking all decisions—drawing their attention to the constant increase in expenditure and to the necessity — he did not wish to use the words “ of stabilising ” — for setting reasonable limits to this expenditure.

His Governing Body would receive such a recommendation with deference and solicitude. It would know that it had already followed that recommendation for five or six years. Indeed, in each of its reports, which had often been quoted before the Fourth Committee, the Governing Body had showed its anxiety, despite the development of the work of the Organisation, to restrict expenditure and limit the budget.

The budget of the Labour Organisation had been stabilised long ago. What was the figure of the first budget, that of 1921, granted by the Fourth Committee and the Assembly? It amounted to 8,762,500 francs. What was the present figure? 8,357,280 francs. The budget had therefore varied only within the limits of the highest figure, 8,762,500 francs, and the lowest figure, that of 1924, of 7,077,295 francs. Thus, since the beginning, the Labour Organisation had existed on a budget varying between 7,000,000 and 8,000,000 francs. Should such a budget be stabilised because there had been increases in the last years of 50,000 or 100,000 francs, and since there was a slightly larger increase this year on account of the exceptional Conference?

M. Thomas would venture to point out that the methods adopted in the Labour Office had been perfected by realising internal economies, in order to meet new needs. At the beginning he had had some 370 collaborators. If no obstacle were raised to the draft budget in the Fourth

Committee and in the Assembly, he would now have 399. Had the Committee realised, however, that, from the beginning, all the annual statutory increases decided upon by the 1921 Assembly had been paid? Under this heading there was a difference of 750,000 francs between the present budget and the former one and, although substantially there had been no great increase in the budget, the above expenses had been met, expenses which did not represent an increase of staff, but which merely limited its capacity for work and the return it could make. These were considerations which he would beg M. Hambro always to keep in mind.

M. Thomas would present to the Governing Body the recommendation of the Fourth Committee which would be a new appeal to the spirit of economy of the Governing Body. He would venture to say, however, that the wind of economy — the passage of which he had often felt himself — blew rudely on the Governing Body of the International Labour Office. He noted, moreover, that no request for a substantial reduction had been presented.

Finally, M. Thomas referred to the reduction proposed by the delegate of the British Empire. Bearing in mind that the two Conferences which it was proposed to hold in the year 1929 were to be held separately, the British delegate asked the Committee to effect a reduction of 45,000 francs on the credit proposed. He suggested also that the two Conferences should take place consecutively, their cost thereby being reduced.

M. Thomas ventured to point out that, despite the full information — although it was sometimes a little inexact — which the British delegate had obtained, the figures he had given in his reasoning were not quite correct. His information was not quite up to date; it related to the Governing Body's discussion and not to its vote. It had asked for a credit not of 450,000 francs, but of 432,000 francs, and there would thus be a reduction not of 45,000 francs, but of 27,000 francs. The reason for this was as follows:

At the beginning, it had been thought that, since the two Conferences would be held separately, it would be necessary to allow for installation expenses on two occasions. It had been agreed, however, with the Geneva Public Services that the installation arranged for the first Conference would be maintained for the second, so that the cost of installation would only amount to 27,000 francs, instead of 45,000 francs. This explained the figure of 432,000 francs appearing in the budget.

This, however, was only a point of detail. The Committee would say that, even if it is not possible to effect a reduction of 45,000 francs, a reduction of 27,000 francs would be an appreciable one. " ' All is food ', said the man, putting it in his bag. "

The representative of the British Empire had anticipated at the previous meeting M. Thomas, reply and the surprise that he would show on finding that, although, according to the method established at San Sebastian, the representative of the British Empire on the Governing Body had received instructions from his Government, the delegate of the same State on the Fourth Committee had adduced a different argument and had asked for a reduction of the sum that the representative on the Governing Body had expressly granted, after a long discussion at two meetings of that body, and after having first refused to accord it to the International Labour Office.

It was his duty to draw attention to these small matters which indicated the difficulties with which the Labour Office was confronted and the complexity of its organisation. Why is it proposed that the two Conferences should be held separately in 1929, whereas in 1926 it had been thought that it would be possible to hold them consecutively? The reason was that certain incidents had occurred in 1926, incidents affecting representation, incidents of a political nature, which had had a strong effect on the Governing Body.

The General Conference had been held, at which all the maritime and non-maritime States had been represented. The Maritime Conference had been held afterwards and a certain number of representatives of the non-maritime States had remained. International legislation on labour had been drawn up for all the States. The shipowners and the seamen protested, stating that their votes had been overwhelmed by the representation of the non-maritime States. Since the Treaty of Peace referred to the necessity of holding special Maritime Conferences, the idea had arisen that that Treaty had not been respected. For the same reason, what might be regarded as a complaint had been laid before the Permanent Court of International Justice. The situation had been an extremely embarrassing one. The shipowners, and sometimes even the seamen, had threatened to leave the International Maritime Conference. These were problems that often had to be solved, but which were somewhat embarrassing, and in such cases it was necessary to show a little policy, personal tact or diplomacy.

One possibility that was contemplated, and which would perhaps occasion some slight expense, was to hold the two Conferences separately. The maritime States would send their representatives in October, for those States were anxious that the Maritime Conference should be held. As regards the entirely non-maritime States, they would not send new and expensive delegations on a second occasion in the same year solely for the honour of being represented at the Maritime Conference. Such was the solution which, both in so far as the shipowners were concerned, and also the seamen, and some not very distant maritime States, it had been agreed to adopt. This solution had been submitted to the Governing Body. There had been very strong opposition to it, particularly on the part of the British Government, and the proposal had been rejected.

The situation had caused much anxiety from the political point of view. On the other hand, M. Thomas had received such lively and justifiable protests from the staff that, contrary to all practice, he had ventured to bring the matter again before the Governing Body, and to point out that it would be materially impossible for the staff to undertake, for six or seven weeks in May and June, the extremely hard work of the two Conferences.

M. Thomas wished to render a tribute to his staff. In May and June it was at the end of its strength. He could insist that the staff should undertake for seven weeks on end the vast amount of work entailed by a Conference. He had explained this to the Governing Body, and the British

Government, after having heard his observations, had stated that it "understood the request of the Director of the International Labour Office and was prepared to give him satisfaction".

Since M. Thomas had come before the Committee to defend these credits and the internal policy of the administration, it was his duty to read Mr. Wolfe's statement as it appears in the Minutes of the meeting of the Governing Body:

"Mr. WOLFE said that the British Government, which had previously maintained that the two sessions of the Conference in 1929 should necessarily be consecutive, now found it possible to change its attitude. Since the last session of the Governing Body it had been shown that the additional expenditure involved in holding the two sessions separately would be much less than had at first appeared probable. It was, however, for financial reasons that the British Government had not thought it desirable to accede to the wishes of the maritime world; and, since it was probable that, if there were an interval between the sessions, the second session would be attended solely or mainly by representatives of maritime countries, and would consequently be shorter than a normal session, the British Government was prepared, if it was the general wish of the Governing Body that the sessions should be held separately, to withdraw its opposition. He wished it to be understood, however, that the British Government considered that a decision to hold the sessions separately in 1929 should not be regarded as constituting a precedent."

The British Government, therefore, while making a reservation with regard to the precedent, had entirely acquiesced, and approved the figure that the International Labour Office had asked for two separate Conferences.

M. Thomas was fully entitled to tell the Committee how the budget was prepared. His method had often been the subject of reproach, but he did not know any other practical one. When the budget was being drawn up, he put out feelers and endeavoured to find out the attitude of the various States.

He had submitted proposals for an increase this year and had defended them, because he knew that the Member States and the Governing Body were ready, in view of the applications made and the needs of the Office, to accept the increase, which was a necessary one.

What was the position of the Director to be? He prepared the budget with the Governing Body, the members of which had received instructions from their Governments. The vote was taken in accordance with those instructions and then, three months later, when appearing before the Fourth Committee, he was astonished to find the representatives of the same Governments opposing these proposals.

The objections he might raise had been foreseen, and he had been told that the situation had changed, in that there were now requests for an increase on the whole budget of the League. In that case, the autonomy of the Office should not have been recognised; it should not have been stated that the representatives of Governments came with full instructions. He could not be subject, month after month, to imperative instructions from the various Governments, only to be faced, after hoping for an agreement between all the Governments concerned, with a defeat of this kind because general considerations had changed.

M. Thomas had had his place on Government benches. There was one quality that was expected from all Governments: unity of decision. In Parliaments there might sometimes be discussion or disagreement, but unity was expected in the decision of the Government. He would venture, in the interest of the good order of the League and the sound establishment of the budgets, to claim this unity of thought on the part of Governments.

There was one more request for reductions to which he wished to refer — the request of the delegate of India. Sir Atul Chatterjee had presented the same observations in the Governing Body. He had submitted a resolution which was rejected by the majority of the Governing Body, although that proposal had been supported by one or two States and by the group of employers, who were often inclined to set limits to the resources and activities of the Office. He ventured to defend before the Fourth Committee the decision of the Governing Body as a whole. The Government of India had argued that it was necessary to wait another year before creating certain new posts. It wished for a reduction of 150,000 francs, on account of the fact that two Conferences were to be held this year. There was therefore a difference of approximately 120,000 francs, barely that. He asked the Indian delegate to recognise how indispensable the posts in question were, and, like Sir Atul Chatterjee, not to press too much for the reduction proposed.

M. Thomas wished to apologise in the first place for having spoken so long. He also wished to apologise for having sometimes been passionate, and perhaps a little strong in his expressions. This was due to his temperament and also to his faith in the work to which he and his collaborators had devoted their energies for eight years. Whatever the occasion, they could not but think — in the words of President Wilson — of the huge mass of those who go to bed in the evening worn out by fatigue and who often rise in the morning without hope. For them the League stood for a great and splendid hope. He begged the Committee, even when dealing with the somewhat complex questions concerning the budget, so to act that that hope might not, for one moment, be shaken or diminished.

M. BOTELLA (Spain) said, on behalf of the Spanish delegation, that his Government wished to state before the Fourth Committee and the Assembly that it maintained the views and confirmed the votes of the Spanish delegate on the Governing Body of the International Labour Office.

The Spanish Government was so well aware that the Governing Body and the Director of the International Labour Office were anxious to pursue a policy of economy that it did not doubt that the reason for any increase in the budget of the Organisation would be the desire to meet the real needs of the high mission that the Organisation was fulfilling in the social domain.

Spain could not forget the principles laid down by the Council of the League at its meeting at San Sebastian, with regard to the powers of delegates of Governments to the Governing Body, nor the fact that in its own social and labour legislation it had done everything possible to maintain the hope of the workers in a better future — that hope of which M. Albert Thomas had spoken at the end of his eloquent speech.

M. HAMBRO (Norway) said that it was very difficult to reply to M. Albert Thomas. After having heard his eloquent speech, it was almost cruel to draw his attention once more to facts and figures and to resist the force of his enthusiasm.

The Director of the International Labour Office had said that a distinction should be drawn between his personal character and the work of the Labour Office. Perhaps that was true theoretically. Everyone knew, however — and no greater praise could be given to M. Thomas — that the two were absolutely inseparable. The International Labour Office would not be what it now was, it would not have done the work that it had done, nor have the reputation that it had acquired, if it had not been for M. Albert Thomas and his great eloquence, or rather — M. Hambro would almost say — his powers of inference.

The Norwegian delegate thought that M. Thomas was sometimes—to use a classical quotation —not intoxicated but, at any rate, carried away by the exuberance of his own verbosity, and that he carried with him most of those who heard him. It was in this fact that the great danger lay.

The members of the Governing Body who, when they came to Geneva and placed themselves, he would not say under the influence of M. Albert Thomas, but in the atmosphere created by his strong and charming personality, signed declarations or conventions, and voted a budget to which, as they should be aware, their Government could not accede. M. Albert Thomas had spoken of the instructions received by those members. M. Hambro did not know how far they were bound by their instructions when they came to Geneva. He felt that some of those instructions were formed at Geneva after the arrival of the members. For the instructions framed by the responsible Governments of to-day, probably all mentioned economy, and if it should prove necessary he would even be prepared to sacrifice the Norwegian member of the Governing Body on the altar of economy.

M. Hambro could not entirely associate himself with the opinion of his honourable colleague, M. Rappard, when he criticised in very strong terms the activities of the International Labour Office. M. Hambro was the representative of a great paper-manufacturing country, and he had good reasons for not looking at matters from entirely the same point of view as M. Rappard. M. Albert Thomas had drawn attention to the satisfactory results obtained by the Publications Service of the International Labour Office. M. Hambro wished for his part to draw the attention of the Committee to the facts that the expenditure of that service amounted to 485,000 francs and that the sale of its publications brought in 170,000 francs, whilst, in the case of the Secretariat, the expenditure of the corresponding service was 435,000 francs and its revenue 250,000 francs.

He had the greatest admiration for certain of the publications of the International Labour Office. He had found them to be a remarkable source of information and it had sometimes been due to himself that their leaves had been cut in the library of the Norwegian Parliament. M. Thomas had said that certain articles had been translated into Norwegian at the cost of the Office. That was a typical example of luxury. Most Norwegians who followed the work of the International Labour Office were able to read one of the two official languages, and the others might very easily have translated the articles that interested them.

With regard to the Conventions to which reference had been made, it would be well to consult statistics. Whilst twenty-six Conventions had been drawn up, not one of them had been ratified by as many as half the Member States of the League. One of them had been ratified by twenty-three States, two by twenty-one and two by twenty, and after this there was a gradually descending scale until those were reached that had only been ratified by two or three States. The last Convention had not yet been ratified at all, but it was possible that certain States would ratify it later. It would appear from these facts that the drawing up of certain Conventions had been premature.

The Norwegian delegate then laid emphasis on the lack of co-ordination between the activities of the International Labour Office and the Assembly, and particularly in the procedure adopted for the examination of its budget. The Committee had less opportunity of entering into the details of the budget of the International Labour Office than into those of the Secretariat budget. The reason for this fact was that the Conference, which might be called the General Assembly of the International Labour Organisation, did not take place at the same time as the sessions of the Committees of the Assembly of the League. It was impossible for the delegates to the Fourth Committee to communicate directly with the members of the Governing Body of the International Labour Office. Moreover, those members were not delegates to the Assembly.

There were also other constitutional difficulties. M. Hambro supposed that certain Governments believed that to send a delegate to the Governing Body was an unimportant action, but he hoped strongly that the British delegation and certain other delegations would take care in future to give their delegates more imperative instructions.

It was difficult to follow M. Albert Thomas in all the details of the statement that he had made, but M. Hambro's heart was still hard and his spirit was still cruel, and he had decided to speak and to vote against the creation of the new post of Chief of Division and of other posts, or at any rate he was going to reserve his right to do so. There was a resolution before the Committee that required the revision of the Staff Regulations, and it would certainly be strange that a number of officials should be appointed at the very moment when the Regulations laying down the conditions of promotion, and the general questions concerning the staff, were being revised. If new members of the staff were appointed, this could only be done provisionally and subject to the amendments made in the Regulations.

M. Albert Thomas had spoken eloquently of the international character of the Labour Office, and had said that he would find it impossible to apply the principle of strict proportional representation to the recruitment of the staff. The Norwegian delegate entirely agreed that for many reasons such an application would be absolutely impossible. Nevertheless, the fact remained that a great number of the Member States of the League were not represented at the Office by a single official. There were only thirty-two Member States of the League represented at the International Labour Office, and some of the non-Member States had officials in that Office.

If the Staff List of the International Labour Office were consulted, it would be seen that there were ninety-four French officials in that Office, seventy-three British officials, and eighty-five nationals of all the other States of the League, with the exception of Switzerland. These last-named States were not therefore so strongly represented on the staff of the International Labour Office as France alone. The necessity had always been argued before the Committee of making new appointments on account of the connections to be set up with numerous countries and also on account of the translations that had to be made into many languages. There was, however, one point which M. Albert Thomas had not mentioned in his speech, and the Norwegian delegate deeply regretted that he had not done so.

When the budget of the Secretariat was being discussed, Sir Eric Drummond had stated that no French or English official would be appointed to any of the higher posts until the proportion between the various nationalities had so changed that it would be possible to admit new English or French officials to the Secretariat. M. Hambro thought it would be highly desirable that M. Albert Thomas should make a similar statement. It was impossible to deny that the composition of the staff of the International Labour Office was badly balanced. M. Hambro felt that certain new posts had been requested in order to satisfy certain countries which had shown themselves to be discontented.

The Fourth Committee should examine the budget of the International Labour Office in the same spirit as that in which it examined the budget of the Secretariat. The Norwegian delegate could not but admire the way in which M. Albert Thomas had presented the new posts as a lure to the discontented nations, Portugal, Colombia and others. He had dazzled them with the possibility of one of these posts being offered to their nationals. If, however, the reason for creating these posts were the wish to appease certain States, M. Hambro said that he would endeavour to realise every possible economy in the budget.

It was essential that the members of the Fourth Committee should get into touch with their Governments and insist that they should give instructions to their representatives on the Governing Body in order that it might be fully understood that the Government representatives on the Governing Body could in no case pledge their Governments, nor lead M. Albert Thomas to believe that those Governments were bound by their actions. The Government members of the Governing Body were not delegates in the sense in which the word was understood in the League.

He was glad that M. Réveillaud had laid stress on the importance of placing the staff of the International Labour Office and that of the Secretariat on the same footing. M. Hambro wished to state that certain differences between the Staff Regulations of the two organisations should disappear as soon as possible. Certain holidays were granted to the officials of the International Labour Office which were not granted to those of the Secretariat, and there were other differences also. M. Albert Thomas had wished to draw a parallel between the staff of the Secretariat and that of the International Labour Office. M. Hambro would propose, for his part, that the qualifications required of an official of the International Labour Office should be thoroughly examined with a view to discovering whether those qualifications placed the officials of that office on the same level as the corresponding officials of the Secretariat.

In conclusion, M. Hambro said that the Committee wished to do its best to facilitate M. Albert Thomas' work. It did not wish, however, to allow itself to be carried away by his enthusiasm for his institution, as an institution. The Committee did not wish M. Albert Thomas to abuse the creative force that he felt within him, and to bear the Committee away on paths on which it did not wish to enter. Its foremost concern was to keep him always on the firm ground of actual facts.

M. RAPPARD (Switzerland) recalled that he had prefaced his observations on the previous day by stating that he foresaw two dangers. He had laid himself open to those dangers of his own free will. He had been subjected to the thunderbolts of M. Albert Thomas' eloquence, and he had cast a shadow over their friendship which was, in his eyes, a much more formidable danger.

His comparison on the previous day of the International Labour Office to a mill had been an unlucky one. To-day, he would use less picturesque language, so that there should be no risk that his meaning would be again misinterpreted.

The aims of the Office were essentially two. It was intended, in the first place, that the Office should draw up, vote, ratify and apply labour conventions. In the second place, it was intended to cause investigations to be made into questions of social interest and to publish the result of those investigations. This was what M. Rappard, in familiar and concise language, had called a mill of conventions and publications. Moreover, he had not used the scornful expression "it is only a mill" which M. Thomas had attributed to him.

On the preceding day, M. Rappard had expressed the fear that the discussion in the Fourth Committee on the budget of the International Labour Organisation might be a little prejudiced by the previous discussions. M. Albert Thomas had just pointed out that the budgetary rights of the Committee were absolute. He had added, it was true, that those rights should be exercised with a certain amount of prudence and circumspection by States the Governments of which had already a position on the Governing Body. M. Rappard would reserve for the representative of the British Empire the task of defending what was called unity of decision on the part of a Government. The Federal Government only had the opportunity offered to it by the examination of the

budget by the Fourth Committee, to repeat the complaints that it received from Swiss administrative and parliamentary circles, for it was not represented on the Governing Body.

Surely M. Albert Thomas would not prefer that the Swiss delegate should say nothing in the Fourth Committee and should allow his fellow-countrymen to continue to give full vent to recriminations against the prodigality of the International Labour Office and to indulge in exaggerations and insinuations, to avoid which was the precise aim of a public discussion.

M. Albert Thomas had defended his budget in the most persuasive manner. He would, no doubt, have been just as persuasive on behalf of a budget twice, or three or four times as big. In these circumstances, it was impossible to say that eight million francs was either too much, enough or not enough.

It would appear that there was only one criterion. The International Labour Office could not be compared to a Government office, on the ground that, since the Labour Ministry of a given country had so many officials, the Office should not have a larger number of officials. M. Albert Thomas would retort, however, that the Office was the auxiliary Labour Ministry of fifty-five nations. The Secretary-General of the League might also state that the Secretariat could not be compared to a national Foreign Office but that it was the auxiliary Foreign Office of fifty-five nations and should be given the corresponding credits. Naturally, such reasoning would not be convincing.

It was true that M. Albert Thomas had not made use of that argument; he had made use of other arguments which could not be refuted. He had stated that it was necessary, in the vital interests of the Labour Office, to create seventeen new posts immediately, and the Fourth Committee was not in a position to dispute that assertion since, if it should wish to oppose it, it had not even the most indispensable grounds for judgment.

The Swiss delegate would repeat that there was only a single criterion. That criterion was to be found in the results obtained by the legislative work and by the publications of the Labour Office.

M. Rappard did not ask that all the publications of the Office should have a great success in the libraries; hitherto only very bad economists had published novels which sold as such. Since, however, M. Albert Thomas had made the triumphant statement that certain reviews of the Labour Office covered their cost of printing, it was necessary to ask him why he had omitted to speak of the cost of editing. Could it seriously be contested that there was overproduction in this field?

Likewise the Conventions were accumulating in the files of the Government services and were there awaiting their ratification in vain. Was there not also excessive production in this case?

The International Labour Organisation had been created in order to better the position of the labouring classes. In order to attain that aim, however, the right method should be employed. M. Rappard and his Government thought, in all sincerity, that the method which the Labour Office had employed was not the best one. The committee-room was not the place in which to recall the honour which Switzerland had acquired in the social domain on account of its labour legislation. The Swiss Government thought, nevertheless, that it was entitled, in the interests of the work of the International Labour Office, to make certain recommendations for prudence and moderation. Its delegate begged M. Albert Thomas not to imagine that these recommendations showed any hostility to the work undertaken by the Organisation.

M. Albert THOMAS (Director of the International Labour Office) wished in the first place to point out the danger of improvised discussions in committees composed of so many members as the present one. When a budget was being discussed either in the Budget Committee of the International Labour Office or in the Supervisory Commission, the discussion consisted of a whole series of contestations, even with regard to figures, of a whole series of analysed facts, of comparisons and close examinations. Could work of this kind be undertaken by a committee like the Fourth Committee in connection with a budget such as that of the International Labour Office?

M. Albert Thomas explained how the budgetary estimates of the Labour Organisation were prepared. A week before the opening of the session of the Budget Committee, the Rapporteur of that Committee went round to all the services and examined all the figures. Then the Budget Committee met for five days, with representatives of the three groups, and analysed and discussed the figures. M. Albert Thomas then presented the budget that had thus been drawn up to the Supervisory Commission, which examined it in its turn. It was thus possible, on the one hand, to know that the estimates were quite exact and, on the other, fully to analyse their value.

M. Hambro had just made a brief comparison which the Director of the International Labour Office would like to analyse with him. He had stated that the International Labour Office spent 485,000 francs a year on its publications, on which the Secretariat only spent a sum of 439,500 francs a year, and that the resulting revenue amounted to 170,000 francs in the case of the International Labour Office and to 250,000 francs in the case of the Secretariat. M. Hambro had forgotten, however, in the case of the Secretariat, to take account of the publications of the Economic and Financial Organisation, which cost approximately 231,000 francs. Taking account of the publications prepared for the Conferences, Committees, etc., of both the Secretariat and of the International Labour Office, the total expenditure amounted to 722,000 francs in the case of the International Labour Office and 1,295,000 francs in the case of the Secretariat, from which it would be perceived that the proportion of expenditure was the same as the proportion of revenue. This showed the danger of the improvisations that were indulged in in discussions such as the present one.

As regards the holidays given to the officials of the two Organisations, M. Albert Thomas pointed out that, in the International Labour Office, the higher staff and the minor staff were both entitled to six weeks' holiday a year, whereas in the Secretariat the minor staff was only given four weeks. The Director of the International Labour Office could, however, state on behalf of his minor staff that that staff was quite prepared to give up its special advantage provided that the

entire problem, that was to say, the whole problem of the promotion of the minor staff to which M. Albert Thomas had already referred, were made the object of further examination.

He then explained that the International Labour Office had always been treated as a poor relation. It might be true that at the beginning it had been well treated like all the other organisations, but since that time it was only by means of economies that it had been able to live, and it was thanks to these economies, realised day by day, that the International Labour Office had succeeded in meeting, with a budget which did not increase, all the new obligations that arose from the terms of the Peace Treaty and all the developments of its activities.

M. Albert Thomas added that a Sub-Committee of the Fourth Committee should study how the Office had worked and how it had been possible for it to develop. When a country became industrialised, when its public services began to take an interest in social questions, new tasks were created for the Office and requests for information and translations became increasingly numerous. As M. Albert Thomas had already stated, the International Labour Office had met these extensions of its daily activities without asking for increases in its budget.

He was surprised that no member of the Fourth Committee had yet raised the great problem to which the newspapers had referred, that of the Treasury of the International Labour Office. It had been pointed out that that Office spent almost all its budget and that it hardly returned one-twentieth of that budget as surplus. Why was this so? Because each of the chapters of the budget of the Organisation was so calculated, pared and planed by all the successive Committees that the budgetary estimates corresponded closely with the minimum expenditure necessary. The Supervisory Commission had been concerned by the situation and it had made the fact known. The Governing Body of the International Labour Office had, however, replied by an official letter in which the following passage occurred:

“ If you wish us to be placed in the same position, do not ask us artificially to increase the headings of our budget, but insert immediately, in consideration of the fact that certain States have not paid their contributions, an increase of 10, 20 or 25 per cent, which will make it possible to have a balance between the Treasuries, and for us to have the same facilities as the League. The Director of the International Labour Office would be grateful if the Fourth Committee would examine the two budgets in their entirety, and the minor staff of the Office would willingly sacrifice a few days' holiday if, from the point of view of promotion, from the point of view of salaries and from the point of view of recruitment, the International Labour Office were to obtain exactly the same treatment as the Secretariat of the League. ”

The constitutional problem raised by M. Hambro was one that might perplex M. Albert Thomas greatly. M. Hambro had said that, in future, the instructions to representatives of Governments on the Governing Body should have a certain amount of elasticity, and that it should be for the Fourth Committee to take a final decision on the adoption of the various budgetary credits. That system would be a possible one, but it should be realised that it was not the present system. The members of the Governing Body generally received formal instructions. They kept in direct connection with their Governments, which they consulted frequently before taking a decision.

There were many reasons for making no change in this latter system. In the first place, M. Albert Thomas, as administrator of the International Labour Office, would indeed find himself in a strange position if he were to come before the Fourth Committee with a budget that was only a provisional one. He had the greatest respect for the competence of the members of the Fourth Committee; but, since those members dealt with all the problems affecting the Labour Organisation, the Permanent Court of International Justice and the Secretariat of the League, there was a danger that, unless they devoted the necessary fortnight to examining the budget of the International Labour Office, the special characteristics of that budget might escape their notice.

Moreover, account had to be taken of the rights, as recognised by the Peace Treaties, of the workmen's representatives on the Governing Body of the International Labour Office. Those rights would be curtailed to the point of becoming mere opportunities of making suggestions if the system recommended by M. Hambro were adopted, and it would appear that the rights that the Peace Treaty had granted to the labour world had been trampled under foot by the Organisations of the League.

The General Assembly of the Labour Organisation did not sit side by side with the Assembly of the League. It took place, however, in the same year. Under the terms of the Peace Treaty, it was that Assembly that decided which tasks the International Labour Office should undertake in the interests of the labour world. According to the regulations that the International Labour Office had laid down for itself, its members took the precaution, on each occasion that a task of this kind became apparent, of convening the Governing Body. M. Albert Thomas added that a new task was never undertaken without previous consultation of the Budget Committee. Such was the organisation, perhaps a delicate one, which had been created and which, year after year, it had been endeavoured to adapt as well as possible to the spirit of universal harmony on which the Peace Treaty had been based.

M. Albert Thomas begged the Fourth Committee not to improvise in a matter of this kind. Reflection was necessary. Perhaps it would be well to strengthen the bonds between the various institutions of the League, but great caution should be exercised in doing so. The pillar constituted by the sympathies, friendships and hopes of the workmen was one of the strongest parts of the League building. Both in disarmament questions and in economic and social questions, it was thanks to the International Labour Organisation that millions of organised workmen remained in sympathy with the League and actively assisted it.

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EIGHTH MEETING

Held on Monday, September 17th, 1928, at 3.30 p.m.

Chairman: M. DE VASCONCELLOS (Portugal).

56. Hearing by the Fourth Committee of a Sub-Committee of the Second Committee concerning Economic Questions.

M. RÉVEILLAUD (France) said that the Sub-Committee of the Second Committee that had been appointed to deal with economic matters had expressed the desire that a small Sub-Committee, presided over by M. Loucheur, should be heard by the Fourth Committee on the following day. He trusted that the Committee would grant this request.

Agreed.

57. Detailed Examination of the Budgetary Estimates of the International Labour Organisation for the Eleventh Financial Period (1929): Chapter I: Sessions of the Conference and of the Governing Body (535,000 Swiss francs).

The Committee proceeded to examine in detail the budgetary estimates of the International Labour Organisation for 1929 (see document A.4.(a).1928.X).

The Right Honourable G. LOCKER-LAMPSON (British Empire) recalled that a part of the proposed credit for this first item had been provided in order to meet the extra expenditure which would be occasioned by the fact that the Maritime Conference and the annual Conference of the International Labour Organisation were to be held at different periods of the year. He had pointed out at the preceding meeting that an economy of 27,000 francs would be realised if it were possible to hold these two Conferences consecutively. This economy was not, however, the only one that would be realised by adopting this procedure. The travelling expenses of the delegates had also to be considered.

There were now at the table of the Committee several distinguished members of the International Labour Office, able, hard-working, high principled and disinterested men. It had always to be remembered, however, that this secretariat regarded its budget as a citadel, every stone of which was sacred, and that it would not allow the walls to be breached at any spot. It represented the army in charge of the citadel, and M. Albert Thomas was its distinguished commander. He did not wish this statement to be considered as a reproach. On the contrary, the Committee would think less highly of these members of the Labour Office if they did not defend their own budget. This budget should, however, be surveyed from a higher and broader standpoint; that was to say, not merely from the point of view of the International Labour Office or of the Secretariat, but from that of the League of Nations as a whole. He believed that the prestige of the League would suffer if it were encouraged to be extravagant.

To what had all M. Albert Thomas' eloquence at the previous meeting really amounted? Briefly, to this: M. Thomas had informed the Committee that it was perfectly entitled to consider this budget — indeed, that it was its duty to examine it — but that the budget was, nevertheless, to be sacrosanct. If the Committee were to bow to this attitude, any further examination of the budget would be a farce.

Here was an opportunity to realise an economy of 27,000 francs. No great principle would thereby be violated; all that would happen would be that two Conferences, instead of being held three or four months apart, would be held consecutively. Surely this was a very small thing to ask?

M. Albert Thomas had adduced one thesis, which was hardly a sound one. The fact proved that eloquence and logic were not always concomitants. He had stated that, since the British representative on the Governing Body of the International Labour Office had been instructed by his Government to support certain proposals, it was not for the British delegate on the Fourth Committee to oppose these proposals. That argument was a very weak one, since, from the constitutional point of view, the duties of the two representatives were entirely different. The duty of the representative on the Governing Body was to judge the value of a proposal on its own merits; that of the delegate on the Fourth Committee was to judge the comparative value of the proposal. Mr. Locker-Lampson considered, therefore, that he had entire freedom of action. If this were not the case, he would not serve on the Committee for a moment.

He begged M. Albert Thomas to do everything possible to realise the economy for which he asked. It might occasion a little inconvenience, but M. Thomas had nine months in which to make his arrangements. M. Thomas had said that he did not wish the representatives of the non-maritime States to be present at the Maritime Conference. He would point out, however, that the

International Labour Office was an international and not a sectional body, and that, in his view, representatives of the non-maritime States had every right to attend the Conference. Such a question as that of hours of labour, for instance, was common to all nations.

Mr. Locker-Lampson wished to give a respectful warning to M. Thomas. He could render a tribute to M. Thomas for all his work; he was well known in England for his zeal, courage, ability and integrity of purpose. At the same time, criticism was beginning to be heard there with regard to the League's expenditure. There was a growing idea that the League was extravagant, especially its International Labour Organisation. He had often had to reply to questions in Parliament on this subject, and he had always done his best to support the League. No doubt, on his return to England, he would have to reply to further questions. He would therefore beg M. Albert Thomas to guard against placing a weapon in the hands of the enemies of the League and against exasperating public opinion, for otherwise M. Thomas would have to face a far more critical Fourth Committee than the present one. The financial position of the League was at present very grave, and Mr. Locker-Lampson would appeal to M. Thomas to make a *beau geste*.

Mme. KLUYVER (Netherlands) thought that there was general agreement that it was for the International Labour Conference to determine the scope of the work of the Labour Organisation; but that, on the other hand, it was the duty of the Fourth Committee to take a decision with regard to the credits that were asked. She concluded therefore that, while the Fourth Committee was entitled to make alterations in the budget, it should nevertheless do so with the greatest prudence, and all the more so since care should be taken never to improvise in matters of this kind, since too much zeal might be harmful to the Organisation, and since the members of the Fourth Committee did not really know all the details of the budget. The Netherlands delegation would therefore, in so far as the credits required for the budget were concerned, trust in the wisdom of the Governing Body, of the Supervisory Commission and of M. Albert Thomas.

Mme. Kluyver recognised that the delegate of the British Empire had done well in drawing the Committee's attention to the possibility of realising an economy of 27,000 francs on the expenditure of the two Conferences that were to be held. If, however, the Director of the International Labour Office were to prove that it would be very difficult to alter the dates of these Conferences, Mme. Kluyver would vote in favour of the proposal of the Governing Body.

She would ask the delegate of the British Empire whether he would not be prepared to withdraw his suggestion, on the understanding that the Committee should place it on record that it was of opinion that all such future Conferences should, whenever possible, be held consecutively.

Mr. Yusuf ALI (India) associated himself with the suggestion of the delegate of the British Empire. The fact should be taken into account that, if this suggestion were approved, an economy would be realised not only in the budget of the Labour Organisation but also in the national budgets of the States participating in the Conferences. He felt it his duty to press the claims of remote States like India. If it were possible to hold the Conferences consecutively, the Indian Government would save between 5,000 and 7,500 francs on the travelling expenses of its delegates alone.

It had been suggested that the staff of the Labour Office might be so hard worked during the first Conference that it would not find it possible, at such high pressure, to carry on its duties during the second. Mr. Yusuf Ali thought, however, that this argument might be got over. No doubt the staff of the Labour Office was overworked on special occasions, but he would ask M. Thomas and his officials, for the sake of the great considerations of economy which were vital to the finances of the League and of Member States, to bear this inconvenience, and he was sure the Labour Office would respond. There was plenty of time to alter the arrangement that had been made, and he would urge the Fourth Committee to press for the proposed reduction, which would not curtail the work of the International Labour Office in the slightest degree.

With regard to the compromise suggested by the delegate of the Netherlands, he would point out that, to approve this credit, would be to set up a dangerous precedent. The Fourth Committee should not merely formulate abstract principles and then refuse to put them into practice when there was an opportunity of doing so. There were the very strongest reasons, both in respect of the finances of the League and of those of the Member States, for this reduction, and he strongly supported the proposal of the British delegation.

M. RÉVEILLAUD (France) thought that there had been some misunderstanding with regard to the constitutional position of the Fourth Committee in its examination of the budget of the Labour Office. There were two principles that were absolutely indisputable; unfortunately, however, these principles were somewhat contradictory. The first principle was that, from the constitutional point of view, the Fourth Committee was alone entitled to authorise or reject the budget of the International Labour Office. The second was that the International Labour Office was an autonomous organisation which established its budgetary policy, in the same way as its programme, by means of two main bodies, its Governing Body and its Conference.

M. Réveillaud asked his colleagues to consider the difficulties that confronted the Fourth Committee when, in a legitimate desire for economy, it criticised the work of one of the Technical Committees of the Assembly and proposed to reduce its budget. No constitutional problem arose,

however, in this case, for in the last resort the Assembly might always declare its will. In the case of an autonomous organisation, however, the position was different.

According to the terms of the Treaty of Versailles, the Labour Office was to consider the complaints of the labour world and to study what Conventions should be set up and what recommendations should be made. It was on these principles and methods that the budget was based. If the Fourth Committee, in virtue of its sovereign authority, were to make any material change in this budget, what would become of the autonomy of the International Labour Office? If the Assembly were to establish a programme for the peace of the world and, some six months after, another body — which, fortunately, did not exist — were, on account of financial reasons, to raze this work to the ground, what would be the feelings of the delegates? The International Labour Office had established a programme. Was this programme now to be subject to extensive alteration by the Fourth Committee? Such alteration was impossible, and not only materially impossible but also constitutionally.

Perhaps it might be said that the two organisations had been set up on a badly constructed plan. Being of Latin race, M. Réveillaud would readily agree that this was the case. He liked organisations to be closely adjusted. The experience of his relations with the delegates of the British Empire and of the Dominions had, however, shown him that Latin logic — and French logic in particular — should not constitute the sole rule, and that co-existing organisations might be contemplated in another light.

Were there no other organisations which might find themselves in opposition? The third paragraph of Article 3 of the Covenant read as follows: "The Assembly may deal at its meetings with any matter within the sphere of action of the League or affecting the peace of the world". According to the fourth paragraph of Article 4, however, the scope of the Council was to be the same. This was another example of two perfectly autonomous institutions having the same sphere of action. This did not mean, however, that these two institutions could not co-exist. From the constitutional point of view, the Assembly might examine any political question that the Council had placed on its agenda. Hitherto, however, it had never occurred to anyone that it should do so.

The only solution, therefore, was to allow each body to play its appropriate part. This point had been discussed by the Fourth Committee during the first session of the Assembly, and by general agreement it had always been understood that the International Labour Office, acting in full autonomy, was empowered to study principles and methods and to form the elements of its budget.

What was the part that the Fourth Committee should play with regard to the Office? It was an extremely modest one, one of co-ordination. The Committee was competent to deal with questions concerning the status of officials, the organisation of the superannuation system and administrative work. Although competent from a theoretical point of view, it certainly was not competent from a practical point of view to take the budget and make reductions of expenditure on matters with which it was not concerned.

Perhaps there was another power that belonged to the Fourth Committee. If the delegates to the Labour Conference were to make extravagant proposals, the Committee might remonstrate. This was what had been proposed by the delegate of the Netherlands. Such an appeal would certainly be considered and advice could be followed. It was not, however, expedient to criticise a programme without knowing the technical lines on which that programme was based. The procedure that M. Réveillaud proposed was the only one that made it possible for the International Labour Office and the League to co-exist. If any other procedure were followed, the very foundations of the International Labour Organisation would be undermined.

In conclusion, M. Réveillaud associated himself with the proposal of the delegate of the Netherlands, and begged M. Hambro, Mr. Locker-Lampson and M. Rappard to show a conservative spirit.

M. HAMBRO (Norway) said that M. Réveillaud had opened a discussion on a point of principle which should be a very interesting one. His logic was, however, wanting at one point. He did not draw the conclusion that the Fourth Committee should not waste its time in discussing this budget. It was mere sophistry to inform the members of the Fourth Committee that they were entitled to make any reductions in the budget that they desired, but that, at the same time, they should beware of exercising that right.

M. Hambro wished to associate himself with the suggestion of the delegate of the British Empire and also with many of the observations in that delegate's last speech. The popularity of the International Labour Office in many countries would be seriously prejudiced if the Office were not to show itself prepared to realise economies, and if suggestions with this end in view were only met with eloquent speeches which did not always touch upon the points at issue. M. Hambro would remind M. Thomas of Bismarck's celebrated advice to orators: "Never allow the words to drown the contents of a speech". M. Thomas had spoken of the importance that the labour world attached to the International Labour Office. He would recall, however, that, in Norway, the Labour Party was opposed to the Office, and that all the members of that party in the present Parliament had voted against Norway's payment of contributions to the League. He believed that the party was under a misconception, but nevertheless its attitude should be borne in mind.

M. Réveillaud had indicated that those who pressed for economies were deranging the work of the Organisation. He would point out, however, that all that was asked was an economy amounting to a fraction of 1 per cent of the budget. An economy of this amount could hardly derange the work of the Office. In listening to M. Thomas' reception of the very modest suggestions that had been made, he wondered what would happen if any real effort were made to hamper that work. The Committee was perfectly prepared to vote a budget materially higher than that of the

preceding year, and it only wished to make some very slight reductions. If many more Pyrrhic victories were gained in this Committee, the time would come when its members would receive from their Governments very different instructions from those of the present members. He quite agreed with what Mr. Locker-Lampson had said on that point. M. Thomas had spoken of the hopes that the labour world reposed in the International Labour Office. Surely, however, it could not be imagined for one moment that these hopes would be disturbed if the total budget were to be reduced by a fraction of one per cent.

The members of the Fourth Committee were very conscious of another duty. Delegate after delegate had declared that there was a deficit in the budget of his country, a deficit which must be remedied by every possible means. In some countries working men—by working men he meant everybody who did honest work—held the opinion that it was absolutely necessary to realise strict economy in the national budget, in order to make it possible for all the branches of the national work to continue—an ideal which was certainly as high a one as that of supporting the publications of the International Labour Office. Some delegates thought they were bound to oppose this almost ridiculously small reduction on the increased budget, for fear that they would be very strongly criticised by the workers in their own countries if they did not do so. In no Parliament in the world were budgets treated so considerately as in the Fourth Committee; indeed, if any Parliament were to begin to deal with its budget in such a way, the results would be disastrous.

If it were not possible to realise the proposed reduction, M. Hambro would support the proposal of the delegate of the Netherlands. He confessed, however, that he did not believe that the presentation of this modest resolution to the International Labour Office would have much effect, for he had never seen an indication of a will to accept such resolutions in the spirit in which they were submitted. M. Albert Thomas was aware that the Fourth Committee of the following year would not be the same Committee as the present one, and that none of its members would ask whether the presentation of a resolution of this kind had led to any practical results.

This method of examining a budget was most unsatisfactory—unsatisfactory, he admitted, to M. Thomas himself, who was in a very difficult position. If the work of the Fourth Committee in the future were to have any importance at all, there would have to be a radical change of procedure. It was impossible adequately to discuss a large budget in an Assembly of fifty persons who, previous to the session, had never seen any of the relevant documents—documents of the crudest character in which no reasons were given for any of the increases that were asked. Further, it was not normal to accept a speech by the responsible official as the only concrete support for a large increase in a budget.

If the work of the Fourth Committee were to be of real importance, an executive Sub-Committee of that Committee should meet a fortnight or three weeks before the plenary session in order to study the documents and prepare a report for examination by the full Committee. It would not further the work of the League if the general public were to receive the impression that all the work done by the Fourth Committee was, to use Mr. Locker-Lampson's word, a farce. Many people were trying to detect the weak points of the League, and one of the weakest of these was the manner in which the Fourth Committee dealt with the budgets.

M. BUZDUGAN (Roumania) said that the Roumanian delegation was in complete agreement with M. Réveillaud's observations, and that it associated itself with the point of view of the delegate of the Netherlands. The Roumanian delegation would therefore vote in favour of the budget in its present form.

Mr. MACWHITE (Irish Free State) also associated himself with the observations of the delegate of the Netherlands. He thought that his colleagues should give full consideration to M. Réveillaud's view that it would be dangerous for the Committee to do anything that would hinder the activities of the International Labour Office or create a feeling that the League was hostile to labour interests.

Dr. KAAS (Germany) said that he also agreed with the delegate of the Netherlands. His country followed the work of the International Labour Office with the greatest sympathy, and from this attitude of principle the German delegation would deduce the practical consequences on budgetary policy. In the opinion of the German delegation, the discussions in the Fourth Committee should give great attention to economy; there could be no question, however, of making reductions at any price. The aim of the Fourth Committee was rather to ensure, by a rational use of the means at the League's disposal, the greatest possible return from all its activities. Even more than the League's political task, its social work—and consequently the activities of the International Labour Office—was the very centre of the interest of the great masses of workers. The degree of confidence that the workers placed in the League depended essentially on their conviction that the League would promote the influence of the idea of social progress on the thoughts and actions of all civilised Governments.

M. Hambro had stated that the Labour Party of his country had voted against Norway's contribution to the budget of the International Labour Office. Dr. Kaas wished to state that the attitude of the Labour Party in Germany was directly the opposite.

The budget before the Fourth Committee was based on a very minute examination by the Governing Body of the Labour Office. The representative of the German Government on that body had, in accordance with his instructions, accepted this budget. The German delegation took up the same attitude, and trusted that the Fourth Committee would approve the budget in accordance with the resolution adopted by the Supervisory Commission. The question whether the economies suggested by Mr. Locker-Lampson could or could not be realised could only be solved when M. Thomas had given his opinion on the question whether it would be possible to hold the two Conferences consecutively.

M. DE MODZELEWSKI (Poland) said that it was only natural that the delegate of Poland should speak on a question of economy, since it was only by means of a very strict policy of economy that the balance of the Polish budget had been restored.

M. de Modzelewski thought, however, that only reasonable economies should be contemplated and that the Fourth Committee should not attempt to overturn the programme of the International Labour Office. In particular, he thought that the Committee was not a competent body to determine the dates of the Conferences.

The Polish delegate wished to render a tribute to the value of the work of the Labour Office and especially to that work in his own country. He stated that he would vote in favour of the proposal of the delegate of the Netherlands.

M. RAPPARD (Switzerland) thought that each member of the Committee should take his share of responsibility in this matter; for his part, he would do so dispassionately. In the discussion of a budget, passion was a particularly evil counsellor, and all the more so since, when some members were passionate they caused others to be passionate also, the victim being always the general interest.

In the course of the discussion, two principles had become clear. At the preceding meeting, M. Rappard had expressed doubt with regard to the exact competence of the Fourth Committee. M. van Eysinga, whose conclusions seemed to be in agreement with M. Thomas' views, considered that the rights of the Fourth Committee were absolute. M. Réveillaud had adopted a very different attitude by stating that, if the Committee ventured to exercise these rights — which were, he recognised, absolute ones — it would thus be acting dangerously and might undermine not only the International Labour Organisation but also the whole of the League of Nations. M. Rappard wondered whether these rights could be absolute when to exercise them might bring about such a catastrophe.

In his view, there were two possible and even tenable views. According to the first, the Governing Body was responsible for drawing up the budget, and this budget was only submitted to the Fourth Committee in order that the Committee might consider its form. That was to say, its only function was to approve and accept. The second view was that the Governing Body drew up its budget on the distinct understanding that this budget was subject to the approval of the budgetary authorities.

There was one thing, however, which, in M. Rappard's view, could not be defended, and that was a divided financial responsibility. The Fourth Committee at the moment was faced with such a divided responsibility.

M. Réveillaud had opposed the Latin idea to the Anglo-Saxon one. M. Rappard represented a country that was partly Latin and partly Germanic, and he considered that absolute logic could not be applied to matters of policy. Complete absence of logic, however, would lead to arbitrary conduct and anarchy. Where a budget was concerned, the responsibility should be well established. In a case of this kind, responsibility, when divided, was destroyed. Possibly, the Governing Body had felt the same uncertainty as the Fourth Committee, and, although hesitating to accept some particular proposal that had been made, had decided to do so in the belief that the Fourth Committee would reject the proposal if it were financially impossible to give it effect. If the Fourth Committee, in order not to oppose the Governing Body, were to accept a proposal of this kind, the responsibility would be divided and therefore destroyed.

In conclusion, M. Rappard said that, as delegate of a country which was not represented on the Governing Body of the International Labour Office, he would abstain from voting on the proposal of the delegate of the British Empire. He begged M. Thomas to see in this abstention a desire, on the one hand, not to raise obstacles to no purpose, and, on the other hand, a desire that it should be decided with whom the responsibility rested, in order to obviate, in the future, a situation which was as embarrassing for the Fourth Committee as for the Director of the International Labour Office.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, said that, in 1920, he had participated in the work of the First Committee, when the respective powers of the Assembly, the Council, the International Labour Conference and the Governing Body of the International Labour Office had been determined. The Committee had concluded that the Assembly was entitled to deal with any questions entering within the sphere of action of the League. It was for the Assembly to exercise this right, if it considered that by so doing it would further the interests of the League. If it thought that the Council was in a better position than itself to take up a particular question, it might refer that question to it. M. Osuský hoped, however, that the Assembly would never renounce the principle in virtue of which it might always intervene when it thought fit.

In 1920, the Fourth Committee had examined its constitutional position with regard to the International Labour Office. M. Osuský believed that it had then been laid down that, since it was the duty of the Assembly to vote the budget of the Labour Organisation, it was competent to take decisions with regard to the work of the Labour Office. The Assembly was, moreover, the only institution in which all the States were represented.

As for the Supervisory Commission, whenever a request had been made for a new credit, the Commission had not failed to lay stress on the fact that the undertaking of any new work resulted not only in an increase in the budget of the current year, but also in those of the following years. The Commission considered, however, that, once the Assembly had decided that new work should be undertaken, it should vote the necessary credits for the carrying out of that work.

Certain members of the Committee had stated that they had not sufficient proof of the necessity for the credits that were asked. M. Osuský thought that, if these members wished to be fully

informed, they should refer to the documents that had been published since 1920 and pass in review all the budgets drawn up since that date. The figures of the 1929 budget could then be understood. When, however, the Fourth Committee and the Assembly had created the Supervisory Commission, they had anticipated that the Commission would assist the Fourth Committee by reminding it of what had been done in previous years.

In conclusion, M. Osuský said that he thought that the Fourth Committee should now examine the budget item by item and ask for any explanations that it thought fit, either from the Director of the International Labour Office or from the Supervisory Commission. If the Fourth Committee considered that there was not sufficient proof of the necessity for the credits that were asked for, all that it need do was to vote against those credits.

M. KURUSU (Japan), recalling the suggestion of the delegate of India that certain delegates might represent their country on both Conferences, said that he doubted whether it would be possible for the same person to fulfil the different duties that would be imposed. Even if it were possible, the delegates would find it very tiresome to attend two Conferences in succession.

With regard to the question of the extent of the Committee's competence in discussing the budget of the International Labour Organisation, the Japanese delegation wished to reserve its opinion. The question was one of fundamental importance which demanded very careful study, and he would propose that a special Committee be appointed to undertake this study and to submit a report thereon to the full Committee.

M. DUZMANS (Latvia) did not think that it would be possible to settle the constitutional question after so short a discussion. The Latvian delegation was in agreement with the observations of the Swiss delegate on this question, and would abstain from voting on the proposal of the delegate of the British Empire.

M. Duzmans said that, if an endeavour were made to solve this question, two causes for doubt would at once become evident. In the first place, each delegation to the Assembly had only one vote by which it pledged its Government. These delegations could not, however, make a formal statement of their views on budgetary points arising from the decisions of the International Labour Conference and of the Governing Body, since, in view of the fact that each delegation to these bodies might have several different votes, it was impossible for Governments to be pledged by those votes.

A second source for doubt lay in the fact that the view had been maintained that the Labour Organisation owed its origin to the Treaty of Versailles and not to the Covenant, whereas the Assembly had originated from the Covenant itself. Personally, M. Duzmans believed that the Labour Organisation derived its charter from the Covenant, but he thought that, until this question was settled, it would not be possible to decide what attitude the Fourth Committee should adopt when confronted by a problem affecting the budget of the Labour Organisation.

With regard to the question whether there should be an interval between the two Conferences, the Latvian delegation placed entire confidence in the wisdom of the Governing Body of the International Labour Office.

The CHAIRMAN said he did not wish to give the impression that he was seeking to restrict the freedom of speech of his colleagues. He wished, however, to state that, in his view, the First Committee should solve the constitutional question. He would point out, moreover, that the discussion on this question would be a protracted one and that it should be borne in mind that the expenditure of each day of the session of the Assembly amounted to 10,000 Swiss francs.

M. PFLÜGL (Austria) said he was pleased that the Chairman had anticipated the statement of his views on the constitutional point.

He would not deal with the substance of the budget question, in view of the fact that he was only acting as the substitute of the Austrian delegate on the Fourth Committee, but he wished to state that his delegation, having scrutinised the budget and considered the arguments for and against each item, was prepared to vote in its favour.

Mr. DE VILLIERS (South Africa) associated himself with the suggestion that the constitutional question should be referred to the First Committee. Uncertainty on such a fundamental point would have a most disturbing effect on the Members of the League and on the general public.

The South African delegation had full confidence in the International Labour Organisation and did not doubt that its budget was entirely in order. It would not, therefore, feel justified in voting against any provision in that budget. On the other hand, it did not feel that it was in a position to vote against any proposal to alter or reduce the budget.

Prince VARNVAIDYA (Siam) said that, if he understood aright, Mr. Locker-Lampson had not put forward a proposal for a reduction of 27,000 francs on the item of the budget now under discussion, but had rather made an appeal to the chivalry of the Director for a *beau geste*. If that were the case, he would associate himself wholeheartedly with that appeal. If, however, the *beau geste* were not forthcoming, he would vote for the budget, as the Siamese delegation had always done in the past.

M. KURUSU (Japan) explained that he had only suggested the appointment of a special committee with a view to expediting the proceedings of the plenary Committee. In view of the observations that had been made, he would withdraw the suggestion.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, said that the Fourth Committee could not take up the constitutional question, which was within the province of the

First Committee. The position, however, was quite clear. The Committee need only refer to Article 6 of the Financial Regulations of the League, which read as follows:

“ All organisations of the League, autonomous and non-autonomous, and all temporary organisations hereafter created under the auspices of the League, whether their expenditure is or is not, in whole or in part, met out of the votes of the Assembly, shall comply with these regulations and with every decision of the Assembly governing financial and budgetary administration.”

M. Osuský proposed, therefore, that the Committee should examine the budget item by item.

Mr. ROY (Canada) said that he had formerly represented his Government on the International Labour Conference and had thus been able to realise what excellent work the Labour Organisation was doing. He would therefore vote for the budget in its present form.

M. PITAMIC (Kingdom of the Serbs, Croats and Slovenes) said that he was in the same position as the delegate of Siam. He would confine himself to appealing to M. Thomas for a generous gesture.

Mr. BAILLIEU (Australia) said that the expenses of the Australian delegation, like those of the Indian, were very heavy, and that his Government would therefore be very pleased if it were possible to give effect to the suggestion of the delegate of the British Empire. He wished to explain that the attitude of his delegation was not in any way hostile to the International Labour Organisation. On the contrary, Australia very much appreciated the work of that organisation. His country, however, was faced with deficits in its budget and it could not afford to support an increase in the budget of the Labour Organisation.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, wished to point out, with regard to the constitutional question, that the normal procedure in raising such a question was to lay it before the Assembly by means of a resolution.

Mme. KLUYVER (Netherlands) said that she had embodied her suggestion in a concrete form in the following resolution:

“ The Fourth Committee expresses the hope that, if in the future the International Labour Organisation decides to hold two Conferences in the course of the same year, the dates may, for reasons of economy, be so chosen that these Conferences may take place consecutively.”

M. COSIO (Uruguay) said that he agreed with the observations of the French delegate and would vote for the budget in its present form.

M. Albert THOMAS, Director of the International Labour Office, said that after the very long discussion that had taken place he would endeavour to reply without eloquence, in order to please M. Hambro, dispassionately, in order to please his friend M. Rappard, and as briefly as possible.

There was one point to which he wished to draw attention at the outset. He would suggest to those members who had invited the representatives of the International Labour Office to consider, in requesting credits, the reputation of the Labour Office in foreign countries, that this reputation was perhaps one of the most constant preoccupations of those representatives and that, when reminding them every moment that the reputation, the influence and the authority of the Labour Office might be compromised by its requests, they were speaking to men who were not wholly unaware of the fact.

M. Hambro had used as an argument the refusal of the communist workers of Norway, who had now been opposing the Labour Office for eight years, to vote for credits for the League. M. Thomas would set over against this attitude the continued sympathy and constant friendship of the twenty million organised workers who were represented at the Labour Office.

There was one other point on which he wished to reply to M. Hambro, for he would not discuss all the criticisms which M. Hambro had levelled against him. The Norwegian delegate had stated that he was ill prepared for a discussion of the budget, that the necessary documents had been wanting, that neither the report of the Supervisory Commission nor the statement by the Labour Office of the grounds on which its budget rested were adequate. He would remind M. Hambro of a certain fact. Until 1921, the Governing Body had considered that documents relating to the budget were usually of a somewhat private character, and had had them distributed only to its members. One country had pointed out that it would be well to distribute all those documents to the Governments. That country had been Norway. Since 1921, all documents had been distributed to the Governments every year, documents on the basis of which it was possible to form a judgment regarding the budget of the Labour Office. Since M. Hambro had wished to make a detailed criticism of the budget, he need only have asked the Norwegian Minister of Labour for the documents in question, since, in a well-organised Government, it would be easy to transmit them from one Ministry to another.

M. Thomas said that he did not wish to take up again the whole constitutional question. He would merely submit certain arguments and considerations by which the members of the Fourth Committee might profit.

The question was not a new one. It had arisen in 1920, and year after year it had been raised again. Hitherto, a policy had been followed which M. Adatci, reviving an expression

current at the time of the French revolution, had termed a " veiled policy " (*politique de voile*). Problems of this kind had not been placed before the Conference in all their nakedness, and it had been sought to discover what practical *modi vivendi* might be followed. Thus, year after year, without changing these methods and without changing its tradition, the Fourth Committee had requested explanations with regard to certain items of the budget, and had on the other hand made observations thereon and sometimes even effected reductions.

What had these reductions been ? M. Thomas would state the definite facts.

On the budget of 1921 there had been no reduction. On that of 1922 there had been a reduction of 445,675 francs. This reduction had been due to a decision of the Assembly, whereby an insertion of credits for the construction of the Labour Office was to be held over until the following year. This had been an important decision, the taking of which had obviously belonged to the Assembly. In 1923 there had been a reduction of 19,000 francs, mainly with regard to staff questions. In this case, as M. Thomas had pointed out in connection with several other cases, the question of the status of officials had led to intervention by the Fourth Committee. On the budget of 1924 there had been no reduction.

M. Thomas would interrupt his statement in order to point out to the delegate of the British Empire, who had argued, on behalf of his Government, that it was the League budget considered as a whole that had disquieted that Government and had led to a change of attitude on its part, that, whereas in the year 1924 there had been no reduction on the budget of the International Labour Office, there had been one of 1,500,000 francs on the budget of the Secretariat.

On the budget of 1925 there had been a reduction of 5,000 francs, under the item " Allowances ". There had been no reduction on the budgets of 1926, 1927 and 1928. Indeed, in the last-mentioned year, certain supplementary credits had been granted, in order to provide for special items that had been largely due to the initiative of the Fifth Committee. M. Thomas would add, moreover, that, since the policy of the International Labour Office was a constant one, and since he appeared before the Fourth Committee, not — he would repeat — as the irresponsible dictator of an organisation, but as the official who defended the decisions of its Governing Body, he had on that occasion resisted requests for certain credits. It had been suggested to him that he should take advantage of the existence of the Fourth Committee in order to obtain supplementary credits for purposes with regard to which the Governing Body was not agreed, and he had refused to enter on this path.

M. Thomas had made this statement regarding all the previous decisions of the Fourth Committee in order to show that that Committee had followed a constant practice. It had considered that the budget was submitted to it for its approval and that it might make alterations in that budget. It had, however, always taken care only to deal with the problems that were within the general competence of the League, leaving to the Governing Body, in accordance with the spirit of the resolution adopted at San Sebastian, the duty of laying down the general policy of the International Labour Office and taking the particular decisions that belonged to that Office.

M. Réveillaud had spoken of latin clarity, of French logic. M. Thomas had himself, however, like the members of the Fourth Committee, criticised a budget, for he had occupied a seat for ten years in the French Parliament. He also had often had occasion to appeal for logic. Was there, however, a single national budget, especially at the present day when so many exceptional offices had been created and so many external and autonomous institutions established, the responsibility for which did not, at certain times, rest with the governing body or, sometimes, with the director ?

M. Thomas would therefore ask the Committee whether it would not be possible not to dramatise the constitutional position too much, not to improvise, as Madame Kluyver had said, and to see whether, however vehement Mr. Hambro's criticism, and however exacting his demands with regard to certain items, the two bodies could not continue their present course of existence.

If this problem were referred to the First Committee, the result would be that Article 423 would be applied, and it would be necessary to revise one point in the article of the Treaty that had laid down the financial regulations. For such a revision, ratification by three-quarters of the Members States of the League, and by all the States Members of the Council, would be required. M. Thomas knew from personal experience what a protracted task that would be. He was convinced that if the best were made of the existing provisions, and if commonsense were used as in the past, good results would continue to be obtained from year to year.

There was, however, one point on which M. Thomas felt strongly. It was absolutely impossible for him to continue to face obscurity and uncertainty with regard to the decisions that would be taken on the budget. Mr. Locker-Lampson had explained that the attitude of his Government had changed on account of its reconsideration of the general position. M. Thomas would point out, however, that there had been an interval of only a few weeks between the distribution of the two budgets.

He had said at the previous meeting that it was only after preliminary negotiations that he drew up his budget. He wished to state before the Committee that when, after having consented to the reductions asked of him, he was informed by the representative of the British Government that that Government would regularly accept each year the figure in question, he was bound to ask in reply what assurance he could have that the representative of the British Government on the Fourth Committee would not dispute this figure. This year the British representative on the Governing Body had again accepted the figure, and once more it had been disputed. M. Thomas thought that he was justified in asking how he could continue to administer an institution like the Labour Office and undertake all kinds of negotiations with workers and Governments, if there was a danger that one of the main supports of his weakly constructed building might thus crumble at the moment when the Fourth Committee met.

M. Thomas was prepared to accept strict rules from the Assembly, but he would point out that he should be allowed to direct the year's work without any interruption, and to continue negotiations without any uncertainty as to the future. While accepting the resolution of the delegate of the Netherlands, he asked that the full importance of these rules should be realised, and also that no attempt should be made to improvise, which would, where constitutional matters were concerned, be extremely dangerous.

He would now deal with the request for the reduction of 27,000 francs. The delegate of the British Empire had appealed to him to make a *beau geste*. It was an appeal that always affected him. Much as he would like, however, to make a *beau geste* — and he had often made one before the Fourth Committee — this year it was impossible for him to do so. It was for the Fourth Committee to take a decision, but he would feel that he would be abusing not only the confidence of his Governing Body, but that he would also be betraying the interests of his organisation if he were to accept this reduction.

It was true that there were disadvantages in holding the Conferences at different periods of the year. He understood the reluctance of the British Dominions to send two separate delegations to Geneva. These disadvantages should not, however, be exaggerated. If the members of the delegations were passed in review, it should be noted that sometimes, prior to the session of the Conference, certain of them had been in London or elsewhere in Europe. Moreover, if the two Conferences were held consecutively, it would be necessary on account of the constitution of the Labour Office to have two series of technical advisers. Now, the seven or eight technical advisers who assisted the delegates to the general Conference and the advisers who assisted the delegates to the second Conference could not be the same persons. Further, it was possible that some of the delegates would remain for part of the session of the second Conference. The economy realised would not therefore be great.

M. Thomas wished to explain the reasons why the Governing Body had decided that on this occasion the Conferences should be held separately. In 1926, they had been held consecutively; the first had lasted a week, and the second seventeen days. The staff had been able, therefore, to meet the extra demands made. This year, owing to the agenda of the Conferences—agenda which M. Thomas did not control—there would be a very long general Conference and, in view of the importance of the problems that were to be taken up, it was probable that the second Conference would also be a long one. He had already adduced an argument of real importance, particularly in view of the time of year at which the Conferences were held, the argument that these Conferences entailed excessive exertion on the part of the staff of the Labour Office. It seemed that certain Members would not recognise the force of this argument, and held that the staff under his direction was quite capable of supporting the work of the Conferences for six or seven weeks. He would ask, however, what work the staff would be able to do at the end of that period. Six weeks' work of this kind was absolutely exhausting. If illness occurred and it became necessary to engage temporary officials, it might be doubted whether a real economy had been effected.

If, nevertheless, these were the only reasons for not holding the Conferences consecutively, M. Thomas would perhaps pledge his staff and make the *beau geste*.

There was, however, a more important reason. A serious political question was involved in this credit of 27,000 francs, a question that might seriously affect the Labour Organisation. M. Thomas had recalled how the shipowners and some of the seamen had felt such strong resentment at the idea that their votes had been in the minority that they had asked that the Permanent Court of International Justice should be requested to give an opinion on the question whether non-maritime Powers could take part in a Conference dealing with purely maritime questions. As certain members had pointed out, such a course was constitutionally impossible. M. Thomas had therefore endeavoured, in agreement with several members of the Governing Body, to allay these apprehensions by separating the two Conferences, with a view to restricting the representation at the second Conference to the maritime States properly so-called and to those States that attached particular importance to maritime questions.

This political question had been so serious that it had been the subject of discussion at three consecutive sessions of the Governing Body, and the British Government, which had opposed the separation of the two Conferences for reasons of economy, had, on this account, reversed its decision. The British Government had realised the difficulties of the Dominions; but, in reply to their reproaches and those of other overseas countries, the British representative had stated that, in view of the fact that it was clear that a refusal to grant the request of the shipowners and seamen might seriously compromise the success of the Conference, the British Government was divided between its desire to be loyal to the defence of the interests of overseas countries and its desire to be loyal to the defence of the interests of the Labour Organisation.

Thus the credit of 27,000 francs was bound up with the conclusion of a long and difficult political discussion which had filled employers, workers and Governments with anxiety. Now, however, at the moment when this conclusion had been reached, this political structure, which had been erected with so much difficulty, might, in the space of an hour, be razed to the ground, in which event M. Thomas would be confronted on the morrow with the refusal of the seamen's organisations to send representatives to the Maritime Conference.

This account really seemed to him to be symbolic of the discussions that had now been given their budgetary expression, and of the complexity of the International Labour Organisation. He would warn the Fourth Committee, without pride or presumption, that it should leave this budget untouched. Perhaps he would be able to satisfy its requests on certain points and allow

it to realise an economy of 1,000 or 2,000 francs, in order that it might exercise its rights. He thought that, if the budget were compared with that of the Secretariat, this amount might be considered ample. M. Hambro would perhaps consider such an economy a ridiculous one. He would point out, however, that economies were not ridiculous in proportion to their amount. It might be absolutely ridiculous to suppress a million francs in a budget.

In conclusion, M. Thomas said that he believed that the explanations he had given would make it possible for the Committee to do concrete and rational work in the interests both of the International Labour Organisation and of the League of Nations.

M. HAMBRO (Norway), in reply to a statement in M. Thomas' speech, pointed out that it had been not only the communists of Norway that had voted against credits for the League, but the Labour Party as a whole.

With regard to the question of the documents, he wished to ask whether any member of the Committee had had the opportunity of examining the budget in its various stages. Did any member know on how many items an increase had been proposed by M. Thomas and how many had been suppressed? It was not sufficient to inform delegates that M. Thomas or M. Osuský would be prepared to answer any questions that they wished to put.

M. Hambro said that, if the proposal of the delegate of the British Empire were rejected, he would vote in favour of the proposal of the delegate of the Netherlands.

The Right Honourable G. LOCKER-LAMPSON (British Empire) explained that he had not presented any formal proposal. He had merely expressed the hope that M. Thomas would be able to indicate some point on which economy might be realised. He had listened to M. Thomas' speech with close attention and he wished to assure M. Thomas that he did not want to add to his difficulties. He did not feel that this debate had been a fruitless one, for he believed that it would have good results on the budgets of future years.

Mr. Locker-Lampson said that he would support the proposal of the delegate of the Netherlands.

The CHAIRMAN put the draft resolution of the delegate of the Netherlands to the vote.

The draft resolution was adopted.

The CHAIRMAN then put Section I, Chapter I, of the budget to the vote.

M. HAMBRO (Norway) said that he would abstain from voting.

This chapter was adopted without amendment, 21 members voting in its favour and 1 abstaining.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, recalled that, in the previous year, a proposal for economy presented by the Supervisory Commission had very nearly been rejected by the Fourth Committee, and that certain officials had then said that, if some extra effort had been made, it might have been possible to obtain all that was desired from the Assembly, despite the Supervisory Commission. He trusted that after this discussion these officials would hold a different view with regard to the budget of the following year.

The Committee adjourned its examination of the remainder of the budget to the following meeting.

NINTH MEETING

Held on Tuesday, September 18th, 1928, at 3.30 p.m.

Chairman: M. DE VASCONCELLOS (Portugal).

58. Work of the Organisation on Communications and Transit: Communication from the Chairman of the Second Committee.

The following letter from the Chairman of the Second Committee was read:

" I have the honour to inform you that, in the course of its discussion on the work of the Organisation for Communications and Transit, the Second Committee took note of the information contained in the attached note relating to the budget of the Organisation for Communications and Transit.

" Without wishing to present suggestions to the Fourth Committee itself, it has directed its Vice-Chairman, M. Veverka, and two of its members, Dr. Breitscheid and M. Gliwic, to furnish all the information to the Fourth Committee that may appear advisable. "

59. **Opium and Child Welfare Questions: Communication from the Chairman of the Fifth Committee.**

The following letter from the Chairman of the Fifth Committee was read:

" I have the honour to notify you that, in accordance with the request of the Fourth Committee, the Fifth Committee has examined the possibility of reducing the expenditure, provided in the budget of the League of Nations for the year 1929, relating to the Advisory Committees on Opium and on Child Welfare. After having examined the matter, the Committee has directed me to inform you that it cannot propose reductions in the budget as voted by the aforementioned Committees and approved by the Supervisory Commission.

" The Fifth Committee has also examined the draft budget drawn up with a view to covering the expenses of the Central Board, which it is intended to establish under the terms of the Opium Convention of February 19th, 1925. The Fifth Committee has not proposed any reduction in this draft budget. "

60. **Detailed Examination of the Budgetary Estimates of the Secretariat and Special Organizations (continuation): Chapter III, Item 19; A: General Work of the Economic and Financial Organisation (1,359,045 gold francs) and B: Consequences of the General Economic Conference (375,000 gold francs).**

M. LOUCHEUR (France), representative of the Second Committee, said that that Committee had very seriously examined the economic situation. It had concluded that it would be necessary in 1929 to hold a Conference on sugar and another Conference on coal, and to continue its study of a certain number of subjects. It should therefore have come before the Fourth Committee with a request for a considerable increase in expenditure as compared with the budget that the Secretariat had prepared. Wishing, however, fully to take into account the justifiable anxieties of the Fourth Committee, it had endeavoured to discover what other economies might be realised and what undertakings might be adjourned.

For the Conferences on sugar and coal, it had thought that an increase of approximately 50,000 francs would be necessary; for the study of other subjects of primary importance, it had contemplated an increase in expenditure of some 80,000 francs. There would therefore be an increase of 130,000 francs on the total sum.

Happily, it had found one means of compensation in Chapter B, 3. It had appropriated an item of 40,000 francs which had been provided for industrial committees to the new work that M. Loucheur had just mentioned. It had considered that it would be able, without incurring any very great disadvantages, to adjourn the Diplomatic Conference on commercial policy and the Diplomatic Conference on veterinary regulations. Each of these Conferences would have entailed a new credit of 35,000 francs. Finally, it had adjourned the two sessions of the Committee of Experts on Customs Tariffs, for the expenditure of which a provision of 5,000 francs had been made.

Consequently, the reductions and the sums to be deducted as a result of adjournments amounted to a total of 125,000 francs, which reduced the increase requested to the sum of 5,000 francs.

The representatives of Finland and of certain other countries had, however, presented a resolution requesting that the alcohol problem should be studied, it being understood that that study would be pursued within due limits and that particular stress would be laid on the necessity of seeking to combat smuggling. Perhaps that study would not entail new expenditure, but the delegate of Finland had thought that it would probably be well to convene a meeting of experts who were specially competent on matters relating to the contraband problem. M. Loucheur thought that the most competent experts on this point were the smugglers themselves. Whether that was the case or not, it would perhaps be necessary to provide for a credit of 10,000 francs. The Secretariat estimates would therefore be increased at the most by 15,000 francs.

M. Loucheur wished to draw attention to the difficulty and the importance of the economic work. It might be said that the League had really taken up this work only in 1926. The International Economic Conference of 1927 had created new duties for it. There would certainly be great disappointment all over the world if it were known that there was a danger that anxieties relating to the budget, which were legitimate ones, might check the work of one of the departments that gave the most valuable results.

The Fourth Committee was not unaware, moreover, of the precautions that were taken before convening a Conference. It was the Economic Committee, and later the Council, which decided that these meetings should be held. The Economic Committee was composed of officials of high standing, each of whom shared the legitimate concern that the League's expenditure should not be increased unless it was absolutely necessary. There was therefore a double supervision, which should reassure the Fourth Committee. Moreover, each of the Conferences had concluded entirely successfully, and had been sanctioned by numerous ratifications.

It was on that account that M. Loucheur had agreed to come before the Committee to defend a branch of the League's work which greatly enhanced its reputation. He was sure that the Fourth Committee would understand that the League had entered on an extremely interesting path and that, while bearing in mind its legitimate preoccupation with regard to the budget, it would certainly give the League the means of continuing these activities.

The CHAIRMAN opened the general discussion. He pointed out that the Committee could not take a decision on the various items of the budget until those items had been examined individually.

M. PFLÜGL (Austria) pointed out that the financial position of the League was such that it would not be possible to contemplate undertaking all the branches of work that would be useful.

Nevertheless, according to the statements made by a large number of delegates at the International Economic Conference, the development of economic activities was a primary necessity.

On the other hand, the fear had also been expressed that this development might advance too rapidly. The grave responsibility of the technicians of the various branches of the Economic and Financial Organisation towards their countries and towards the League, together with the prudence that was necessary in so complicated a matter as that of commercial treaties, constituted a strong restraint. The expenses, moreover, were not great when compared with the results obtained. Thus, the two Conferences on hides, skins and bones had cost 9,000 francs. They had, however, resulted in an international Convention to which, at the present moment, twenty-seven States had acceded, and under the terms of which Switzerland had renounced Customs duties which were estimated at 300,000 francs; similarly, Austria had foregone Customs duties amounting to approximately 200,000 francs; and the Kingdom of the Serbs, Croats and Slovenes duties which would amount to 1,000,000 francs.

When the budget of the Economic Organisation was being examined, it must be borne in mind that the economic peace of the world was involved. M. Pflügl agreed with the French delegate that it would be rash to try to determine beforehand, even for budgetary purposes, the speed with which such activities should develop.

Dr. KAAS (Germany) said that the discussions in the Consultative Economic Committee, and in the Economic Committee, had led to results that could not yet be taken into account in the budgetary estimates. Those estimates should therefore be modified. Desiring to give wider practical application to the recommendations of the International Economic Conference, which had already produced happy results in certain spheres and which had been regarded with interest and hope by the whole world, the Economic Committee and the Second Committee had thought it advisable, after detailed examination, to propose an expert enquiry into certain groups of products, the investigation of which might yield particularly profitable results. In the first place, there were the problems relating to coal and sugar, work which was of great importance. In the opinion of Dr. Kaas it was very desirable to put an end to the disorganisation at present prevailing in the world coal market, and to reach an international agreement, while taking the various interests into account as fully as possible.

With regard to the sugar problem, the necessity of an international agreement had long been clear. A Convention on sugar had been concluded at Brussels and had expired a short time before the war. Every possible effort should be made to conclude a new agreement, in respect of both cane and beet sugar. This enquiry would, moreover, be in accordance with the recommendations of the Economic Conference to the effect that enquiries relating to industry and agriculture should be pursued on an entirely equal footing.

The other products that the Second Committee proposed as subjects for enquiry had not been chosen in an arbitrary manner, but after thorough examination, and because an enquiry with regard to them would be calculated to lead to a gradual reduction of Customs barriers.

The Economic Committee itself had taken into consideration the necessity of realising economies, since it had succeeded in drawing up a programme which would entail an increase of no more than 5,000 francs. The German delegation hoped that the Fourth Committee would grant these credits.

M. PROCOPÉ (Finland) thought that the League should work, on the one hand, for the assurance of peace in the full sense of the word and, on the other hand, for the assurance of economic peace on which the former depended. It would be false economy to place obstacles in the way of the study relating to coal and sugar, or of the study relating to wood and its derivatives.

With regard to the request for a credit for examination of the anti-alcohol problem, he recalled that that problem had appeared on the agenda of several sessions of the Assembly. The Second Committee had unanimously reached a compromise by which a programme of work had been drawn up which would be carried out by the Health Organisation and the Economic Committee. It requested a credit of 10,000 francs to cover the expenses of a meeting of experts on the contraband problem. Obviously, the smugglers would have the greatest number of qualifications, but their collaboration would be too expensive. Finland was prepared to meet the expenses of its experts itself, but possibly other countries could not do the same. M. Procopé hoped that the Fourth Committee would grant this credit.

M. HAMBRO (Norway) pointed out that the Committee was extremely timid. Every day it was told that its treatment of a particular item of expenditure should differ from its treatment of the other items. In the preceding year, it had been asked to vote 160,000 francs for the work arising from the Economic Conference, and it was now asked for 15,000 francs for a special enquiry. He would remind the Committee that Item 19 of the budget included the sum of 40,000 francs for unforeseen expenditure. In his opinion, the 15,000 francs in question might be charged to that heading.

M. RAPPARD (Switzerland) thought that the economic sphere was one in which the League had worked with the most brilliant success. He wished to render a tribute, on behalf of the Swiss Government, to the happy achievements of the Economic Organisation.

Switzerland was particularly interested in the creation of economic peace in the world, and in the harmonious development of commercial relations between States. It consumed a great deal of coal and did not, it is true, produce any; but it was glad to see the League working for the solution of a problem which was of general importance, though it was a source of particular anxiety to coal-producing countries.

The marked successes of the League in the economic sphere were due to the need for economic reorganisation in Europe, a need which was very intense in the period following the war; but it was

also due to the remarkable quality of the work of the Economic Section. In the future, Sir Arthur Salter would be recognised as one of the real rebuilders of Europe at peace. M. Rappard wished also to pay a very sincere tribute to the remarkable scientific standard of all the work of the Economic Section of the Secretariat, which was due to the intelligence and industry of Mr. Loveday and of his collaborators.

The nationals of small States would note with particular satisfaction that probably the number of the nationals of their respective countries was greater in the Economic Section than in any other Section of the Secretariat. There were eleven such members among the sixteen permanent members of the Section. This observation was all the more disinterested since those members did not include a Swiss.

It was not only the composition of the Section but the object of its work which made the spirit in which that work was pursued a distinctly international one. That spirit was also one of absolute sincerity and economic realism which subordinated everything to the obtaining of actual results. Finally, that spirit showed an anxiety to effect economies which was more real than apparent, in that those who drew up the budget had never endeavoured to present as low figures as possible, but year after year the Section and the organisations dependent on it reimbursed to the Treasury of the League the sums that had not been spent.

In conclusion, M. Rappard said that he hoped that the Fourth Committee would unanimously approve the proposals that had been submitted and would thus encourage in the most efficacious manner those excellent peacemakers, the members of the Economic Organisation.

Sir Arthur SALTER wished to refer to the question that had been raised concerning the increased expenditure in 1927. He pointed out that a Conference had never been held before of exactly the same kind as the Economic Conference. At present the budgetary estimates, which had been drawn up for the work arising from that Conference, were intended for a task which was far more within the sphere of the regular activities of the Section. As far as might be judged from the experience of the present year, there was no reason to expect an excessive expenditure similar to that to which the attention of the Committee had been drawn.

With regard to the question of unforeseen expenditure, he hoped that M. Hambro would wait for his reply until after that question had been discussed.

He warmly thanked M. Rappard for his praises, which should extend to the Economic Section as a whole.

The CHAIRMAN said that the Fourth Committee would examine later the proposals that M. Loucheur had just submitted to it on behalf of the Sub-Committee of the Second Committee.

61. **Detailed Examination of the Budgetary Estimates of the International Labour Organisation for the tenth financial period (1929) (continuation): Chapter I, Item 2: Sessions of the Governing Body (95,000 Swiss francs).**

Item 2 was adopted without amendment.

62. **Chapter I, Item 2 (a): Unforeseen Expenses relating to the Governing Body and the Conference (8,000 Swiss francs).**

Item 2 (a) was adopted without amendment.

63. **Chapter II, Item 3 (a): Salaries diminished by Reductions due to Fall in Cost of Living (5,291,655 Swiss francs).**

Mr. Yusuf ALI (India) said that his delegation, having carefully considered the tenor and nature of the previous discussion on the two Conferences, was of opinion that a similar discussion on the much more important subject of salaries would serve no useful purpose. He would therefore confine himself to making the following statement:

When the question of the creation of new posts was raised before the Governing Body of the International Labour Office, the representative of India had presented the following resolution:

“ That, in view of the extraordinary expenditure to be incurred in 1929 on account of the special Maritime Conference, the creation of new posts be postponed so far as possible, and that, in addition to the reductions made by the Finance Committee in the Office proposals for the budget for 1929, there should be a further reduction of 150,000 francs under the heading of creation of new posts. ”

Seven members had voted in favour of this resolution, fifteen had opposed it and two had abstained from voting. The resolution had been presented with the definite object that the Indian delegation to the Assembly should have entire freedom of action when the estimates were submitted to the Fourth Committee and the Assembly. This fact acquitted the Indian delegation from any charge of inconsistency if it now voted against this credit; it also showed that it was the opinion of that delegation, not only here but on the Governing Body of the International Labour Organisation, that the authority of the Assembly in these matters was not only theoretical but real.

Whatever attitude the other members of the Committee might adopt, the Indian delegation reserved its freedom of action to raise at a later date in the Assembly the question of the creation of some or of all of the seventeen new posts, and to adopt any attitude that it should deem necessary in this matter. The Indian delegation was not satisfied, and it did not think that it would be possible to maintain that the creation of all these posts was necessitated solely by the requirements of the work of the International Labour Office, although such a necessity was, in its opinion, the

only reason which could justify the grant of the credits required. Mr. Yusuf Ali therefore opposed these credits and said that, if the question were put to the vote, he would vote against them.

M. HAMBRO (Norway) associated himself with this statement. The staff of the International Labour Office was not sufficiently international to satisfy a great number of the States Members of the League. From this point of view, it was less satisfactory than that of the Secretariat. The number of officials belonging to the same nationality as the Director was much greater, and, so far as could be judged, it did not bear a proportion to any real need. There were ninety-five French officials, seventy-three British ones and, leaving Switzerland out of consideration, eighty-five belonging to other nationalities.

It was much more difficult to change the situation in the Office than elsewhere, for the contracts were for twenty-one or twenty-eight years. He felt that M. Albert Thomas had made use of this position so that a less favourable atmosphere for the creation of new posts had been created. According to the annex to the staff list, it appeared that there had been only three resignations since the preceding year. That fact seemed to indicate that the conditions of work were not so bad as M. Albert Thomas seemed to wish to make the Committee believe. Further, M. Hambro had been pained to notice that, on every occasion when M. Albert Thomas mentioned these questions, he did so in a spirit of jealousy towards the Secretariat, and that he always made comparisons between the two organisations. Such comparisons should be avoided in any discussion. The tasks of the two institutions could not be compared, except as regards the work of the lowest grades. He admitted that M. Albert Thomas might have several good reasons for thinking that many delegates were simple-minded and credulous. One fact, however, was certain. The Secretariat had realised appreciable economies on its estimates, whereas the International Labour Office had spent more than had been voted. M. Albert Thomas explained this fact by stating that all those estimates had been so minutely drawn up that it was no longer possible to make the slightest reduction in them, whereas the budget of the Secretariat had great elasticity. M. Hambro trusted that M. Albert Thomas would not suppose that there would be no member of the Committee who might come to different conclusions.

The Committee had adopted a resolution requesting the revision of the Staff Regulations. It was therefore neither practical nor logical to appoint a large number of new members to the staff, giving them contracts for twenty-one or twenty-eight years, at a time when the regulations were about to be revised and the questions that had been raised concerning promotion, the various nationalities, etc., were about to be examined. M. Albert Thomas had stated that his Chiefs of Division had claimed sixty new posts and that that figure had been reduced to twenty-seven by the Governing Body, and to seventeen by the Supervisory Commission. It was surprising that anyone could ask for sixty new posts at the moment. In Norway, in the course of the last year, it had been necessary to discharge between 2,000 and 3,000 officials, because the number was out of proportion to the budget. Other countries had been obliged to make large cuts in the civil and military services and to discharge thousands of persons. The Assembly, however, was now requested to create a certain number of new posts at the International Labour Office. M. Hambro had not been convinced by M. Albert Thomas' arguments, for the speech of the Director of the International Labour Office was a speech that might be made any year, and on each occasion that any member asked for a reduction of the budget.

M. Albert THOMAS, Director of the International Labour Office, said that he might make the same observations with regard to M. Hambro's speech.

M. HAMBRO (Norway) wished to revert to the case of one of the officials. It was proposed that a post of Chief of Division should be created. The Supervisory Commission, to which the creation of that post had been proposed on six occasions, had agreed to insert a credit for it in the budget only in the present year. It was well known that heads of administrations always expected the responsible bodies to reduce their budgetary estimates, and so increased them by 20, 40, or 80 per cent so as to have a margin. This was the impression that M. Hambro had received from the budget of the International Labour Office. He had not seen the first draft, but if everything had been in the same proportion as these sixty posts that had been reduced to seventeen, it must have been a large one.

He was not very moved by the argument that if the budget were to be reduced the workers of the whole world would be disappointed. The same argument might be adduced in the case, for instance, of disarmament. In Norway, even the workers were asking for economies. In view of the fact that expenditure was being curtailed at present in all quarters, they would not understand any more than anyone else the need for creating new posts.

M. Hambro said that he would vote against the creation of the seventeen posts. There was a feeling in several countries that sometimes new posts were created in order to satisfy certain nations which had not as many officials on the staff of the International Labour Office as they should have if the number of those officials were to be in proportion to their interests in that Organisation and to their participation in its work.

In conclusion, M. Hambro said that he did not intend to support a single appointment. He hoped very much that by taking up this attitude he would obtain results.

He felt that the Fourth Committee intended to vote the budget before it without taking into account its size or the criticisms that had been raised. He knew that M. Albert Thomas, that vigorous and formidable fighter, would understand him when he said in the words of Rostand: "One does not always fight with the hope of being victorious. The finest fight is the useless fight."

Mme. KLUYVER (Netherlands) said that her delegation was prepared to accept the budget in its present form. She only made a reservation with regard to the post of Chief of Division. After the observations of a political kind that had just been made, she would like the Director

of the International Labour Office to give some technical explanations on the utility of that post, for it was difficult to see how it was absolutely necessary to create a post of Chief of Division in order to unite two sections which had hitherto worked separately. If the explanations given did not allay her anxiety regarding this matter, she would ask that a separate vote should be taken on the creation of new posts and on that of the post of Chief of Division.

The CHAIRMAN said that he had intended to do this.

M. Albert THOMAS, Director of the International Labour Office, would observe in the first place that M. Hambro had stated that his own efforts appeared to him to be useless, and he had invited M. Thomas not to continue a useless battle. In these circumstances, he did not think it necessary to speak at length, and all the more so since M. Hambro had reproached him with making the same speech every year and adducing the same arguments irrespective of the point at issue.

M. Albert Thomas thought he might make the same reproach to M. Hambro, who was condemning him to repeat on two occasions in the Committee the same facts relating to the points that had been raised, since he had already given all the necessary explanations. Nevertheless, despite the statements that had been made on the previous day, it was his earnest desire that all the members of the Committee who would vote on an item in the budget might do so with a perfectly quiet conscience and with the certain knowledge that they were not voting a useless credit.

M. Albert Thomas had been reproached with having a very large proportion of Frenchmen in the International Labour Office. There were ninety-five Frenchmen, seventy-three British — the Dominion representatives, however, should be added in order to re-establish the balance — and, on the other hand, eighty-five representatives of various other nationalities, leaving Switzerland out of account.

These proportions were correct, and had been the same for some time — almost since the beginning. They dated from the moment when it had been necessary to constitute the International Labour Office under circumstances with which the Committee was perhaps familiar, to recruit hastily in London, on account of a Conference which was to be held immediately, officials speaking French and English, and to begin at once to carry out the mission entrusted the Office. During the past seven years it would have been possible to have made a certain number of changes in the staff — not on the initiative of the Office itself but in virtue of a decision of the Organisation and of the Enquiry Committee of 1921 and in virtue of a vote of the Assembly. It was not for him, however, to make such changes. The staff of the International Labour Office had contracts of twenty-one or twenty-eight years. In these circumstances the changes that might be made, as a result of dismissal or resignation, were much more difficult than they could ever be in the case of the Secretariat.

Reference had been made to all the cuts that it had been possible to make in public administrations, civil or military, in a certain number of countries. M. Thomas recognised that those cuts had been made, but there had existed in those countries quite an exceptional plethora, due to the special circumstances during the war and the period after the war. He hoped that the Committee would not ask for the same operation to be undertaken as regards organisations which were yet young, and which could not cope with all the tasks that had been entrusted to them. Such an operation would cost much.

To what had M. Thomas been reduced? To seeking, in every circumstance, to replace a French or British official by an official of another country. He had endeavoured to do so. He would recall that in 1926 thirty-one nations had been represented on the staff, while in 1928 thirty-five were so represented. He would add that certain countries which formerly had been represented by five or six persons were at present represented by seventeen or eighteen.

M. Thomas had been asked, however, to intensify the effort he was making. This he was endeavouring to do. He had been asked at a previous meeting to pledge himself, as the Secretary-General had done — the latter could, however, take such a pledge more easily — to replace by an official of another nationality any Frenchman or Englishman who might leave the staff.

M. Thomas could not give such an undertaking, for he would be unable to keep it.

Recently, an important representative, the Chief of the Statistical Service, had left the Office. An international competition had been opened. The competitors would include not only members of the Office or of the University of Geneva but also representatives of four great statistical services of Western Europe. If the international jury accorded the first place to a Frenchman, M. Thomas would accept him. The Peace Treaty laid down that account must be taken of the various nationalities, but it also stated that competence was the first consideration.

Similarly, M. Thomas was called upon to choose the holder of an extremely delicate post, the Chief of the Service of Labour Relations, who must have the confidence of the labour organisations. Of what nationality would he be — German, English, Irish? The Committee could be reassured. There was no French candidate at present, but in any case he would choose the man who could satisfy him most fully that he possessed a qualification which it was difficult to find in the labour world, namely, knowledge of the three or four languages which were indispensable for those relations, and that he had the confidence of his former comrades.

In these circumstances, M. Thomas could not, if he had the security and the development of his organisation at heart, take a pledge such as the one he had been asked at a previous meeting to take.

Whether the new posts were created or not, M. Thomas would endeavour, as before, to obtain representatives of countries that were not yet represented in the Labour Office, while seeking as far as possible also to appoint representatives of those countries whose representation, having regard to the question of language, the activities of the International Labour Office and the

development of social action, seemed very desirable. Such was the policy he could follow with regard to the staff.

He had been suspected of trying to take advantage of the position in order to increase the number of posts. He had been suspected, in asking for new posts, of making use of the ambitions and claims of a certain group of countries. The sally that he had made in his speech last Saturday had given rise to the belief that he was making a confession on this point.

On the contrary, he had said that it had sometimes been possible through the ambitions and desires of a certain number of countries, when a vote had been taken, to soften some hard hearts. This was the only consideration he had ventured to advance when he had come before the Supervisory Commission, and when it had asked the same questions as had been asked in the Committee. When he was giving the information which had been desired regarding the new posts, he had given the following assurance to the Supervisory Commission which had recorded it in its report:

“ As regards the new posts, the Director of the International Labour Office emphasised that political considerations had never been the dominating factor; all increases corresponded to requirements which undoubtedly existed and to desires expressed by the Conference or the Governing Body. ”

Before examining the different posts and giving the explanations for which he had been asked, M. Thomas wished to dispel a reproach, which he had felt during the whole of the discussion. At a previous meeting, he had allowed himself to be led into a comparison between the position of the staff in the two organisations, and even to say that the International Labour Office was sometimes treated as a poor relation.

He would point out that he had not caused that discussion; he would not have ventured to discuss such a point in the Fourth Committee if M. Hambro had not endeavoured to show that the International Labour Office was specially favoured, for it was he who had raised the questions both of the holidays and of the Staff Regulations of the Office. Since M. Hambro had raised these matters, M. Thomas had said that he was particularly glad this was so. A revision of the Staff Regulations could only benefit the staff. When that revision was undertaken, M. Thomas would only endeavour to show in disproof of certain preconceived ideas that specialisation in the International Labour Office was almost as strong as in the Secretariat.

He could not admit the absence of specialisation. The staff of the Office was not interchangeable; he could no more transfer an engineer whose subject was industrial security into the Industrial Health Section than he could transfer a specialist in social insurance, if one were granted him, to another post.

These were the circumstances which had made him feel it his duty to deny the unjust reproach that the Office was jealous of the Secretariat. No such feeling existed. The two offices worked each day in full collaboration and in full confidence.

Finally, M. Thomas wished to draw attention to the fact that, even in the present discussion, the Secretariat had been shown to be in a much more easy position than the Office. The Secretariat, its application being supported by a French Minister speaking on behalf on the Second Committee before the Fourth Committee, after having had its budget curtailed in a certain number of chapters, had been granted, on account of the urgency of economic problems, 5,000 francs more than it asked in the original budget. In these circumstances, M. Thomas was quite justified in saying that the problem of industrial peace or the problem of social justice should be treated with the same breadth of view, and the same generosity, as the problem of economic peace, the needs of which have just been pleaded.

M. Thomas had not forgotten the freedom of action which the Indian representative on the Governing Body had reserved for himself. He had not mentioned any necessity of reopening the discussion in the Fourth Committee. He did not even refer to the Fourth Committee in his speech. M. Thomas noted, however, that the policy of the Government of India had not changed, and that the Indian delegate had at the present meeting re-stated the exact observations made by Sir Atul Chatterjee before the Governing Body. M. Yusuf Ali had pointed out that the resolution on this point had been rejected in the Governing Body by fifteen votes as against seven votes in its favour with two abstentions. M. Thomas did not propose to give details regarding the votes. He would merely say that, side by side with the Governments, there were to be found, in particular the representatives of a group that always endeavoured to restrain the activities of the Office, namely, the employers group.

The Fourth Committee had said that it could not satisfy all the new needs of the Office at once, but that it would grant a sum of 150,000 francs, by means of which it would at least be possible to create a certain number of posts. He would ask, Which posts? Was the Fourth Committee now going to take a decision on this point? In virtue of his responsibility as Director of the International Labour Office, he estimated the urgency of a certain number of requests. He could assure the Committee that a specialist on insurance matters and even a Chief of Division, had often appeared to him to be more urgently necessary than a Correspondence Office in India, although he did not regret the creation of that office.

He would now justify again the new posts for which he had asked, although he had already done this.

In the first place, he would recall that the Chiefs of Division, who formed their estimates on their daily needs, had asked him for sixty new posts. It was not the Supervisory Commission which had suppressed a large number of them, but he himself. He had realised well enough what the States would be disposed to give and had only asked for twenty-seven posts. He had made that proposal to the Governing Body which, after discussing it, had stated that it was not prepared to go so far during the present year. It had asked him to sacrifice the posts which he thought

less urgent, and at the end of the discussion the Governing Body had accepted the seventeen posts he had finally suggested.

In this connection, he would make an observation on a point of phraseology. For four days the words had constantly been heard: " M. Albert Thomas proposes, M. Albert Thomas disposes ". He wished to point out, not for the first time, that it was his duty to defend before the Fourth Committee the resolutions submitted, after a fortnight's discussion, by the Budget Committee and the Governing Body.

The Governing Body, which cut down the budget and which acted with severity, had retained seventeen posts. He had pointed out, at a previous meeting, what posts these were. Since it seemed necessary to do so, he would deal with them once more, keeping until the last the post of Chief of Division, on which the delegate of the Netherlands had asked for a separate vote.

In the first place, he asked for a post of specialist in the Division of Research Work in Social Insurance entailing expenditure amounting to 19,000 francs. Incidentally, he would venture to point out that this specialist will be badly paid, for the sum in question would not be sufficient for a really qualified expert in Switzerland or in any other country. The experience of the previous year in the work of insurance against sickness had led him to ask for the creation of this post.

It was also proposed to create a post entailing a sum of 19,000 francs, in the Diplomatic Division, to deal with native labour. He had pointed out at an earlier meeting that for two or three years a wide enquiry had been made into the conditions of labour in Asiatic countries, that it had been undertaken for the most part by officials of the Office, but that one gap needed to be filled. In the case of the Netherlands Indies, the information obtained from outside and the temporary collaboration which had hitherto been employed was insufficient, and it was necessary to appoint not only an official who knew Dutch, but someone belonging to the country itself.

In the Diplomatic Division, also, it was hoped to create a post in connection with the emigration service. He had already pointed out that, in view of new circumstances, the institution in Italy of a Conference of emigration countries, the meeting of the Havana Conference and the resolutions adopted by it, the constitution of the federation of private organisations for emigration, and, finally, the recent decisions of the Labour Conferences, it had for two years past been absolutely necessary to increase the strength of the small service at present at the disposal of the Office.

He was also asking for the creation in the Diplomatic Division of a post of Member of Section B for the work on ratifications. Those ratifications were not so numerous as M. Hambro and M. Rappard desired. M. Thomas did not wish, however, to reopen the discussion on this point. There was, nevertheless, a sufficient number of ratifications to make it impossible for the present service to cope any longer with the work of keeping in order all the correspondence on ratifications and of urging Governments to ratify the Conventions.

As regards the Research Division (legislative series), he had pointed out that the work of the Service for translating and editing social laws had so increased during the last years that, instead of it being possible to publish only two volumes, there was now sufficient material to fill three large ones, since the States were asking that the laws should be published in three languages and as completely as possible, these laws being used as a model and constituting the documentation for new laws to be promulgated. The small service at his disposal was overwhelmed by this task. It was even being asked now to publish not only laws and decrees but also the most important jurisprudence. It was impossible to continue this work under existing conditions, which was already eighteen months behind. The situation would become critical if the indispensable means for carrying on the work were not granted.

M. Thomas would pass next to the editing section (translators). He was asking for an auxiliary Member of Section in the Diplomatic Division to assist in the work incumbent on the Office under Article 408. Now that 325 ratifications had been received, the various countries sent every year a long report regarding each Convention which had been ratified, a report which had to be analysed. As the years passed by, the ratifications became more numerous, and instead of there being two or three reports as had been the case in the first year there were now about 300. It was impossible to make the comparative statement and to translate it into a certain number of languages without the necessary staff.

In connection with the Division on Labour Relations, the workers' service was tending to develop. For many years the workers' organisations had not been in contact with the Office, but questions relating to them were now appearing on the agenda of the Conference. M. Thomas had gone no further than this in the explanations that he had previously given, and had contented himself with giving general explanations on the last points. He did not wish again to draw a comparison with the neighbouring institutions. He would only make use of a statement made some years ago in the report of a representative of the British Treasury. That statement had been to the effect that the Office was deplorably equipped in so far as its minor staff was concerned. Since then the situation had not improved. The proportion between the editors, who were entrusted with the direction of a service, and the officials who were known in former days as *expédientaires*, the stenographers, the clerks, the secretaries, was not what it should be. In view of these circumstances, the Governing Body had granted me the various posts which constituted the last part of the list.

If the Committee did not fulfil his hopes, if it demanded the suppression of some posts, if it said to him in an arbitrary manner that it could grant certain credits from which he must meet the needs of the Office, and if it were necessary for him to make a choice, he would begin with the lowest grades, because the daily work of the Office was now suffering.

He would now pass to the highest post for which he had asked, namely, that of Chief of Division. For six years he had refrained from bringing this request before the Supervisory Commission. This was the first time that he had decided formally to present it to the Governing Body; that Body had approved it, for certain reasons which M. Thomas would explain immediately.

He had asked for a Chief of Division in order to unite under one control the two autonomous sections that had been directed by Mr. Butler and himself since the origin of the office, or, rather, since its reorganisation in 1923.

He had asked for this post, in the first place, in order to establish more complete co-ordination between the two services which included all the financial activities of the Office. He had asked for it in order to give to the responsible Chief of Service of this administrative group the authority that he might require in respect to the other Chiefs of Division. The British Government had felt the force of this argument. It had been impressed by the thought that, in order to lay down, on behalf of the Directorate, certain financial rules for other Divisions, and in order to play the part of the Fourth Committee in respect of the other Divisions, it was necessary to confer at least equal authority on one person.

M. Thomas had already pointed out that this reason had not been the decisive one for him. He had already given the decisive reason so far as he was concerned. For several years the Office had become unwieldy; its activities had been extended from year to year. At the beginning, the Deputy Director, Mr. Butler, had had direct supervision over the whole Office. Year after year, however, he had himself become more and more occupied by what might be called the political activities of the Office, the general direction of the Organisation. He had thus become more and more absorbed, and they had both felt that greater control should be exercised in their name.

He did not know what new proportion he would endeavour to set up, following M. Hambro's advice, between the various nationalities when the new posts were created. One thing he knew well, however; when appearing before the Governing Body, the Supervisory Commission and the Fourth Committee, he had never had more than one means of defending these posts, which was to say that they were urgently necessary for the future of the Office.

Nevertheless, there was one statement that he wished to make before the Fourth Committee. Much had been said of the youth of the institutions of the League, of their work that had been hardly begun, was, indeed, hardly established. M. Thomas hoped that one day it would be realised, from figures and from the daily activities of the Office, what a considerable development had been achieved in the course of seven years. He should like it to be realised how, one by one, countries which had ignored the Office, which had not wished to know anything of social policy, had entered into relations with it, had begun to ratify the Conventions, and had introduced social legislation regarding which they constantly requested information, figures and enquiries from various States. Since, moreover, the Fourth Committee had spoken of economies, he would like it to be realised that each of the posts included in the budget yielded a good and solid return. He felt he was justified in saying this in view of the enquiries and the close examination to which the Office was subjected every year by the Governing Body. If the Office was not doing everything possible in regard to social policy, he would ask the Fourth Committee not to cause it any additional embarrassment, but to ensure its development by granting the few posts requested under the present chapter of the budget.

M. HAMBRO (Norway) recognised that competence should be the sole criterion for promotion; if, after competition, a person of French nationality or of any other nationality appeared to be the best qualified, he recognised that it was the duty of M. Albert Thomas to appoint that person. He hoped that the principle of free competition would be applied in every possible occasion, for that principle removed all grounds for complaint.

He was not convinced — he did not suppose that M. Albert Thomas would expect him to be so — of the necessity for the new posts that were asked.

He would be satisfied with pointing out that M. Albert Thomas had misunderstood his observations. He had by no means spoken of useless speeches, but had only quoted from memory, and, imperfectly, a passage from Rostand on the beauty of useless combats engaged in without hope of victory.

The CHAIRMAN first put to the vote the proposal for the total suppression of the credit of 219,900 francs.

This proposal was rejected by 24 votes to 4.

He then put to the vote the proposal for reducing this credit by 150,000 francs.

This proposal was rejected by 21 votes to 3.

Finally, the Chairman put to the vote the proposal for suppressing the credit of 38,500 francs (new post of Chief of Division).

This proposal was rejected by 16 votes to 10.

M. HAMBRO (Norway) suggested that those appointed to the new posts should only receive a temporary contract, valid until such time as the Staff Regulations had been revised.

M. ALBERT THOMAS, Director of the International Labour Office, explained that this procedure would be difficult. It would hinder him in the recruitment of his staff, for it was difficult to induce a qualified official to leave a post in his own country in order to accept a temporary and uncertain one abroad.

M. HAMBRO (Norway) replied that what he wished was that the contracts should be drawn up subject to possible modifications by the Committee entrusted with the revision of the Regulations.

M. ALBERT THOMAS, Director of the International Labour Office, said that he had no objection to the insertion of such a clause. After the difficult transactions imposed on him in 1923, when the International Labour Office was being reorganised, he had drafted an article which specified that

modifications voted by the Assembly should be inserted in the contracts. However, in order to be fully safeguarded, he asked that he should be allowed to examine this question with the Supervisory Commission.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, thought that such a reservation would be expedient. The various consequences of this proposal should, however, be studied, and particularly from the point of view of the Administrative Tribunal of the League.

M. HAMBRO (Norway) agreed.

Mr. YUSUF ALI (India) reserved his right to raise before the Assembly the question that he had presented.

Item 3 (a) was adopted without amendment.

All the remaining items of the budget were adopted without amendment, with the exception of Chapter II (a) (Extraordinary and Temporary Expenditure), which was reserved until the Fifth Committee had taken a decision.

TENTH MEETING

Held on Wednesday, September 19th, 1928, at 3.30 p.m.

Chairman: M. DE VASCONCELLOS (Portugal).

64. Cost of Living and Adjustment of Salaries: Report of the Supervisory Commission.

The CHAIRMAN opened the discussion of Section I (Cost of Living and Adjustment of Salaries) of the report of the Supervisory Commission on the work of its twenty-ninth session (Annex 4).

M. RAPPARD (Switzerland) said that he did not wish to deal with the substance of the question, but only wished to explain why the statistics drawn up by the League and those issued by the Federal services were not consistent. To begin with he pointed out that the statistics drawn up by the organisations of the League that had been directed to estimate the fluctuations in the cost of living had been established without the collaboration of Swiss specialists.

There were three principal reasons for the discrepancies. In the first place, the index of the cost of living published in Swiss newspapers showed the average fluctuations in the cost of living in the whole of the Swiss Confederation. The statistics established by the League only related to Geneva, where the cost of living was less than in the rest of Switzerland. Secondly, the Swiss index had been established on the basis of four component parts — food, lodging, fuel and clothing. Three of those component parts had been preserved by the League statisticians, who had replaced the component part relating to "clothing" by that relating to "domestic wages". There had been an appreciable decrease in the cost of clothing during the period in which the investigation had been undertaken, whereas there had been an increase in the wages of domestics. Finally, the respective importance attached to those component parts differed in the two systems. The Swiss index attached particular importance to food, whereas the statisticians of the League had given lodgings a particularly high coefficient. There had been a fall in the price of food between 1921 and 1926, whilst the price of lodgings in Geneva had increased by 33 % in that period.

M. Rappard concluded that to accept the correctness of the League's figures would not imply that the figures drawn up by the Swiss statisticians were not valid, and *vice versa*.

M. VON KNORRE (Germany) said that the German delegation fully associated itself with the conclusions of the Supervisory Commission. In view of the relatively small number of officials concerned and the considerable differences in salaries, which varied between 6,000 and 100,000 francs, M. von Knorre agreed with the Supervisory Commission that it would be difficult, if not impossible, to determine the variable portion of the salaries uniformly and in a manner which all those concerned might regard as just.

On the other hand, the Swiss statistics were based on different component parts from those that should be considered in the case of the officials. The minor staff of the League, who would especially benefit from a change in the present system, generally lived *en pension* or in an hotel, and the bases for an estimate could not be the same in their case as in the case of persons living in a flat.

Attention had been drawn to two methods by which this system might be improved. The first method would be to establish a new manner of calculating in the determination of the index of the variable portion of the salary. The second would be to stabilise salaries. M. von Knorre said that he was in favour of the latter method, which would be more in accordance with the desire expressed by the officials themselves. Moreover, the certainty this method would give them of receiving a fixed salary for a certain number of years was a psychological factor of primary importance for the officials' welfare. Further, there was no longer any danger of appreciable variations in the cost of living, since the economic and monetary position in Switzerland had been stabilised.

M. von Knorre said that he entirely approved the conclusions of the Supervisory Commission.

M. TUMEDEI (Italy) entirely agreed with the German delegate. He laid stress on the fact that, on account of the insufficiency of the Fourth Committee's information, the officials of the international organisations had experienced a considerable loss in the course of the last years. Statistics had shown that the cost of living had gradually increased since 1921. M. Tumedei

said that he was not in favour of a sliding scale of salaries. The discrepancies between the results obtained by the two statistical methods employed, discrepancies to which M. Rappard had drawn attention, clearly showed the disadvantages of such a system.

The Italian delegate said that he was therefore in favour of the stabilisation of salaries on the basis of the 1921 rates and that he was opposed to further examination of the subject. The League should adopt this reform, if only in recognition of the work of its staff.

Section I of the Report of the Supervisory Commission on the work of its twenty-ninth session was adopted, together with its conclusions.

[M. de Vasconcellos being obliged to attend a meeting of the General Committee of the Assembly, the Chair was taken in his absence by M. DE MODZELEWSKI (Poland), Vice-Chairman.]

65. Publications of the League of Nations : Report of the Supervisory Commission.

M. HAMBRO (Norway) said that he had already had occasion to draw the Fourth Committee's attention to the necessity of printing the publications of the League in a more attractive form. The Supervisory Commission proposed in the report which was now before the Fourth Committee (Annex 7) that economy should be realised in the quality of the paper of these publications. The paper used for the handbooks of the Information Section was already of very poor quality, and, since those handbooks were so badly presented, no one would think of having them bound in order to preserve them in a library. This was not so in the case of, for example, the publications of the Permanent Court of International Justice. The Norwegian delegate would be pleased if the Information Section would examine whether it would be possible to improve its publications. He suggested that the services of a technical expert might be obtained, if the Section should need this assistance. It would appear that the printing of the handbooks might also be improved.

M. RÉVEILLAUD (France) said that he entirely disagreed with M. Hambro on this point. Throughout its existence, the Supervisory Commission had endeavoured to realise economies on the costs of publication. Hitherto no one had complained that either the International Labour Office or the Secretariat of the League had realised excessive economies in their publications. He would be more inclined to express a desire that the Secretariat should reduce its costs of publication.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, added that the proposal of the Supervisory Commission that economies should be realised in the paper used for publications had been made subsequent upon recommendations expressed by the Fourth Committee itself.

M. HAMBRO (Norway) pointed out that his suggestion would not involve an increase of expenditure. He had only raised the question whether it would not be worth while to place on sale books and pamphlets in an attractive form instead of endeavouring to sell off volumes which nobody except those directly concerned would be tempted to buy. The remarks he had just made did not imply any criticism of the Supervisory Commission, the work of which he had always admired. It would, however, be really interesting to know whether the publications of the League would not bring in more revenue if they were presented more attractively.

The Right Honourable G. LOCKER-LAMPSON (British Empire) said that he wished to know why certain Committees continued to request that their Minutes should be printed, whereas other Committees which were no less important were satisfied with a printed report summarising their discussions.

M. AVENOL (Deputy-Secretary-General) explained that the Secretariat had always endeavoured to graduate the quality of the paper according to the importance of the publication, and also according to the degree of permanent interest attaching to it and the public for which it was intended. Thus the reports which were only used during the Assembly were printed on thinner paper than that which was chosen in the case of, for instance, the technical publications of the Economic and Financial Section.

With regard to the publications of the Information Section, which were intended to be distributed for propaganda purposes, there was reason to consider whether it would not be better to keep them up to date by frequent revision, whilst avoiding excessive expenditure in this respect by printing them on paper of a somewhat inferior quality.

In accordance with the resolution adopted by the Assembly in 1926, Secretaries had requested Committees to discontinue as far as possible the printing of their Minutes and to be satisfied with a report which would give a clear and logical account of their discussions. Several Committees, including the Economic Committee and the Financial Committee, had complied with this request. Moreover, if the Fourth Committee wished to strengthen the resolution adopted by the 1926 Assembly, the Secretariat was quite prepared to renew its request to the Committees and Commissions of the League with still greater urgency.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, explained that a Special Committee had been created within the Secretariat to deal with all questions relating to the publications of the League. This Committee was presided over by M. Avenol, which showed clearly that it had been wished to confer an important part on him.

He then recalled that the primary object of the documents of the League was to bring certain information to the knowledge of the Governments or of the Organisations concerned. The commercial question involved in connection with these publications only arose as a secondary one when the documents were requested for some particular portion of the public.

With regard to the Minutes, the report of the Supervisory Commission aimed at giving more unity and co-ordination to the decisions taken by the various Committees and Commissions with regard to the accounts of their discussions and the documents that they asked to be published. The Supervisory Commission had submitted, as an appendix to its report, a statement on the question of the Minutes in order that the Fourth Committee might draw up fixed regulations on this point. The Supervisory Commission also looked for guidance from the Fourth Committee in the solution of the problem of the publications in general.

M. HAMBRO (Norway) laid stress on the importance of the League of Nations as a publishing house. The sales of the publications of the International Labour Office and the Secretariat had reached the figure of 420,000 Swiss francs in the previous year.

He recalled that the Permanent Court of International Justice had adopted quite a different system for the presentation of its publications, and that that system sometimes gave better results. The Publications Committee should study the co-ordination of the methods followed at Geneva and of those followed at The Hague. It should also seek to discover whether the publications which were not essential for use in work and which were more or less intended for sale could not be printed at less cost in other towns than Geneva.

The Right Honourable G. LOCKER-LAMPSON (British Empire) wondered, after what M. Avenol had said, if it would not be advisable for the Committee to propose a draft resolution to the Assembly in connection with the question of the Minutes. He thought that a resolution of the Assembly would be calculated to help M. Avenol in his approaches to the Committees.

M. AVENOL (Deputy-Secretary-General) replied that, if the Fourth Committee were to express its desire with particular emphasis, recalling the previous resolutions of the Assembly, the Secretariat would be in a position to obtain more appreciable results. He pointed out that progress had been made each year; but he thought that, in view of what remained to be done, the Assembly should not give up interest in the question.

M. RAPPARD (Switzerland), whilst associating himself with the statements made by the previous speakers regarding the publication of Minutes, hoped that the printing of the Minutes of the Permanent Mandates Commission would never be called in question. He would remind the Committee that it had been decided to print those Minutes for very special reasons connected with the working of the mandates system.

[M. DE VASCONCELLOS (Portugal) resumed the Chair.]

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, read the resolution adopted by the Assembly in 1926 with regard to the publication of Minutes:

“ The Assembly:

“ Decides to draw the attention of the Advisory Committees and the Conferences convened by the League to the heavy expense entailed by the publication of their Minutes and requests them to consider whether the publication of their discussions would not frequently be better effected by means of a detailed report giving as exactly as possible an account of their work; “ Decides that the Minutes of Sub-Committees will in no case be published unless a formal request, containing a statement of the reasons for such a course, is submitted to the Council through the Secretary-General. ”

Perhaps there was now reason to strengthen those provisions, and M. Osuský proposed that the delegate of the British Empire should draft a new resolution with this end in view.

The Right Honourable G. LOCKER-LAMPSON (British Empire) said that he was prepared to do so, provided that M. Osuský would lend him his assistance.

The report of the Supervisory Commission on the publications of the League was adopted.

The Right Honourable G. LOCKER-LAMPSON (British Empire) submitted the following draft resolution, which he had drawn up with the assistance of M. Osuský:

“ The Assembly decides that, except in the case of the Mandates Commission and of the Committees of the Assembly, where special considerations apply, the Minutes of Committees and Sub-Committees will in no case be published unless a formal request containing a statement of the reasons for such a course is submitted to the Council by the Secretary-General. ”

On the proposal of M. HAMBRO (Norway), *the Committee decided to adjourn the examination of the draft resolution to a later meeting.*

66. **Report of the Sub-Committee for the Study of the Amendments to the Financial Regulations and the Rules of Procedure of the Assembly, submitted by the Supervisory Commission.**

M. RÉVEILLAUD (France), in the absence of M. Cavazzoni, commented on the report of the Sub-Committee (Annex 8). He recalled that the Fourth Committee had made certain observations on the amendments to the Financial Regulations and the Rules of Procedure of the Assembly

proposed by the Supervisory Commission in its report on the work of its twenty-ninth session (Annex 4). The French delegate said that he would examine those observation point by point.

The Supervisory Commission had proposed the following addition to the second paragraph of Article 14 of the Rules of Procedure of the Assembly:

“Decisions involving expenditure shall be subject to the rules laid down in the Regulations for the Financial Administration of the League of Nations. The Assembly in plenary session may, by a vote taken by a two-thirds majority, suspend the application of the Financial Regulations without reference of the question to a Committee.”

One of the members of the Fourth Committee had pointed out that it would perhaps be dangerous to empower the Assembly to suspend the application of the Financial Regulations, even by a decision taken by a two-thirds majority.

M. Osuský had replied that this paragraph had perhaps been drafted in more general terms than the Supervisory Commission had desired. The Commission had only meant that the application of the new rules proposed by it might be suspended in particular cases, in virtue of a decision taken by the Assembly by a two-thirds majority.

The new proposal of the Sub-Committee was to suppress the second phrase of the proposed addition to the second paragraph of Article 14 of the Rules of Procedure. In this way, the application of the suspension in view would not be invested with that general character which had given rise to certain objections on the part of members of the Fourth Committee. Nevertheless, it was requested that, in order to make the meaning of the Commission clear, the first paragraph of Article 16 (a) (Annex 4) should be completed as follows:

“Unless the Assembly by a two-thirds majority otherwise decides.”

M. Réveillaud hoped that all the members of the Committee would agree to this addition. Its aim was to prevent too strict regulations from becoming an obstacle to the adoption of a proposal which, although entirely unforeseen, might be of vital importance to the future of the League.

In Article 16(c) a new text was proposed which amounted to a condensation of paragraphs 1 and 2 of the same article. The aims of these two paragraphs were somewhat different. The first case was as follows: The Supervisory Commission might find at its May session that a request for credits had been inserted in the budget of the Secretariat for which it did not find absolute justification in the previous decisions of the Assembly. In that contingency, the Supervisory Commission would be entitled to make a special report. The second case was that of the examination of supplementary credits. It had been thought desirable to place the relevant text in the same sentence as the text relating to the preceding case.

The last amendment related to Article 16(d). The second reading already contemplated under the terms of this article could only take place in the cases in view under Article 16(c). The British member of the Sub-Committee had pointed out that it would doubtless be well to make the possibilities of a second reading greater and to decide that a second reading might be requested after twenty-four hours, even when the discussion concerned one of the ordinary budgetary estimates. The Sub-Committee had unanimously associated itself with the view of the British member, and had therefore proposed this amendment in Article 16(d).

Finally, a last amendment related to the numbering of the paragraphs of Article 16. Paragraph 8 became paragraph 5.

M. HAMBRO (Norway) said that he did not wish to present any amendment to the proposals of the Sub-Committee. He supposed that the words “by the Secretary-General” were understood after the following words, at the beginning of the last sentence of the first paragraph of Article 16(a), “if a proposal received”.

He wished to point out that certain States Members of the League would be placed in an inferior position by this provision. In order to conform to it, the Governments of countries very distant from Geneva would have to send their proposals as much as a month earlier than the European Governments. On the other hand, they would often have received the documents despatched from Geneva several weeks later than the Governments of States that were neighbours to Switzerland. There were certain countries, like Australia and New Zealand, which received the documents of the League at so late a date that if they had proposals to make they could never send them sufficiently early for transmission to the Assembly under the terms of Article 16(a).

M. Hambro repeated that he did not intend to propose an amendment; he would, however, like the provisions of Article 16(a) to be applied in a liberal spirit whenever a proposal was in question that had come from a country which was very remote from the seat of the League.

M. Hambro expressed the hope that the provision to which he had just referred would never be used as a means for obstructing the legitimate desires of members of the Assembly who, although constituting a majority, did not comprise two-thirds of the delegates. It was easy to foresee the possibility that one-third of the delegates, making use of the rule laid down in Article 16, might prevent the discussion of a proposal supported by the remaining two-thirds. From the financial point of view, the Norwegian delegate entirely agreed with the Supervisory Commission, and the only reservation that he wished to make related to the interpretation of the provisions proposed by that Commission, provisions which should, he thought, always be interpreted in a liberal spirit.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, said that the rules submitted by the Supervisory Commission to the Fourth Committee were not only rules of play but were rules of fair play, and that if it were proved at some future date that a majority or a minority had abused the rule, the Supervisory Commission would not hesitate to propose a further amendment to the article in question.

M. KURUZU (Japan) thought that the text of the second paragraph of Article 16(d) would be clearer if it were drafted in the following form:

“ The second discussion can only take place after an interval of at least twenty-four hours after the moment when the request for it is formulated by one-quarter of the members of the Fourth Committee, or communicated to that Committee. ”

M. TUMEDEI (Italy) said that he did not understand why M. Hambro expressed a desire that the provision should be applied in a liberal spirit. It would appear that this rule did not allow of any restrictive interpretation nor of any liberal interpretation. If it were found from experience that it was too severe, it might be amended. If, however, it were adopted, care should be taken that it was respected.

M. HAMBRO (Norway) replied that, if the rule were always to be strictly interpreted, certain States Members would find themselves in an inferior position. This would be the case of all distant States. It was impossible to know the exact day on which a communication despatched from Australia, New Zealand, Japan or India would arrive at Geneva. This being so, if a communication from a distant country were to arrive, not a month, but twenty-seven or twenty-eight days before the meeting of the Assembly, the Secretariat should interpret the rule in a liberal spirit, and endeavour to take the actual facts into account. There would be no danger to the League in this respect.

M. RÉVEILLAUD (France) agreed with the Italian delegate that, when a time-limit had been fixed, it should be respected. M. Hambro's apprehensions would, however, probably be allayed by the thought that there was a safeguard for proposals presented by distant countries, which was constituted by the fact that two-thirds of the members of the Assembly might decide that these proposals should be discussed, despite regulations to the contrary. In practice, on every occasion that an interesting case arose, a formal request would be submitted to the Assembly on the first day of its session, supported by full explanations. There was no doubt that, if the injustice of not taking this case into account were shown, the Assembly would forthwith decide to accede to the request.

Mr. DE VILLIERS (South Africa) said that he was pleased that this question had been raised. He wished, in his turn, to draw the Committee's attention to the fact that distant Member States of the League often experienced difficulties on account of the time that communications took to reach them. It was true, as M. Réveillaud had just pointed out, that a safeguard had been provided by the procedure relating to the consideration of a proposal after a vote taken by a two-thirds majority. Nevertheless, Mr. de Villiers wished to lay stress on the necessity of always informing the Governments of the Member States that were at a distance from the seat of the League as soon as possible of matters of interest to them. He trusted that the officials of the Secretariat would remember this request, should occasion arise.

M. HAMBRO (Norway) said that he did not wish to press his request, nor to give rise to a discussion on a point of principle which would take too much time. Under the terms of Article 16(a), the Secretary-General would be entitled not to take into account proposals that arrived less than a month before the meeting of the Assembly. M. Hambro hoped, however, that he would never use this right, and that he would not refuse to forward proposals that arrived twenty-eight days, for instance, before the opening of the Assembly. The text should be interpreted in accordance with the spirit of the League, and considerations of justice should be taken as a basis rather than considerations of strict rights.

M. RÉVEILLAUD (France) thought that M. Hambro's scruples should have been allayed, since the delegate for South Africa had not raised any objection to the text proposed and had recognised the existence of a real safeguard.

With regard to the disadvantages incurred by certain overseas countries, the French delegate pointed out that it was not within the power of the League to alter the geographical conditions of the earth. The Assembly should therefore be satisfied with the rules that had just been laid down, and should apply them in a spirit of justice, which was certainly the spirit of all its members.

M. HOFFINGER (Austria) thought that the difficulty might be settled by inserting a paragraph to the effect that overseas countries might send a telegraphic message in advance announcing the future arrival of a proposal. In the case of those countries, the message might be considered as replacing the communication itself.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, explained, in reply to M. Kuruzu's observations, that the phrase “ formulated or communicated ” had been employed in the text of Article 16 (d), in view of the fact that there were three parties which might request the second reading: the members of the Committee, a competent official of the League of Nations — that was to say, the Secretary-General, the Director of the International Labour Office or the Registrar of the Court — and, finally, another Committee of the Assembly. The members of the Committee could only ask for a second reading in the course of a meeting; the word “ formulated ” was therefore the appropriate one in their case. The competent official of the League also formulated his request for a second reading in a meeting of the Committee. The word “ formulated ” could not be employed, however, in the case of the technical committees, since any technical committee

might formulate its request and only communicate it at the last moment or several days after. For this reason, provision had been made that a request for a second reading formulated by a technical committee should be laid before the Chairman of the Fourth Committee twenty-four hours in advance.

The Marquis PAULUCCI DI CALBOLI BARONE (Under-Secretary-General) assured Mr. de Villiers that the Secretariat would take his observations fully into account.

M. TUMEDEI (Italy) thought that Article 16 as interpreted by M. Hambro would confer on the Secretary-General a right that might cause him embarrassment in certain cases. In M. Tumedei's view, the Secretary-General could not be directed to take a decision on the admission or refusal of a communication which arrived a short time after the expiration of the time-limit.

It was not possible, moreover, to allow for toleration with regard to the time-limit, since it would be difficult to know at what point that tolerance should stop. It appeared to the Italian delegate that the safeguard of which M. Réveillaud had spoken should satisfy M. Hambro.

M. HAMBRO (Norway) replied that, despite that safeguard, certain nations incurred disadvantages. He did not wish to propose any amendments, but if, nevertheless, the suggestion of the Austrian delegate could be put into practice, he would be glad to support it. If not, he would be satisfied with having drawn the Committee's attention to this question. There was one consideration that ought to be remembered, namely, that a communication might be sent in due time and might arrive too late on account of the uncertainties of transport.

The Marquis PAULUCCI DI CALBOLI BARONE (Under-Secretary-General) said that the Secretariat would always apply in a spirit of justice the rules laid down by the Committee. It would, of course, ensure that the application of these rules was not affected by freaks of the post.

M. PITAMIC (Kingdom of the Serbs, Croats and Slovenes) said that he understood and admired the liberal spirit with which the delegate of Norway had interpreted the article under discussion. The fact remained, nevertheless, that, from the legal aspect, the view of the Italian delegate was perfectly justified. In order to conciliate the two points of view, the delegate of the Kingdom of the Serbs, Croats and Slovenes proposed that the present text should be amended as follows:

"If the proposal or the telegraphic announcement of the despatch of the proposal, in the case of overseas countries, arrives"

M. TUMEDEI (Italy) thought, for his part, that the telegraphic announcement was equivalent to the proposal. The grounds for adopting the proposal might be stated at a later date. In his opinion, a proposal sent by telegraph should be considered as valid, not only in the case of overseas countries, but also in the case of continental countries.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, laid emphasis on the fact that, in fixing the time-limit, account should be taken, not only of the special position of States that wished to make proposals entailing new expenditure by the League, but also of the interests of the other Members of the League. If experience proved that the rule adopted was a bad one, the Fourth Committee would certainly have sufficient breadth of mind to amend it, if this appeared to be necessary.

M. Osuský agreed with M. Tumedei that a proposal sent by telegram should be considered as valid, and that it was not necessary for the telegram to contain a statement of the grounds for that proposal.

The report of the Sub-Committee was adopted.

ELEVENTH MEETING

Held on Thursday, September 20th, 1928, at 3.30 p.m.

Chairman: M. DE VASCONCELLOS (Portugal).

67. Examination of the Budgetary Estimates of the Permanent Court of International Justice for the Eleventh Financial Period (1929).

M. HAMMARSKJÖLD, Registrar of the Court, presented the budget for 1929 (see document A.4(b).1928.X.). He pointed out that there was an increase as compared with the previous year of 40,542.81 florins. This increase was due to the following reasons: expenditure provided for in consequence of the alterations made in the Peace Palace in accordance with the decision taken at the previous session of the Assembly; increase in the credit for the allowances of national judges, such increase being necessary as a result of an amendment made by the Court in its Rules and under which *ad hoc* judges would sit also in certain cases for advisory opinions; increase in the credits asked for the temporary staff.

The Committee, having proceeded to a detailed examination of the budget, *adopted it in its entirety.*

68. Report of the Committee on the Allocation of Expenses of the League (Annex 9).

M. RÉVEILLAUD (France) recalled that the scale at present in force applied only to the years 1926, 1927 and 1928. The Committee would therefore now have to decide what scale should be applied in the future. The Committee on the Allocation of Expenses had considered, however, that it was not yet possible to propose a new scientific scale. M. Réveillaud recalled that, in view of that fact, the Committee had suggested that its budget should be reduced from 15,000 to 7,500 francs. The Committee proposed, therefore, that the application of the present scale should be renewed for a further period of four years. The effects of stabilisation of the currency on the general economic conditions of States did not become fully apparent until after a certain period, and the Committee believed that it would not have all the necessary information for its consideration of the question until the spring or summer of 1931. It suggested, therefore, that it should submit its proposal for a new scale to the 1932 session of the Assembly. This scale could then be applied in 1933. The Committee had made a reservation, however, to the effect that, if the Assembly should express a desire that a revision of the allocation of expenses should be effected at an earlier date, an effort would be made to submit a new scale at the 1931 session.

Mr. Yusuf ALI (India) agreed with M. Réveillaud that the year 1930 might be taken as the basic year for the future scale. By that time there would be a certain stabilisation in the budgets and monetary systems of the world. He added, however, that the Indian delegation reserved entire freedom of action with regard to any conclusions that were reached. Obviously, it was not possible to foresee how the revision of the scale would affect India, and what would be the financial or economic situation in India at that particular date.

There was one point on which he would like to have further information. M. Réveillaud had stated that the figures of 1930, which it was proposed to take as a basis, might not all be available in the Secretariat until the spring or summer of 1931. Mr. Yusuf Ali understood, however, that most Governments presented their budgets in the spring, some in the summer and at the latest in October. He believed, therefore, that the Secretariat would receive all the necessary figures by the autumn of 1930 at latest, and that it should, therefore, be possible to produce a definite scale for discussion by the Assembly in the autumn of the following year, in which case the new scale could be applied in January 1932.

Mr. Yusuf Ali explained that the Indian Government was particularly interested in the date of the revision of the present scale, for it was at present somewhat dissatisfied with its position in this respect.

M. RÉVEILLAUD (France) said that the budgets of the Governments were prepared and submitted to the competent authority at different dates. Certain Governments, moreover, had supplementary budgets. A desire had been expressed that the calculations should be checked by a study of the accounts at the end of the financial year. The accounts of the financial year 1930 would not, of course, be received until approximately January 1932. Moreover, whilst the Committee considered that the budget estimates should be employed as the main criterium for the allocation scale, it believed that these estimates should be compared with economic statistics. Now, the economic statistics for 1930 could not be received until the spring of 1931 at the earliest.

Mr. Yusuf ALI (India) said that he desired further information. M. Réveillaud had stated that certain of the 1930 budgets would not be received until June or July, or possibly October. Mr. Yusuf Ali would like to have specific instances of October budgets.

He agreed with M. Réveillaud that it would be desirable to compare the budget estimates with economic statistics. He believed that in the case of India economic statistics would probably show the poverty of the country even more clearly than budgetary ones.

Mr. Yusuf Ali said that if the Committee, having taken all these points into consideration, and having considered any specific instances of the presentation of budgets at so late a date as October, believed that no earlier date than 1932 was possible, he would be prepared to concur in its judgment. He confessed, however, that he still doubted whether it was necessary to postpone the presentation of a revised scale until the 1932 session. Perhaps M. Réveillaud would be prepared, without giving a definite pledge, to undertake to submit the revised scale at the 1931 session if this should prove possible.

Mr. LOVEDAY, Member of the Economic and Financial Section of the Secretariat, read a list of the national budgets presented between July and October. He wished, however, to point out that the parliamentary discussion on budgets was frequently a lengthy one. The fact that a particular budget ought to be voted on a particular date was by no means a proof that it would be voted on that date, and it had been found from experience that a very long time might elapse between the scheduled date and the date on which the last budgetary estimates were received. The work could not be completed until all the estimates had been received. Leaving out of consideration the countries, the budgets of which were voted subsequent to July, there would still be a margin of some nine months between the date on which, constitutionally, the budget should be voted and the date on which it might be expected to reach the Secretariat. If, therefore, a budget were voted in June 1930, the Secretariat might not receive it until March 1931. It would not be possible to complete the work for the revision of the scale between that date and the following June for circulation to the States in time for the Assembly in September. The work was very

extensive. It involved in the first place an analysis of all the budgets and the conversion of all the results into some common currency, and, secondly, a series of calculations based on the analysed figures. It would be impossible for the existing staff to complete this work between March and June. The position was the same with regard to the economic statistics, for the statistics for the year 1930 would not all be received until the end of the year 1931.

Mr. Yusuf ALI (India) said that, if the Committee were satisfied that it would not be possible for the Committee on the Allocation of Expenses to submit a revised scale until the 1932 session, he would not press his request.

The report of the Committee on the Allocation of Expenses was adopted.

69. **Method of Appointment of the Members of the Supervisory Commission: Draft Amendment to the Financial Regulations of the League submitted by M. Hambro (Norway).**

M. HAMBRO (Norway) said that he would not repeat the reasons he had already given in favour of the amendment he had proposed to Article 1 of the Financial Regulations and which might be drafted in the following terms:

“ The Commission shall be composed of five members, of whom one at least shall be a financial expert. The members shall be appointed by the Assembly, which, in selecting members, shall include among them persons belonging to countries Members of the League which are not represented on the Council. The Assembly shall also appoint two substitutes to replace, if need be, members unable to attend a meeting. ”

He pointed out that the amendment would not in any way interfere with the work of the Supervisory Commission and would not alter the period for which the members of that body were at present elected. It would merely provide that the members of the Commission would be elected, not by the Council but by the Assembly. He thought there was general agreement that the present regulation by which the Council elected the body by which it was controlled was an unsatisfactory one. M. Hambro had every reason to admire the work of the Supervisory Commission. It had been recognised, however, that friction might arise, and this constitutional change which might perhaps have been made in 1922 would obviate such friction in future.

M. RAPPARD (Switzerland) pointed out that, in 1920, the Swiss delegation had made a proposal somewhat on the same lines. He wished to draw attention, however, to the following clause in the new text:

“ The members shall be appointed by the Assembly, which, in selecting members, shall include among them persons belonging to countries Members of the League which are not represented on the Council. ”

He wished to know what would happen in the event of a country, of which one of the members of the Supervisory Commission was a national, obtaining a seat on the Council during that member's term of office.

M. HAMBRO (Norway) said that whatever obscurity there might be in his amendment pertained equally to the original text of the regulations. He had simply adopted this paragraph from the existing regulations, with the single alteration of the word “ Council ” to “ Assembly ”.

M. DE MODZELEWSKI (Poland) asked whether it was to be understood from this sentence that all the members of the Supervisory Commission must be nationals of a country not a member of the Council, or only some of them.

M. HAMBRO (Norway) replied that his explanation in reply to M. Rappard's question applied in this case also.

The Right Honourable G. LOCKER-LAMPSON (British Empire) said that he agreed with most of M. Hambro's observations. It was very important that the Assembly should be the body which, in the last resort, had the authority of appointing the members of the Supervisory Commission. He feared, however, that, if the election of these members were to rest entirely with the Assembly, political considerations might play an undue part. Possibly an amendment might be made in the regulation to the effect that the Assembly should appoint the members of the Supervisory Commission on the nomination of the Council. In that case, there would be a definite appointment by the Assembly, and also more or less a continuity of the present system whereby the Council appointed the members. It might also be suggested that a member of the Supervisory Commission should in no case hold office for more than five years.

Mr. Locker-Lampson added that he was sure that the members of the Supervisory Commission had given the utmost satisfaction in the past. He himself was a newcomer to Geneva, but he was filled with admiration for the work of the Commission.

M. HAMBRO (Norway) said that he did not feel the same distrust of the Assembly nor the same confidence in the Council with regard to political intrigues as his British colleague. His amendment was based on a universally recognised principle, whereby a Government did not appoint the auditors who were to control its financial activities, and according to which the parliamentary body that provided credits controlled their expenditure. The proposal of the delegate of the

British Empire was not compatible with that principle. Moreover, if the proposal were to be adopted, the result might be friction between the Assembly and the Council.

M. Hambro added that there would always be continuity in the work of the Supervisory Commission, since its members were not elected as a body. He did not think it would be advisable to limit to five years the period for which a member might continue to hold office.

The Right Honourable G. LOCKER-LAMPSON (British Empire) said that personally he would not be in favour of such a limitation and explained that he had only made the suggestion in order to meet M. Hambro's point. For his part, he would be very pleased if M. Osuský and M. Réveillaud were to continue to serve on the Commission for the rest of their lives.

Mr. Locker-Lampson thought, however, that some of his colleagues might not fully appreciate the gravity of the constitutional question. He would be glad to hear the Secretary-General's view on it.

The SECRETARY-GENERAL said that he considered that the question was entirely outside his competence. He had, therefore, no official opinion to express.

M. DE MODZELEWSKI (Poland) agreed with the delegate of the British Empire that there was more danger to be expected from political intrigue in the Assembly than in the Council, since forty-four nations were represented in the former body and only fourteen in the latter.

He thought that hitherto the Council's choice of the members of the Supervisory Commission had been excellent. He did not see any necessity for changing the existing regulations. M. de Modzelewski added that he would not be in favour of any limitation such as that suggested by Mr. Locker-Lampson.

M. HAMBRO (Norway) recognised that the choice of the members of the Commission had hitherto been entirely satisfactory. His amendment was, however, based upon a point of principle. The Supervisory Commission had called attention to the fact that the Council had engaged in expenditure that had not been approved by the Assembly. To take an analogy, there was no country in which the Cabinet would be allowed to exercise the powers of the Parliament in financial matters. Since the Assembly alone could approve expenditure, the Assembly alone should be entitled to appoint the controlling body.

Mr. DE VILLIERS (South Africa) realised that a principle was involved, but agreed with the delegate of the British Empire that there were serious objections to allowing the appointment of the members to rest entirely with the Assembly. He suggested, as a possible solution, that the Assembly should select the members of the Supervisory Commission from ten members nominated by the Council.

M. RAPPARD (Switzerland) thought that the problem was an interesting one owing to the question of principle involved. He did not think, however, that it was of practical interest, since there was general agreement that the present system was entirely satisfactory.

Even from the point of view of principle, however, he thought that there was perhaps misunderstanding on two points. In the first place, M. Hambro had compared the Supervisory Commission to a body of auditors. In his view, the Commission was more like the budget Committee of a Parliament. In the second place, the Council should not be compared in this connection to a Cabinet, but rather to a second chamber, representing the most important contributors.

The CHAIRMAN put M. Hambro's proposal to the vote.

This proposal was adopted, 13 members voting in its favour and 6 against.

The SECRETARY-GENERAL said that he should inform the members of the Committee that, provided the Assembly approved the present proposal, they would be called upon at once to exercise the functions they had undertaken. One of the members of the Supervisory Commission, Lord Meston, was due to retire at the end of the present year. The Committee should therefore place the question of his successor upon the agenda of the Assembly.

(The meeting was suspended for fifteen minutes.)

70. Report of the Supervisory Commission on the Work of its Thirtieth Session.

The Committee proceeded to the examination of this report, chapter by chapter (Annex 10).

A. *Supplementary Credits arising out of Previous Decisions of the Committee.*

Section A was adopted.

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

Section B was adopted.

C. *Items reserved for Later Examination by the Fourth Committee and the Supplementary Credits arising out of Decisions of other Assembly Committees.*

I. *Item 19: Economic and Financial Organisation.*

M. TUMEDEI (Italy) pointed out that the heading “ (b) Extended programme of enquiry into groups of commodities (80,000 francs) ” was somewhat vague. He noted that, in the report of the Second Committee, eight different categories of commodities had been named. Was the enquiry to be carried out in respect of those particular groups exclusively ?

Sir Arthur SALTER (Director of the Economic and Financial Section of the Secretariat) replied in the affirmative. He suggested that the General Rapporteur should be requested to make this point clear in the Committee's report.

M. HAMBRO (Norway) recalled the observations of the delegate of the British Empire concerning the Conference on Veterinary Regulations. He asked whether it would not be possible, as Mr. Locker-Lampson had suggested, not only to adjourn the Conference, but to allow the expenditure involved to be undertaken by the international institutions to which reference had been made.

Sir Arthur SALTER (Director of the Economic and Financial Section of the Secretariat) replied that the Economic Committee and the Second Committee had very closely examined the question of possible overlapping, and that every precaution had been taken to guard against this possibility. The Conference, moreover, had been adjourned to 1930.

M. TUMEDEI (Italy) also wished to lay stress on the suggestions of the delegate of the British Empire. Mr. Locker-Lampson had drawn the attention of the Committee to three points: the Conference on the Exploitation of the Riches of the Sea, the Conference on Veterinary Regulations and the Conference on Plant Diseases. M. Tumedei wished to know why no effect had been given to Mr. Locker-Lampson's suggestions with regard to these points. It was true that some account had been taken of them, in that the credit for the Conference on Veterinary Regulations had been suppressed, that Conference having been adjourned to 1930. This concession was not, however, a very large one. On the other hand, the credits for the session of the Sub-Committee on Veterinary Regulations, the session of the Sub-Committee on Plant Diseases and the two sessions of the Sub-Committee on the Exploitation of the Riches of the Sea had been maintained. Mr. Locker-Lampson had raised a question of substance: the necessity of avoiding overlapping.

Sir Arthur SALTER (Director of the Economic and Financial Section of the Secretariat) explained with regard to Mr. Locker-Lampson's observations on the Conference on the Exploitation of the Riches of the Sea that, in view of the fact that the credit for this Conference had been suppressed, the Second Committee had thought it possible to take up new work under the heading of “ Sessions of Committees and Sub-Committees ”, without requesting any additional credit. It had been thought at first that it would be necessary to request a small sum; but, after further examination, it had been found that this sum would not be necessary.

With regard to veterinary regulations and plant diseases, it was true that there were other institutions that dealt with certain aspects of these questions. It had always been anticipated that the League would collaborate with these institutions.

The question of plant diseases had two aspects. One might be described as the medical aspect. The other was the quite different aspect of the Customs policy to be adopted in view of the existence of these diseases. With this second aspect the Economic Organisation was particularly well fitted to deal.

Sir Arthur Salter had not understood from Mr. Locker-Lampson's observations that he had suggested that no work on these lines should be undertaken, but only that the danger of any kind of overlapping should be avoided. The Second Committee had discussed the matter in the light of Mr. Locker-Lampson's observations, and that Committee was very anxious that the work on both subjects should proceed.

Certain countries were prepared, in view of the state of the work, not to press for the holding of a Conference on Plant Diseases in 1929, but only on the understanding that the expert preparatory work should be continued. The necessary credit for this work had therefore been maintained, whilst the credit for holding a Conference had been suppressed.

M. TUMEDEI (Italy) pointed out that there was no reference in the Minutes of the Second Committee to the question of plant diseases or to that of the riches of the sea. Moreover, he had understood Mr. Locker-Lampson to suggest that all three Conferences should be suppressed.

For his part, M. Tumedei feared two dangers — the possibility that the Economic Organisation might undertake too much work at a time, and the possibility of overlapping. Sir Arthur Salter had spoken of collaboration between the League and the other international organisations concerned. The Italian delegate thought, however, that there was no ground for such collaboration, and that it would be better to leave the entire study of the questions to the specialist organisations. For instance, the International Agricultural Institute, which concerned itself with the question of plant diseases, might examine simultaneously both the medical and the commercial aspects of the problems involved.

M. Tumedei proposed, therefore, that these suggestions should be submitted to the Economic Committee, the Financial Committee and the Consultative Committee. He did not ask that the

matter should be referred back to the Second Committee, since that Committee had already finished its work. There was no occasion for the Committee to reverse its decision to approve the budget. The fact that expenditure had been contemplated did not necessarily imply that it should be undertaken.

M. TUMEDI said that he would not submit a draft resolution on this point, but would confine himself to requesting the Fourth Committee to adopt a recommendation concerning it.

M. RÉVEILLAUD (France) thought that a discussion of this kind, commenced at the last moment, might have extremely dangerous results. The Committee might not be able fully to consider the substance of the question, and might insert recommendations in the report with which the majority of its members were not in agreement.

M. Réveillaud thought that Sir Arthur Salter's explanations were quite satisfactory. If it were only a question of studying plant and animal diseases, this task might be entrusted to the specialist institutes. As a matter of fact, however, commercial policy was involved. The alleged existence of these diseases might be used as a pretext for not allowing plants or animals to pass through the Customs barriers of certain countries. The Second Committee had discussed the question at length and had examined it in all its aspects. The Fourth Committee, however, had informed the Second Committee that, owing to financial considerations, it would be impossible to carry out all the tasks which that Committee proposed to undertake. The Second Committee had then made an effort to reduce this budget, which had won the Fourth Committee's approbation, and thanks to which, after having requested 130,000 francs for the execution of new tasks, no request for supplementary credits had been necessary.

M. Réveillaud laid emphasis on the danger of such suggestions as the one put forward by the Italian delegate. The Economic Conference, which had created a great impression all over the world, had not only treated questions of commercial and economic policy, but also agricultural questions. A special Committee of the Conference had devoted itself to these questions exclusively. If the suggestion of the Italian delegate were approved, doubt might be cast on all the work of that special Committee, and the agriculturists, who constituted one of the most important elements in economic life, might be led to believe that the League intended no longer to consider the problems that concerned them. The League would thus lay itself open to legitimate criticism.

M. Réveillaud would therefore beg the Committee not to deal with the question and to leave the proposed credits intact.

The Right Honourable G. LOCKER-LAMPSON (British Empire) said that Sir Arthur Salter had quite correctly interpreted his observations. He had not suggested that no work at all should be done on the different subjects, but only that overlapping should be avoided, and that credits should be postponed to another year. He was very pleased that the credits for two Conferences had been suppressed. He would have liked the Sub-Committee on plant diseases to be adjourned; but, since his wishes had been met to so great an extent, he was satisfied for the present.

M. TUMEDI (Italy) said that this question had already been examined at length at the time of the general discussion. He had then supposed that explanations would be given. He had not, however, received these explanations, and he had therefore taken up the question again. He would repeat that he did not wish to submit a draft resolution, and would confine himself to raising a question of principle: the danger of overlapping. This danger could not be obviated by adjourning a Conference.

M. Tumedei suggested that the Economic Committee should examine this question of principle.

The CHAIRMAN thought that a reference to this point in the report would meet the views of the Italian delegate.

M. RÉVEILLAUD (France) said he would be prepared to accept the insertion of a sentence which would be no more than a general appeal for economy in the League. He thought, however, that no specific reference should be made in the report to the three agricultural questions which were at present being discussed.

M. TUMEDI (Italy) said that he would be satisfied if reference were made to the question of principle.

This section of the report was adopted, together with Item 19 of the budget of the Secretariat.

2. *Item 23, 3 (V): Conference to be summoned in accordance with Article 12 of the Agreement drawn up by the First Opium Conference, signed on February 11th, 1925.*

This section of the report was adopted.

3. *Commission to proceed to the Far East to consider the Situation as regards the use of Prepared Opium.*

The Right Honourable G. LOCKER-LAMPSON (British Empire) proposed that this question be referred back to the Fifth Committee.

The CHAIRMAN pointed out that the Fourth Committee would first have to take a decision on the matter. That decision might then be referred to the Fifth Committee.

The Right Honourable G. LOCKER-LAMPSON (British Empire) explained that his Government attached very great importance to the proposed Commission, in view of the immense increase,

especially in the last few months, in the smuggling of opium in the Far East. If this increase were to continue, it might render nugatory the Hague Convention of 1912 and the Geneva Convention of 1925. The question was a very complicated one, which would require full discussion. The Fourth Committee would be in a much better position to take a final decision after having heard further observations of the Fifth Committee on the matter.

The CHAIRMAN said that the Fifth Committee had asked Dame Edith Lyttelton to attend the present meeting in order to give any explanations that were required with regard to the expenditure entailed. He repeated that the question could not be referred back to the Fifth Committee until a decision had been taken.

It was decided to adjourn consideration of this section of the report.

4. *Item 23, 5(b): Conference on the Suppression of Obscene Publications.*

This section of the report was adopted.

5. *Item 28: Progressive Codification of International Law.*

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, drew attention to the following passage in the Commission's report (Annex 2):

"The Commission was informed that an economy of over 100,000 francs would result if the Conference on the Codification of International Law was held at Geneva, which would accord with the general ruling of the Assembly; in this case, however, the Assembly had decided that this particular Conference should be held at The Hague; and the Commission accordingly did not feel competent to propose any modification in the figures which had been submitted to it and approved the item of *Progressive Codification of International Law*, amounting altogether to 410,000 francs."

He wished to state, in order that the Committee in taking its decision on this item might fully realise the consequences involved, that the Supervisory Commission, after having re-examined the question, had found that the supplementary expenditure entailed if the Conference were held at The Hague would amount not to 100,000 francs but to almost 130,000 francs. He would confine himself to reminding the Committee of the principle adopted by the Assembly that Conferences should, whenever possible, be held at Geneva, in order to avoid the great expenditure entailed by the transfer of a large staff.

M. RAPPARD (Switzerland) said that, as representative of Switzerland, he would not dwell on the advantages from the economic point of view of holding the Conference at Geneva. He recognised that The Hague had a moral right of priority in all matters that were exclusively legal. Perhaps the delegate for the Netherlands could suggest to the Committee a means of conciliating the necessity for economy with the desire to hold the Conference at The Hague.

Mme. KLUYVER (Netherlands) pointed out that the main question to be considered was whether the Assembly would wish to reverse a definite decision that it had taken in the previous year. At the time that that decision had been taken it had been fully realised that to hold the Conference at The Hague would entail supplementary expenditure.

Mme. Kluyster emphasised the fact that, in the previous year, the Government of the Netherlands had in no way solicited the honour of receiving the Conference on its territory. She wished to recall, however, a certain passage of a report presented to the Assembly by M. Politis on behalf of the First Committee, in which M. Politis had stated the reasons on account of which it would be especially appropriate to hold the Conference at The Hague (see Minutes of the First Committee, eighth ordinary session of the Assembly, Annex 7, II(b)).

The Right Honourable G. LOCKER-LAMPSON (British Empire) thought that, since the financial situation was so serious, every effort should be made to realise this economy of 130,000 francs if possible. He suggested that, if it were decided to hold the Conference at The Hague, the Government of the Netherlands might perhaps be prepared to make some contribution to the expenditure involved.

Mr. Locker-Lampson wished, however, to raise a question of wider scope. He had understood from a statement of the Secretary-General at a previous meeting that, owing to certain administrative difficulties, it would be difficult to hold a Disarmament Conference and a Codification Conference in the same year. He would propose, therefore, that the following words be added at the foot of the item in question:

"This Conference will be held in the autumn of 1929, unless the Conference on Disarmament is held at that time, in which case the Codification Conference shall be postponed until the spring of 1930."

The SECRETARY-GENERAL said that it was true that, if two Conferences of the magnitude of the Disarmament Conference and the Codification Conference were held simultaneously, serious administrative difficulties would arise. If, however, the Assembly decided that these Conferences should be so held, it would be possible, by straining the resources of the Secretariat to the utmost,

to face those difficulties. He would point out, however, that this course might also involve administrative difficulties for the Governments concerned.

M. OSUSKÝ (Czechoslovakia) thought that, as Chairman of the Supervisory Commission, it was his duty to explain the main aspects of the question.

The Committee should realise the full extent of the difficulties that would be involved by holding the Conferences simultaneously. These Conferences would be very important ones. M. Osuský thought that it would be materially impossible to organise both of them in the same year. The Secretary-General would not like the Committee to think that the Secretariat wished to postpone the organisation of one of these Conferences. M. Osuský thought, however, that, if the work were to be properly done, one Conference should be held at the beginning of the year and the other in the autumn.

Mme. KLUYVER (Netherlands) thought that the decision as to whether it would be materially possible to hold the two Conferences simultaneously should be left to the discretion of the Secretary-General.

She also thought that if the delegate of the British Empire pressed his proposal, the First Committee should be asked to express an opinion on that proposal. She recalled that the First Committee had discussed at great length the question whether it was really urgent to hold the Codification Conference in 1929, and had reached a conclusion in the affirmative.

M. RÉVEILLAUD (France) wished to propose an alternative text which was based on that of the delegate of the British Empire. He thought that its adoption would enable a fairly satisfactory solution to be reached from the budgetary point of view. This text read as follows:

“ The Conference will be held in the spring of 1930 unless the Disarmament Conference is not held in 1929; in the latter case, the credits voted for disarmament might be used for the Conference on Codification.”

The Right Honourable G. LOCKER-LAMPSON (British Empire) said that he would withdraw his proposal in favour of that of M. Réveillaud.

M. TUMEDEI (Italy) thought that the Conference on Codification of International Law should be held as soon as possible. In the first place, the work of codification had been begun in 1924, and certain questions had already been solved. After four years' work, it was now necessary to show some definite result. Further, an endeavour was now being made to develop arbitration treaties, and a necessary preliminary to such treaties was an attempt to unify international law. It would therefore be dangerous to create antagonism between the two Conferences, both of which were necessary.

With regard to the material difficulties, the Committee might confine itself to expressing the desire that some means should be found of not holding the two Conferences simultaneously. M. Tumedei thought that the holding of the Disarmament Conference in 1929 would not necessarily exclude the holding of the Codification Conference in the same year. For instance, the Disarmament Conference might be held in October and the Codification Conference in December.

M. PITAMIC (Kingdom of the Serbs, Croats and Slovenes) wondered whether the Fourth Committee was not exceeding its competence in discussing the dates of two Conferences that were to be held in virtue of decisions of other Committees. He therefore associated himself with the observations of the delegate of the Netherlands and the delegate of Italy. He would point out, moreover, that the fact that credits had been inserted in the budget did not necessarily imply that those credits should be spent.

Count DE PENHA GARCIA (Portugal) thought that supplementary expenditure should not be approved when the necessity to realise economies was so great. For his part, he would be pleased if the Codification Conference were held at The Hague, but he would suggest that the Secretariat should come to an agreement with the Government of the Netherlands in order to reduce the expenditure on the staff and the general organisation of the Conference. He supported the proposal of the delegate of the British Empire.

The Committee decided to adjourn its consideration of this item.

6. *Item 21: Communications and Transit Organisation.*

This section of the report was adopted.

7. *Item 25: Intellectual Co-operation.*

This section of the report was adopted.

The Committee adjourned its consideration of the remainder of the report to a later meeting.

TWELFTH MEETING

Held on Friday, September 21st, 1928, at 3.30 p.m.

Chairman: M. DE VASCONCELLOS (Portugal).

71. Report of the Supervisory Commission on the Work of its Thirtieth Session (continuation).

C. Items reserved for Later Examination by the Fourth Committee and Supplementary Credits arising out of Decisions of other Assembly Committees (continuation).

5. Item 28: Progressive Codification of International Law (continuation).

The CHAIRMAN said that he had had an opportunity of speaking with M. Scialoja, the Chairman of the First Committee, and also with the Rapporteur, and that he had reason to believe that M. Réveillaud's proposal would not meet with any difficulties in the First Committee.

Mr. Yusuf ALI (India) said that he was pleased to learn that the question whether the Codification Conference should take place in 1929, even if the Disarmament Conference should meet in the course of the same year, was settled in the negative. The question remained, however, of the economy of 130,000 francs that would be realised if the Codification Conference were to take place at Geneva instead of at The Hague. He understood that the Netherlands, in a praiseworthy spirit of internationalism, desired the Conference at The Hague. In these circumstances, he would like the delegation of the Netherlands to request its Government to examine the possibility of giving compensation for the difference. Obviously, when a Government desired that a Conference should take place on its territory, it should bear the supplementary expenses entailed. If for some reason the Government of the Netherlands could not see its way to grant the necessary funds, Mr. Yusuf Ali felt that money would be wasted by holding the Conference at The Hague, when it could be held at less expense at Geneva, where it would do exactly the same work, with the same efficiency.

The SECRETARY-GENERAL said that there was a financial difficulty. If the Conference were held at The Hague, in accordance with the desire shown by the Assembly at the outset, there would still be a sum of 37,000 francs which had not been inserted in the budget. The budget of the Conference would therefore have to be increased, or other provisions would have to be made.

Mr. MACWHITE (Irish Free State) asked to what extent the various Governments had contributed to the expenses of Conferences held on their territory.

The SECRETARY-GENERAL replied that they had been very hospitable without making any direct contribution to the expenses of the meetings. During the last two or three years all the sessions of the Council, with the exception of extraordinary sessions, had been held at Geneva.

Mme. KLUYVER (Netherlands) said that, in order to reconcile the necessity for economy in the League with the desire shown in several quarters to maintain the decision taken by the Assembly during its eighth ordinary session regarding the choice of The Hague, the Government of the Netherlands was prepared, subject to Parliamentary approval, to lend its collaboration in order to reduce the expenditure on the staff and general organisation of the Conference.

The Government of the Netherlands intended to reach agreement with the Council on this matter, in the course of the negotiations which, in virtue of the resolution adopted by the Assembly during its eighth ordinary session, should in any case take place, in order to settle the detailed arrangements for the Conference.

The CHAIRMAN and Mr. Yusuf ALI (India) thanked the Netherlands Government.

The SECRETARY-GENERAL apologised for pressing the point he had raised. Was it possible to obtain an assurance that the collaboration of the Government of the Netherlands would secure compensation for the 37,000 francs to which he had drawn attention? If this were not the case, he would have to ask for a supplementary credit.

Mme. KLUYVER (Netherlands) said that she was not authorised to make a formal promise. It was for that reason that she had pointed out that the Government of the Netherlands would have to reach agreement with the Council.

M. RÉVEILLAUD (France) noted that the Committee seemed prepared to open a credit of 300,000 francs for this Conference. According to Mme. Kluyster's statement, the Government of the Netherlands was ready to make a sacrifice. The Sub-Committee had considered that the sum of 300,000 francs should be a maximum. This being so, it was for the Secretary-General to state that the Fourth Committee did not authorise him to spend more than 300,000 francs. If the Netherlands Government did not make up the difference, the Secretary-General would be obliged to convene the Conference at Geneva. If, however, the Netherlands Government did take that action, there would be no disadvantage in holding the Conference at The Hague.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, thought it was impossible to leave a financial question in uncertainty. Inaccuracy always led to disorder in financial matters, and it was the essential function of the Fourth Committee to express resolutions in terms of figures.

The Right Honourable G. LOCKER-LAMPSON (British Empire) said he had understood that the Government of the Netherlands was prepared to pay the difference between the expenditure entailed by a Conference at Geneva and the expenses of a Conference at The Hague. In this case, was it necessary to fix a sum, since the surplus would be paid by the Netherlands Government?

Mme. KLUYVER (Netherlands) said that she had not spoken positively, all the more so as she could only make a promise subject to parliamentary approval. On the other hand, she quite understood that the Fourth Committee should base its proposals on accurate figures. She was therefore prepared to say, on her own responsibility, and subject to the approval of Parliament, that M. Réveillaud's proposal was entirely within the scope of the promises given by the Netherlands Government.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, wished to press the point in order to obtain more exact information. He had heard it stated that it was not the Government of the Netherlands that had proposed that the Conference should take place at The Hague. Where had that proposal originated? What were the exact figures in each case? Hitherto it appeared that a difference of 100,000 francs was involved according as the Conference would be held at The Hague or Geneva.

Mr. Yusuf ALI (India) thought that M. Réveillaud's solution was one that should allay all apprehensions.

Mr. MACWHITE (Irish Free State) agreed. It was the Assembly that had decided that the Conference should take place at The Hague. The Government of the Netherlands had not presented the request. To go back on that decision would be to create a regrettable impression, and to place the Government of the Netherlands in a difficult position.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, wished to keep to the figures. If the Conference took place at The Hague, an expenditure of 337,000 francs would be necessary. If, however, it were held at Geneva, it would only cost 208,500 francs. Consequently, in order to hold the Conference in the Netherlands, it would be necessary to add not a sum of 37,500 francs, but one of 91,000 francs.

M. CAVAZZONI (Italy) recalled that it was not the Government of the Netherlands but the Assembly that had chosen The Hague as the seat of the Conference. Was it right only to accept The Hague on condition that the Netherlands Government should give 37,000 francs towards the expenses of the Conference? He asked that a vote should be taken either on the figure of 208,500 francs, if Geneva were chosen as the seat of the Conference, or on that of 337,000 francs, if The Hague were chosen.

Mr. Yusuf ALI (India) thought that the reason for the Assembly's decision had been the fact that to choose The Hague would please the Netherlands just as a similar choice would please any other State with the same international spirit. He would like to leave open the question whether The Hague or Geneva should be chosen, and he suggested that the Committee should vote the maximum credit for holding a Conference at Geneva. Any small modifications would depend on the negotiations with the Netherlands Government.

M. DE LAGERBERG (Sweden) recalled that the First Committee had unanimously taken a resolution according to which the Conference should be convened in 1929. That resolution was still in existence. The date of that Conference was of great interest to the Swedish delegation, which could not support a proposal for adjourning the Conference to 1930. Several other delegations attached great importance to the early meeting of that Conference.

The CHAIRMAN recalled that the Committee had noted at its preceding meeting that it would be impossible to hold the Conferences on Disarmament and Codification at the same time. It was for that reason that M. Réveillaud had submitted his draft resolution.

The Right Honourable G. LOCKER-LAMPSON (British Empire) said that he was sure that the Netherlands delegate would like to have an opportunity of communicating with her Government, in order to know exactly what it was prepared to do. He proposed, therefore, that she should be allowed the time to obtain information. A Sub-Committee composed of four members of the Fourth Committee could then meet, in order to examine the question with Mme. Kluyver.

The SECRETARY-GENERAL said that he was obliged to leave the meeting. He wished to state that he trusted that, whatever decision was taken, he would not be made to assume any responsibility for the choice of the town where the Conference would sit. That responsibility was incumbent upon the Assembly itself.

He hoped that, whatever the credit voted, according to the place chosen, that credit would be enough to enable him to take all the necessary measures for convening the Conference.

(The Secretary-General withdrew.)

Mr. MACWHITE (Irish Free State) said that, after the observations of the Chairman of the Supervisory Commission, the best way for the Committee to extricate itself from the difficulty would be to vote the whole credit of 337,000 francs. He was sure that the Committee could trust in the honour and generosity of the Government of the Netherlands in this matter, and that much larger economies would thus be realised if his proposal were adopted.

Count DE PENHA GARCIA (Portugal) associated himself with this statement.

M. RAPPARD (Switzerland) pointed out that the Sub-Committee would not know what question it should put to the Netherlands Government. It appeared to him that the mandate of the Sub-Committee might be fixed as follows: To propose The Hague or Geneva according as (r) the

expenditure amounted to the same in both cases; (2) the difference amounted to 93,000 francs; (3) the difference amounted to 127,000 francs.

M. RÉVEILLAUD (France) thought that it was useless to prolong the discussion and that it would be better to adopt the proposal of the delegate of the British Empire.

M. CAVAZZONI (Italy) pointed out that a majority of the Fourth Committee might vote in favour of holding the Conference at Geneva. In that case there would be no reason why the delegation of the Netherlands should ask for instructions from its Government.

The CHAIRMAN considered that, in order to meet M. Cavazzoni's preoccupations on this point, the Committee might extend the terms of reference of the Sub-Committee, requesting it to reach a preliminary agreement with the First Committee as to the place where the Conference should be held.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, said that he had been present at the meetings of the First Committee. When the question had been raised in that Committee, one of its members had stated that the considerations brought forward in the preceding year in favour of holding a meeting at The Hague no longer existed, and that the Committee should therefore now consider if it should not reconsider the decision taken in 1927. The Chairman, M. Scialoja, had then replied that the problem should be solved by the Fourth Committee.

Mme. KLUVYER (Netherlands) thanked Mr. Locker-Lampson for his proposal, of which she was in favour. Obviously, it was impossible for the Netherlands delegation to make a formal promise and to fix a figure. The Netherlands was a democratic country in which the Government could only act with the approval of Parliament. Moreover, the figure of 37,000 francs could not be regarded as a maximum.

M. HAMBRO (Norway) said that he did not very much like this sale by auction. It did not seem very chivalrous to choose four members of the Fourth Committee in order to induce the delegate of the Netherlands to make formal promises with regard to collaboration on the part of her Government.

Mr. BAILLIEU (Australia) asked whether the Sub-Committee could not be empowered to settle the whole question.

The CHAIRMAN replied that it would be contrary to constitutional procedure to deprive the Committee of its powers, since the voting of a credit was at issue.

He proposed that a Sub-Committee should be appointed composed of the delegates of France, Germany, the British Empire, India and Switzerland.

This proposal was adopted.

3. *Commission to proceed to the Far East to consider the Situation as regards the use of Prepared Opium (continuation).*

Dame Edith LYTTELTON (British Empire), representative of the Fifth Committee, asked that her proposal should be examined carefully in its wider aspects. Great Britain was not the only country concerned. Seven countries with possessions in the Far East also desired the proposed enquiry. The difficulty of applying the provisions that all those nations had undertaken to carry out in virtue of the Geneva Agreement was almost insuperable; it was for that reason that the enquiry had been proposed. If a small Commission were now sent to the Far East, it would have sufficient time to collect the necessary documentation for the 1929 Conference. The Commission that it was proposed to constitute would be an independent one, consisting of three members. It was suggested that the Governments concerned should share with the League the expenses of this enquiry, and the British Government was prepared to pay its due contribution in this respect.

Dame Edith Lyttelton had been present at discussions on a certain number of important undertakings, most of which, however admirable, had not been expressly referred to in the Covenant, whereas Article 23 made special mention of an opium enquiry. All the members of the Fifth Committee were agreed that that enquiry was necessary. The only disagreement related to the question of the expenditure that it would entail. It was on account of that disagreement that those who were in favour of the enquiry were prepared to share in its expenses.

Count DE PENHA GARCIA (Portugal) said that the Portuguese Government was agreed, in principle, on the value of the enquiry suggested by the British Government. The British Government desired the enquiry to be made in all Far-Eastern countries where the opium question was a burning one. The representatives on the Council of Japan, France and the Netherlands, while accepting the principle, had emphasised the fact that the scope of the enquiry would not be wide enough if it were not extended to most Far-Eastern countries, and particularly to China. The representative of China had then made certain reservations, and had explained that it would be difficult, for the moment, to extend the enquiry to his country.

Consequently, the original position was modified. The Portuguese Government still believed that the enquiry was necessary, but the results of that enquiry would be different from those that had been anticipated at the outset.

Moreover, the 1925 Convention had only just come into force. The Commission of Enquiry could not, therefore, know its positive results and collect precise data concerning them. This being so, perhaps it would be advantageous for all reasons to postpone the enquiry for a few months.

Further, it was difficult to consider the request of the British Government for economy, and this scheme, entailing a credit of 230,000 francs, as compatible, all the more so since the expenditure that it was proposed to vote would be renewed for several years.

Mr. Yusuf ALI (India) said that his Government welcomed the Commission but regretted that it could not promise any contribution. In view, however, of the great sacrifices to which India had agreed when it had abandoned a revenue of between five and seven million pounds, which accrued to its budget from the opium trade, it could not be supposed that India looked upon this matter with indifference. The measures taken in Burma to check the opium-smoking habit were, he ventured to think, wise, practical and effective and might interest other countries.

He wished to raise a point of procedure. In Schedule P of the budget there appeared three distinct items for cables and telegrams, and certain miscellaneous and unforeseen expenditure appeared in four different places. He thought that it would be preferable next year to unite these various items in a single lump sum, as was done by the International Labour Office.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, thought that it would be difficult to group together these various items, for such a grouping would prevent an exact distribution of expenses between the various branches of the League's activities.

Mr. Yusuf ALI (India) recognised that it was clearer to enumerate the various categories of expenditure according to the branch of activity to which they related. He thought, however, that so minute an enumeration went too far.

M. KURUSU (Japan) said that hitherto he had never had to defend his country against the charge of a lack of hospitality. The Japanese delegation was prepared to support this first scheme for an enquiry. The Government would provide all reasonable facilities on its territory and all the assistance in its power. Japan did not measure the value of the League's work by the degree of material benefit that it received. It participated in the various activities of the League with the sole consideration that the objects of those activities were world peace and the welfare of humanity.

In the present case, Japan was asked to contribute to the expenses of an enquiry in a sphere which was one of the particular spheres of the League. If this enquiry were made in a country close to the seat of the League, it was quite certain that the League would support all its costs. It was only because the geographical position of Japan entailed particularly heavy expenditure that Japan was invited to share in the costs.

M. Kurusu found it difficult to look upon the suggestion as a just one. It was impossible for the Japanese delegation to accede to such a proposal. It intended firmly to maintain this position. The Japanese Government entirely accepted any scheme for an enquiry in the Far East, but it urged that all the expenditure entailed should be borne by the League.

M. DE MODZELEWSKI (Poland) entirely agreed. If the budget were examined, it would be noted that the sums expended especially concerned Europe, while distant countries like South America, Japan and India only benefited by between 15 per cent and 20 per cent of the expenditure.

Not only did those countries contribute to the budget by paying large contributions, they also sent representatives who, by their intelligence and industry, helped to solve many European questions. It would show a lack of gratitude and of good grace to refuse the credit which was now requested.

M. RÉVEILLAUD (France) recalled that he had had a friendly passage-at-arms with the Italian delegate in connection with the opium question. That delegate had argued that the opium question did not concern the League. Basing his arguments on the Covenant, M. Réveillaud had shown that, on the contrary, that task clearly entered within the sphere of the League's activities, since those who had signed the Covenant and had undertaken to apply it by means of a Convention, at the end of which the seals of the States were attached, had expressly referred to the opium question in Article 23.

This year again, therefore, the French Government felt the warmest sympathy with the request of the British Government that practical measures should be taken which would make it possible to combat effectively this terrible scourge, which was one of the main problems of Far-Eastern countries.

The Committee would not be surprised that the French Government had expressed its sympathy in a form other than that of mere words. In reply to the invitation of the British Government to the principal countries concerned in the proposed enquiry, the French Government was prepared, if the enquiry were undertaken, to meet the necessary expenses of its organisers, considering them as its guests.

This was a new consideration, which M. Réveillaud was glad to announce to the Committee. Obviously, however, the financial aspect of the problem remained, and it was this aspect that should be its chief concern. He would not mitigate his complete agreement with the decisions of the Supervisory Commission, since that Commission had not maintained for one moment that this work did not enter within the sphere of the League's activities. The Commission confined itself to stating that for the moment it did not think that the object of the request was sufficiently clear to enable it to quote a figure for the sum which would have to be voted by the Committee. For that reason, without expressing an opinion on the point of principle, it had requested that the enquiry should be adjourned to the following year.

The only problem to be solved was whether, in the present state of affairs, and in view of the new factor constituted by the practical and financial support of the French Government, the Committee considered that the question was somewhat riper for examination than at the time when it had been submitted to the Supervisory Commission. It did not appear that a second examination could be undertaken on the model of that which had just been undertaken in the case

of the Codification Conference. Perhaps Dame Edith Lyttelton, who had just indicated the figure of 125,000 francs, which was only half the figure that had been given before, might supply more exact information, which might appear satisfactory to the Supervisory Commission, or, still better, to a Sub-Committee which might be appointed for this purpose.

M. Réveillaud asked, therefore, in conclusion, that a Sub-Committee should be appointed consisting of four or five members nominated by the Chairman.

M. RAPPARD (Switzerland) noted that the proposed enquiry would not be undertaken exclusively in the interests of the Far-Eastern countries. Those countries had not asked for the enquiry. On the contrary, they would be subjected to it. How could those countries be asked to give an undertaking in advance that they would meet the expenses entailed by the visit of the members of the Commission? It would be hard to conceive a more unbecoming attitude on the part of the League of Nations.

M. TSI-TCHE (China) wished to recall the statements presented by his delegation to the Fifth Committee and to the Council. His Government entirely approved the proposal of the British Government, on condition, however, that the field of the investigations of the Commission of Enquiry should not be confined to the Far East, but should be extended to all countries without exception which produced or manufactured opium, its derivatives, or other drugs, and that China should be represented on that Commission.

M. CAVAZZONI (Italy) said, in reply to M. Réveillaud, that he had never stated that the fight against the illicit traffic in narcotics did not enter within the sphere of the League's activities. In the Advisory Committee, in the Fifth Committee, and even in the Fourth Committee, and at the last session of the Assembly, he had expressed an entirely opposite view. The misunderstanding arose from the fact that he had stated in the preceding year that the League should not support the costs of the Central Board, since it had then been anticipated that that Organisation would be independent of the League. At that time the representative of Italy had been the only representative who had maintained that view. The Advisory Committee had, however, confirmed his view, and the Fifth Committee had shown by adopting the report of the Advisory Committee that it held the same view. In these circumstances, the Italian delegation had withdrawn its reservations. The statement before the Fifth Committee had been as follows:

“ The Chinese delegate had clearly brought out, in the last proposal he had made, the central point in the drugs question. The burning problem to be solved to-day was not that of raw opium, but that of manufactured drugs. Manufactures had assumed such huge proportions to-day and were making such dreadful ravages that the less urgent and less serious problems must be left on one side and all efforts concentrated on the solution of this one question. The position in several Eastern countries was very serious in regard to the traffic in narcotics. The abuse of cocaine, morphine and heroin was more and more taking the place of opium-smoking. This menace to the health and to the future of races who were proud of their wonderful past was by no means the least important reason for the general mistrust of Western civilisation felt in the East. The members of the Committee were familiar with the charges made by the Press and by public opinion in those countries against Western capitalism, which, for sake of gain, did not hesitate to exploit the progress made by industry and science to cause the ruin and degradation of whole peoples. In this way the opium problem had become of political importance; it both jeopardised peace and hindered international harmony. ”

M. Cavazzoni would only add a single figure to this statement; 20,000 kilograms of morphine entirely escaped control. That figure could not fail to impress the Committee.

It was for these reasons that the Italian delegation had supported the suggestion of the Chinese Government that the proposal of the British Government should be amplified, and that the enquiry should cover not only the opium question but also all questions relating to the illicit traffic in narcotics.

Barely a dozen manufactories of narcotics existed in Europe and Japan. It would appear, therefore, that it would be easy to ascertain how 20,000 kilograms of morphine could escape all control and could be employed for the poisoning of humanity.

Nevertheless, as a member of the Fourth Committee, M. Cavazzoni, realising that it would be necessary to make provision for very large expenditure, had stated that he would abstain from voting.

Now, however, the position was no longer the same. The Polish delegate had withdrawn his amendment. This being so, M. Cavazzoni said that he would vote against the proposal of the delegate of the British Empire.

Further, he thought that it would be desirable that the Secretariat should inform the Committee, with the help of the data that it had obtained from the enquiry undertaken in Persia, whether there was a sound basis for the sum of 125,000 francs.

Finally, M. Cavazzoni wished to inform the Fourth Committee of the result of the vote of the Fifth Committee on the British proposal. He laid emphasis on the fact that the Fifth Committee had not then been preoccupied by financial considerations. Now, among the thirty-one members present, one had opposed the proposal, thirteen had declared themselves in its favour, and seventeen had abstained from voting.

Prince VARNVAIDYA (Siam) said that his country would welcome the Commission, and would, provide it with all possible facilities and with all the hospitality that could be desired. In so doing, it would be acting in the Oriental spirit of hospitality. With regard to the principle at issue, he agreed with the Japanese delegate. It was clear that opium entered within the sphere of the regular activities of the League, and that the League should support the costs of the enquiry.

Mme. KLUYVER (Netherlands) said that the question concerned her Government, since the Netherlands Indies were to be included in the enquiry.

The Government of the Netherlands had always done all in its power to assist in the fight against opium. It was in this spirit that Mme. Kluver supported the British proposal. She added that the Government of the Netherlands Indies would be prepared to support the expenses entailed by the visit of the Commission of Enquiry to its territory.

M. HAMBRO (Norway) noted that the present position was a difficult one. The greater part of a large budget had been adopted without knowing what supplementary credits would have to be examined. Each proposal for reduction had been rejected, but if the delegates who had voted had known that they would be asked to grant such large supplementary credits, they might have voted otherwise.

A unanimous resolution had been taken requesting the Assembly to amend the rules of procedure with regard to the budget, and recommending that each proposal for an increased credit should be submitted to the Secretary-General at least one month before the opening of the Assembly. This provision was intended to obviate the necessity of examining, from a sentimental rather than a financial point of view, proposals that were presented at the last moment.

He recalled that, two years ago, a proposal made by the Indian delegation had been adopted, to the effect that the budget should be so drawn up that no country would have to give a larger contribution than the one it had given in 1926. In the following year, however, the Members of the League would have to pay a higher contribution. It was quite true that the present enquiry entered into the sphere of the League's activities, but the League had never evaded its responsibilities in that sphere. Each year it had devoted considerable sums and much work to the opium question.

Would it not therefore be possible to postpone this enquiry for a year? The present procedure was deplorable; there was not the slightest limit to the requests presented to the Fourth Committee, and if that Committee were not firmly to maintain the financial principles that were indispensable to any organisation, whether national or international, the result would be a veritable chaos.

Dame Edith. LYTTTELTON (British Empire) pointed out that the moment had come to reach a conclusion. The British proposal was in conformity with the conditions laid down by M. Hambro, since the letter from the British Government had been despatched on August 1st. Far from requesting an unforeseen credit, the British delegation was suggesting that that credit should be much lower than the one proposed at the outset. She asked, therefore, that M. Réveillaud's proposal should be adopted.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, explained the spirit in which the Supervisory Commission had examined the question. In the first place, it had had to analyse the situation. The question whether the enquiry entered within the sphere of the League's activities did not arise, since the Covenant itself had mentioned such an enquiry.

The Commission, which had been faced by the fact that the present year's budget presented an increase of two million francs on that of the preceding year, had endeavoured to estimate a figure for the expenditure that would be entailed by the enquiry in the Far East. It had considered how this enquiry should be carried out, what its programme should be, what transfers of officials would have to be made, which Governments would contribute to the expenses, what the exact aim of the enquiry was, how many persons were going to participate in it, etc.

It was after examining all these points that the Supervisory Commission had reached the conclusion that it now presented to the Fourth Committee.

M. Réveillaud's proposal was adopted.

It was agreed that the Sub-Committee should be composed of the delegates of Australia, Czechoslovakia, France, the Netherlands, and the Kingdom of the Serbs, Croats and Slovenes.

8. *Administrative Expenses of the Settlement of Armenian Refugees in Erivan.*

Dr. NANSEN (Norway), representative of the Sixth Committee, said that he had reduced his budget as far as possible. The only difference between his own budget and that adopted by the Supervisory Commission related to the post of Secretary to the representative at Erivan and to his travelling expenses. He had considered that it would be desirable to appoint a secretary, since there would be an enormous amount of work for one man. He very much regretted, therefore, that it had been thought necessary to suppress this item in the budget. It would be desirable in every respect that it should be re-established, but if its suppression would make it possible for the remainder of the budget to be adopted without discussion, he would not press the point.

M. VON KNORRE (Germany) recalled that, in reply to the request of the Council to the Members of the League, Germany had had to confine itself, in view of its financial position, to offering a credit in goods of the value of one million Reichsmarks. In acting thus, it had supposed that, in view of the Council's decision, other Governments would contribute larger sums. The Government replies that were known, however, had not hitherto been encouraging. Consequently, Germany had made its offer dependent upon the participation of at least five other Governments and on the assumption of responsibility by the League for the carrying out of the scheme.

Dr. Nansen had stated the reasons why the League should undertake the annual costs of administration, costs which amounted to 50,000 francs. It did not appear possible to deduct the costs of administration from the small sums that Dr. Nansen had received in ready money, all the more so since ready money was necessary in order to realise the credits in goods offered by certain Governments.

If, on the one hand, the League should state that it was prepared to assume responsibility for carrying out the work, it was necessary, on the other hand, that each State should make every effort to bring this work to a successful conclusion. The danger of failure would be increased if a part of the sums available were to be appropriated for administrative expenses. Further, if the Council, after having made this unanimous appeal to Governments, could not now give effect to it, because the League refused to undertake the costs of relief work with which it had long concerned itself, the prestige of the League would not be enhanced thereby.

M. von Knorre hoped, therefore, that the Fourth Committee would accept the present resolution and that even M. Hambro would be prepared to yield to sentimental reasons.

This section of the report of the Supervisory Commission was adopted.

D. Enlargement of the Council Room.

The Committee decided to add to Part IV of the General Budget for 1929 the following item:

“ Extension of the Council Room in 1928: 70,000 francs. ”

72. **Detailed Examination of the Budgetary Estimates of the Secretariat and Special Organisations** (see document A.4.1928.X): **Annex 2: Far Eastern Bureau for Epidemiological Intelligence.**

Annex 2 was adopted without amendment.

73. **Chapter III, Item 23 B: Permanent Central Board to be set up under the Opium Convention of February 1925** (126,600 gold francs).

This item was adopted without amendment.

74. **Detailed Examination of the Budgetary Estimates of the International Labour Organisation: Chapter II (a): Extraordinary and Temporary Expenditure: Work for Russian and Armenian Refugees** (300,000 Swiss francs).

This chapter was adopted without amendment.

75. **Question of the Publication of the Minutes of Committees and Sub-Committees.**

The Right Honourable G. LOCKER-LAMPSON (British Empire) submitted the following draft resolution:

“ The Assembly decides that, excepting in the case of the Mandates Commission and the Committees of the Assembly where special considerations apply, the Minutes of Committees and Sub-Committees will in no case be published unless a formal request, containing a statement of the reasons for such a course, is submitted to the Council through the Secretary-General.”

Mme. KLUYVER (Netherlands) pointed out that the work of the Opium Committee, like that of the Mandates Commission, deserved to be brought to the notice of the public. She proposed an amendment to this effect.

The Right Honourable G. LOCKER-LAMPSON (British Empire) thought that it was for each Committee, if it had good reasons to ask for the publication of its Minutes, to request authorisation from the Council. In principle, he did not wish the exceptions in the text to be amplified.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, saw one great advantage in the present resolution, which was that Committees that wished their Minutes to be published would be obliged, in presenting their request, to give such substantial grounds for it that a report would be available before the next session of the Assembly stating the reasons for each publication.

Mme. KLUYVER (Netherlands) did not press her proposal.

M. HAMBRO (Norway) had no objection to the present text. He asked, however, that the Supervisory Commission should follow its application in order to see whether it led to economies of any importance. He understood that the League derived an appreciable revenue from the sale of Minutes.

An economic method would have to be found of reproducing the Minutes of Committees and Sub-Committees, in order that copies might be provided for the various Governments.

The draft resolution was adopted.

THIRTEENTH MEETING

Held on Saturday, September 22nd, 1928, at 3.30 p.m.

Chairman: M. DE VASCONCELLOS (Portugal).

76. Report of the Sub-Committee instructed to examine the Credits necessary for the First Conference on the Progressive Codification of International Law.

The CHAIRMAN, before opening the discussion on the report (Annex 11), drew the Committee's attention to the generous offer of the Government of the Netherlands. He was sure that the Committee would wish to express its gratitude to that Government, as well as to the delegate of the Netherlands, whose participation in the Committee's work had been so gracious and so valuable.

The report was adopted, together with Article 28 of the Budget of the Secretariat (Progressive Codification of International Law) and Point 5 of the Report of the Supervisory Commission (Annex 2), which related to the same subject.

77. Report of the Sub-Committee instructed to examine the Credit asked for the Commission of Enquiry to proceed to the Far East to consider the Situation as regards the Use of Prepared Opium.

The CHAIRMAN, before opening the discussion on the report (Annex 12), said that he believed that he might speak on behalf of the members of the Committee in thanking the British delegation for its generous offer of a sum of 50,000 francs as a contribution to the expenditure entailed by the enquiry.

M. CAVAZZONI (Italy) also thanked the British Government for its offer. He said, however, that, for reasons which he would state, he would vote against the Sub-Committee's proposal.

In the first place, he fully associated himself with an observation made by M. Osuský at the preceding meeting. M. Osuský had said that it would be necessary at the outset to be assured that the proposed credit would be sufficient to bring the work to a satisfactory result. M. Cavazzoni pointed out that nothing was known of the extent of the enquiry, nor of its duration, nor of the States which would contribute to the expenditure entailed. He drew attention to the following statement of the British delegate to the Fifth Committee:

"As to the financial question, the British Government is prepared to cover half of the expenses of the Commission in the territories dependent on British administration."

He asked whether the British Government, after its offer of 50,000 francs, maintained that statement.

The Italian delegate recalled the reply of the Secretary of the Social Section of the Secretariat to a question by the delegate of Cuba. According to that reply, the expenses of an enquiry in the Straits Settlements, Java, Siam, Hong-Kong, Japan, China and Burma would amount to about 400,000 Swiss francs. That figure, which was obviously a very approximate one, had been obtained by means of a comparison with the expenditure that had been necessary in the case of the Commission of Enquiry to Persia. It would suffice for an enquiry lasting six months, undertaken by three investigators and a secretary, and would be reduced, it was true, to a large extent if China were left out of consideration.

From 400,000 gold francs, the sum had been reduced by some miracle to 250,000 francs, and then to the sum of 150,000 francs which was now proposed.

M. Cavazzoni wondered whether the Fourth Committee could really agree, in these circumstances, to adding to the bulk of the budget by undertaking expenditure in connection with an enquiry which was the subject of so vague a proposal as the one at present under discussion. On the other hand, M. Cavazzoni was not sure that that enquiry would not raise an obstacle to the meeting of the Opium Conference which, as was known, was expected to take place in 1929 at latest.

M. RÉVEILLAUD (France), Rapporteur of the Sub-Committee, said that he quite understood M. Cavazzoni's doubts. At a moment when the Committee had placed before it a request for such a large credit, it was natural that it should wish to know exactly what it was undertaking. The Sub-Committee had been unanimous in proposing that this credit of 100,000 francs should be inserted in the budget. M. Réveillaud was quite prepared to recognise that the proposal for expenditure arose in altogether unusual circumstances, since the Sub-Committee had not been in a position on this occasion to apply the ordinary methods of the Supervisory Commission. Nor had it been able, despite Dame Edith Lyttelton's efforts, effectively to examine each of the items of the chapter on the expenditure relating to the enquiry.

The Sub-Committee had unanimously decided to recommend the insertion in the budget of this credit, because it had been impressed by the fact that this task was one which the League of Nations could not avoid. The study of the fatal consequences of the use of opium and the search for means of combating its spread were required by Article 23 of the Covenant, and it was not possible to exclude the fact that public opinion would have judged the Sub-Committee severely if it had replied in the negative to the British proposal.

The uncertainties which had confronted the Sub-Committee did not only relate to the estimate itself. They were also due to the fact that it was impossible to determine immediately the extent of the work to be undertaken. Nor was it known to what degree the countries concerned would share in the subsistence expenses. At the present moment, four countries had offered hospitality to the members of the Commission, Great Britain, France, the Netherlands, on behalf of their possessions, and Siam. Two countries had not replied, India and Portugal; and another had refused, Japan.

Finally, it had been suggested that the enquiry should be extended to the Philippine Islands. It was not known, however, whether the Government of the United States would contribute to the subsistence expenses, nor even whether it would permit the enquiry to be made in the Islands in question.

In these circumstances, the Sub-Committee proposed a credit of 100,000 francs, which could not be exceeded. After the brief work it had undertaken, it had concluded by estimating the amount of the expenditure at approximately 200,000 francs. That figure had, however, only been obtained by making reductions on the various heads of the budget of the enquiry, and by taking into account Dame Edith Lyttelton's assurance that the Commissioners, instead of receiving £100 a month, as had been anticipated at the outset, would be satisfied with a total sum of £300, irrespective of the duration of the enquiry.

The Sub-Committee was therefore in a position to state to the Fourth Committee that the enquiry, however long and expensive, would not cost the League more than 100,000 francs. As to the surplus expenditure, that would be covered in the following manner: The British Government would promise now a sum of 50,000 francs; further it would undertake to request the other Governments on whose territory the enquiry would be made to contribute to its expenses. There would then be two contingencies: either the collaboration offered by these Governments would be sufficient and there would be no difficulty in undertaking the enquiry, or that collaboration would not be sufficient, in which case the British Government would decide that the enquiry would have to be abandoned, or would take any other decision that it thought fit.

The French delegate did not think that the proposal under discussion could occasion the slightest anxiety among the members of the Committee; it was an exceptional case which could not constitute a precedent. He recalled the method that had been followed when a similar difficulty had arisen in connection with the work for Armenian refugees. The Fourth Committee had then stated that it would place 50,000 francs at the disposal of the High Commissioner, leaving it to the Commissioner to obtain such supplementary resources as he might need.

M. HAMBRO (Norway) thought that the question to be considered was whether the proposed enquiry did or did not enter within the sphere of the League's activities. If it did enter within that sphere, the League should pay all the expenses. If there were uncertainty on the point, the League should not allow itself to be tempted by the offer of any Government to pay a sum towards the expenses of the enquiry.

The Norwegian delegate had decided to vote in favour of the credit that was asked; he hoped, however, that the Fourth Committee would be circumspect when it was confronted by similar offers in the future. There was an article in the Constitution of the United States which prevented the Federal Government from accepting gifts. Everyone knew, indeed, that in ordinary life the acceptance of a gift sometimes had very costly results.

M. RAPPARD (Switzerland) said that his Government looked upon this proposal with complete sympathy. For his part, nevertheless, M. Rappard could not help feeling a certain amount of uneasiness after having taken note of the documentation and heard the speeches that had just been made. He did not now see how he could associate himself with a positive decision. M. Cavazzoni's arguments appeared to be irrefutable. There was only one argument in the report of the Sub-Committee which could be taken into consideration, which was that no ground should be given for stating that the League had shown itself to be indifferent to a task incumbent upon it.

M. Rappard feared, however, that an enquiry such as the present one would make a much more undesirable impression on public opinion than its adjournment. A mission undertaken by three persons of standing, in the Far East, would cost more than 150,000 francs. Great Britain had promised a generous subsidy, and the Commission much appreciated that gesture; that country had also stated that it would endeavour to obtain the assistance of other Powers. Its delegate, on the other hand, had informed the Committee that she was in a position to find experts whom, as she had said yesterday, would be quite impartial and inspired by an international spirit, and who would be contented with trifling travelling expenses. M. Rappard laid emphasis on the danger that the League might thus give an impression of having somewhat swerved from its attitude of impartial independence.

The French delegate had enumerated a series of countries which would more or less associate themselves with the enquiry, but it was obvious that those which would give it the most facilities would be those in which the enquiry would be least useful. For instance, the British Government had no need of the visit of an international commission to one of its possessions, with a view to estimating the importance of the production of opium in that possession. Its information on that point was sufficient. M. Réveillaud had not even mentioned the countries in which the problem was a particularly burning one. Moreover, it appeared clearly from the previous statements of the representative of China that the Commission of Enquiry could not work in that country. The enquiry appeared, therefore, in such a light that the question should be considered whether by accepting it the cause of those combating the ravages of opium would be well served.

M. KURUSU (Japan) regretted that the British delegation had thought it its duty to make this proposal. The Japanese Government did not wish in any way to oppose the enquiry; it only

opposed the contribution that was asked from countries on the territory of which the enquiry would be made. There would thus be two categories of countries: the first category would comprise those which had granted a certain contribution, and the second those that had paid nothing. The Japanese delegate did not doubt that the enquiry, even if organised in this manner, would be perfectly neutral and impartial; but the existence of two categories of countries would be calculated to give rise to certain doubts or misunderstandings which might diminish in the eyes of the public the value of the results obtained.

'Dame Edith LYTELTON (British Empire) said that the British Government would never have proposed the enquiry if it had not considered it to be absolutely indispensable. It would be capable of giving extremely important results even if it were not extended to China. It would shed some light on the present chaos and confusion. With regard to its cost, the sum of 50,000 francs offered by the British Government would cover more than the expenditure arising from the visit of the Commission to the British possessions, and would therefore constitute a contribution to the expenditure of the enquiry in general.

Moreover, it was known that the British Government would make every effort to obtain from the Governments concerned the payment of contributions amounting in all to 100,000 francs. Only 50,000 francs remained, therefore, to be found.

The Norwegian delegate had endeavoured to place those who had presented the proposal on the horns of a dilemma: either the enquiry entered within the sphere of the League's activities, and it was for the League to pay the expenses, or it did not so enter, and the League should no longer interest itself in the question in any way. Facts, however, were not always pliable to the clear ideas of logic, and it was often necessary to accept a solution by compromise. If the British Government had proposed that the League should accept such a compromise, it would doubtless be recognised that its conditions were advantageous to the League.

COUNT DE PENHA GARCIA (Portugal) said that M. Réveillaud's skilful pleading had dispelled all the doubts and apprehensions which the statements of M. Cavazzoni and of M. Rappard had awakened in him. Portugal thought that it should abstain from giving a contribution to the enquiry for two reasons: (1) because it appeared to it that, as the delegate of Japan had pointed out, the nature of the enquiry had been modified; (2) because a country which, like Portugal, was spending all its energy on its financial stabilisation always hesitated to incur further expenditure. Portugal was prepared, nevertheless, to offer its hospitality to the members of the Commission.

The Portuguese delegate pointed out that it had only been with difficulty that the Fifth Committee had reached agreement on the necessity for the enquiry. It appeared to Count de Penha Garcia that the vote of the sum of 100,000 francs could only mean one of two things: either the adjournment of the enquiry, or an affirmation that the League did not wish to undertake too great expenditure on this work. These considerations caused him much perplexity with regard to the decision that he should take when the matter was put to the vote.

M. CAVAZZONI (Italy) recalled that there still remained many points in connection with the proposed enquiry which should be made clear. First, the question arose as to who, in the event of the Committee voting the 100,000 francs, would decide the scope, duration and programme of the work. In which countries would the enquiry be made? The United States had not made its decision known. China had just refused its assistance. The Japanese delegate could not vote in favour of the proposal in its present form. It appeared, therefore, that the Far East, in which the enquiry was to be made, was reduced to rather narrow limits.

Nor did the Sub-Committee state who would be called upon to take a final decision. Would it be the Fourth Committee? Would it be the Council? The objection raised by the delegate of Japan, moreover, was still unanswered; some countries would contribute to the expenditure and others would not do so. Would the latter countries be treated as poor relations?

It was stated that the enquiry was urgent. Why, then, had no mention been made of it at the last session of the Opium Advisory Committee, which had met in the preceding April? The proposal of the British Government had been received on August 1st, and it was surprising that it had not been found possible since that date to formulate it a little more precisely.

The Opium Advisory Committee was to meet in January 1929. It might then have the proposal laid before it and the British delegation would have had the time to make its proposal more explicit. The Committee would discuss the proposal and would present a report upon it to the Council, and if the question were not fully prepared until September 1929, the proposal would at any rate then be formulated with all the clarity that was desirable.

The Italian delegate pointed out that, even if the enquiry were undertaken immediately, the information collected by the Commission would not be ready soon enough to be used by the 1929 Conference.

In conclusion, M. Cavazzoni asked M. Réveillaud whether, in his opinion, the League would be creating a good precedent by inviting countries, the territories of which were to be the subject of an enquiry, to share in the expenses of that enquiry.

Mr. RIDDELL (Canada) recalled that the Canadian delegate on the Fifth Committee had stated that he was prepared to vote for the proposal. After having listened to the speeches that had just been made, Mr. Riddell saw no reason why he should not do the same. He had always thought that one means of suppressing the illicit opium traffic was to shed full light on that traffic, and he had had occasion to express that view at the Opium Conference of 1924-25. The question that arose was whether the proposed enquiry would make it possible to obtain an exact idea of the opium traffic, and of the existing situation in the countries that were to be visited with regard

to the use of that product. Now all good legislation was based on a knowledge of facts, and this was as true in the international as in the national sphere. On the other hand, even if contributions were accepted from Governments, the League would nevertheless retain the supervision of the enquiry. It would be the League that would organise the whole enquiry from beginning to end, and it might be considered that it would not compromise itself by accepting funds.

M. RAPPARD (Switzerland) understood that the aim of the enquiry was not to reveal certain unknown facts, but to provide the world with an impartial and authoritative statement on the position. The members of the Commission would be concerned with the contraband traffic in opium, which was being carried on on a vast scale and which it was impossible for the Governments to suppress. Assuming that the Commission, whose impartiality seemed to him to be certain, were to state that some Governments, which had taken the initiative in the enquiry and had provided funds for it, were doing everything in their power to combat the use of opium, but uselessly, owing to the policy followed by other countries which had not been visited by the Commission, what effect would that statement produce on the latter countries, and what would their inhabitants think of the League which had assumed full responsibility for the enquiry? It was easy to understand that the Commission of Enquiry would never enjoy the full confidence of countries which had not invited it. It was absolutely essential that that Committee should not only be impartial, but should also have all the appearance externally of impartiality.

M. HAMBRO (Norway) asked whether it would not be possible to vote the funds, but to place them at the disposal of the Council, which would only authorise their use if it thought fit, after having taken note of the views of the Advisory Committee. This procedure would remove many difficulties, although the objection raised by M. Rappard would nevertheless remain. For his part, the Norwegian delegate had not very much confidence in Commissions of enquiry which were the guests of the Governments of the countries that they visited.

Mr. McLACHLAN (Australia) pointed out that this proposal had already been approved by the Fifth Committee and by the Sub-Committee. If it were true that the scope of the enquiry had been decreased, it was not correct to say that its character had been modified. Nobody could doubt the impartiality of the members of a Commission nominated by the League.

In reply to the observations of the Norwegian delegate, Mr. McLachlan stated that, if members of Commissions sent by the League could be influenced by the hospitality they received, or did not receive, it could no longer be hoped that League enquiries would be impartial.

Although he was very anxious that economy should be realised, Mr. McLachlan would vote in favour of the proposal. He begged the Committee not to overlook the fact that the enquiry concerned millions of human beings, living in very distant countries. The European Governments could not shut their eyes to the unfortunate position of these people, and the League would fail in its duty if it did not grant the sum that was asked.

The SECRETARY-GENERAL pointed out that there had already been several cases of the acceptance of gifts from Governments for League enquiries. He did not think that the impartial character of those enquiries had been in any way affected by this fact.

It seemed that the Sub-Committee had not fully realised in what a difficult position the Secretary-General would be placed if the proposal were adopted. The Sub-Committee had proposed an initial allocation of 100,000 francs for an enquiry, the total cost of which it had not yet been possible to determine. It would be contrary to all the principles of good financial policy to ask the Secretary-General to authorise any charge on these 100,000 francs before he had the total sum necessary in hand, or, at any rate, guarantees for an equivalent amount. He doubted whether the sum of 200,000 francs that had been mentioned would be sufficient, and recalled that, in the case of the enquiry in Persia, five commissioners had been engaged for work which had lasted ten weeks. The undertaking had cost 200,000 francs. The programme of the enquiry that was now proposed, even though the number of Commissioners would be smaller, covered a far greater number of countries and those countries were more distant. If it were decided to undertake the enquiry, the Secretary-General would like to submit the question of estimates to the Supervisory Commission, or to the Advisory Committee, in order to obtain an authoritative opinion.

M. RÉVEILLAUD (France) said that he fully agreed with the Secretary-General. He thought that, after the explanations that the Secretary-General had given, the discussion should draw to its close.

The Secretary-General had stated that it would not be possible for him to make any charge, on his own responsibility, on the funds that would be placed at his disposal for the enquiry before being assured that the whole of the amount for which provision had been made would actually reach him. In this connection, the question arose as to who should nominate the investigators. They could only be nominated by the Council of the League at its December session.

In the meanwhile, the British Government would have defined the scope of the enquiry, on the one hand, and, on the other hand, got into touch with the Governments concerned. By November it would be in a position to provide the Secretary-General with exact information on the total amount of the estimate and on the field of investigation.

The Italian delegate had introduced the Opium Advisory Committee into his observations. He had done so wrongly, because this was not a proposal of the British Government alone, but a proposal which had been discussed by the Fifth Committee, and which had only been submitted to the Fourth Committee after having been adopted by the competent technical committee. If the Assembly, through its Fourth and Fifth Committees, voted the credit in question, the principle of the enquiry would thereby be accepted beyond all question by the Assembly, and there would be no further obligation to request the opinion of any advisory body. On receiving the estimate presented by the British Government, the Secretary-General might convene the Supervisory

Commission and submit the estimate to it. The Supervisory Commission would examine it and, if necessary, would authorise the Secretary-General to submit a report to the Council. The Council would meet in December and could then take a decision with full knowledge of the facts. It was then that the three Commissioners for the enquiry would be nominated.

Dame Edith LYTELTON (British Empire) entirely approved, for her part, the statement that the French delegate had just made and proposed that the vote should now be taken.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, said that the discussion that had just taken place showed how necessary it was to devote to the examination of any question the necessary time for its thorough consideration.

He pointed out that for seven years Czechoslovakia had not been represented on the Fourth Committee, in that the head of the Czechoslovak delegation had always authorised M. Osuský only to speak in that Committee as Chairman of the Supervisory Commission. It was for this reason that it had often been believed that the Czechoslovak delegation showed a reactionary spirit and that, whatever fine words were uttered by its head, it was incapable of understanding the scope of the League's work.

On this occasion it had been as Czechoslovak delegate, and not as Chairman of the Supervisory Commission, that M. Osuský had played a part in the Sub-Committee which had dealt with the question of the opium enquiry. From the budgetary point of view, his opinion had not changed; it was still the same opinion as that of the Supervisory Commission, an opinion which, it might be stated incidentally, had not been disapproved by the Sub-Committee. It was only necessary to take the report of that Sub-Committee to see how vague were its statements and how uncertain its information, and to what an extent its proposal was lacking in precision.

M. Osuský wished to make a frank statement. As a technician, he could not accept a budget such as the one presented for the opium enquiry. In associating himself with the Sub-Committee's report, he had confined himself to making a gesture, and he believed that it had been in the same spirit that several other members of the Committee had approved the report. He had therefore decided to vote for the proposal of the Sub-Committee. It was now for the Fourth Committee to take a decision on the credit of 100,000 francs that was requested of it, in order to enable the League to fulfil one of the tasks allotted to it by the Covenant.

Prince VARNVAIDYA (Siam) explained why the Siamese Government had taken the initiative of offering hospitality to the members of the Commission of Enquiry. In Siam the contraband traffic in opium was particularly active on the northern frontiers, in a district where there were no hotels and where, consequently, the members of the Commission would have to be lodged in buildings belonging to the Siamese Government. It was not necessary for him to say that the Government had not thought for one moment of making use of that hospitality in order to influence the members of the Commission.

The CHAIRMAN said that he would put the report of the Sub-Committee to the vote.

M. CAVAZZONI (Italy) asked that the vote should be taken by roll-call. He wished to know whether the Supervisory Commission still maintained the point of view expressed in one of its reports with regard to the opium enquiry.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, said that the Supervisory Commission maintained the terms of its report.

The report of the Sub-Committee was adopted by seventeen votes (Australia, British Empire, Canada, Czechoslovakia, Finland, France, Greece, India, Luxemburg, the Netherlands, New Zealand, Norway, Poland, Kingdom of the Serbs, Croats and Slovenes, Siam, Spain, South Africa) against five (China, Italy, Japan, Lithuania, Portugal), and six abstentions (Bulgaria, Denmark, Germany, Irish Free State, Liberia and Switzerland).

On the request of the Chairman, Dame Edith LYTELTON (British Empire) undertook to inform the Fifth Committee of the decision that had just been taken and to give explanations regarding it.

78. Construction of an Assembly Hall, of New Buildings for the Use of the Secretariat and of a New Library.

The CHAIRMAN explained that the Assembly had decided to refer to the Fourth Committee the question that appeared on its agenda as No. 9: "Construction of an Assembly Hall, of New Buildings for the Use of the Secretariat and of a New Library".

He opened the discussion on the report submitted to the Assembly by the Special Committee appointed in accordance with the Assembly's resolution of September 26th, 1927 (Annex 13).

The Chairman proposed that M. Rappard, delegate of Switzerland, should be directed to present to the Assembly the report that the Fourth Committee would make on this question.

After an exchange of views, this proposal was adopted.

M. HAMBRO (Norway) said that he had not known that the report of the Special Committee was to be laid before the Fourth Committee. On the instructions of his Government, he had to protest against all that had been done with regard to the measures taken for the construction of the new buildings and the results of the competition of architects.

The Architects' Union of Norway, Sweden and Denmark had sent vehement protests to the League against the whole procedure followed. The Norwegian delegate was not prepared to discuss this question at the moment, but he wished to make a reservation. He could not vote in favour of the conclusions of the report. He wished to consult his colleagues with regard to those conclusions. He disapproved of the whole method that had been adopted for the competition

of architects, and with most of the measures that had been taken, and he was supported in that attitude by the unanimous resolution of the architects of the Scandinavian countries.

Since the Assembly was on the point of dispersing, it was impossible for him to ask that the question should be adjourned and he knew, on the other hand, that the members were now resigned to accepting almost anything that was proposed to them. He only wished that the Committee should take note of his reservation and that the Secretary-General should publish the protests that he had received with regard to the competition, both those concerning the jury and those relating to the decisions taken by that body which were counter to the programme which it had been directed to carry out.

After discussion, *it was decided that the Secretary-General should place the signed protests received in connection with the jury of architects and its decisions at the disposal of the delegates of the Fourth Committee.* The files containing those protests could be consulted on the same evening in one of the committee rooms of the Secretariat.

The discussion was adjourned to the next meeting.

FOURTEENTH MEETING

Held on Saturday, September 22nd, 1928, at 10.30 p.m.

Chairman: M. DE VASCONCELLOS (Portugal).

79. Construction of an Assembly Hall, of New Buildings for the Use of the Secretariat and of a New Library (continuation).

M. HAMBRO (Norway) expressed his keen regret that this report (Annex 13), which was one of the most important documents that had ever been submitted to the Fourth Committee, had been presented at so late a stage of the Committee's proceedings. Most of the members had not had an opportunity of fully examining it, and very little time remained for its discussion.

M. Hambro recalled that he had raised a certain amount of opposition to the proposal that M. Rappard should be appointed Rapporteur. He wished to explain that this opposition had not been due to any desire to submit an alternative proposal that would conflict with the interests of the Swiss Government or with those of the local authorities of Geneva. He would revert to this point later, but he now wished to withdraw his objection, and to state that he entirely agreed with the proposal which had been made.

M. Hambro wished to recall the history of this matter. The result of the international competition had been most deplorable. There was, he thought, justification for saying that the jury of architects had not fulfilled its duties. As had been pointed out by the first delegate of the Netherlands at the last session of the Assembly, it was not possible to consider the awards that had been granted as prizes within the contemplated scheme.

Further, it had been stated that no scheme would be eligible which would involve an expenditure of more than 13,000,000 francs; M. Hambro believed, however, that only one of the schemes for which awards had been granted had been within that limit, and certain of the schemes had exceeded the limit by 100 per cent.

The decisions of the jury had evoked protests from architects all over the world. Some of those protests had been very interesting, and the members of the Fourth Committee, before voting on the important resolution attached to the report now before it, should have had an opportunity of examining them. The protests, however, being unofficial, had not been circulated to the delegations, and it was only on the day of the present meeting that the Committee had had that opportunity. He regretted to say that only three members had availed themselves of it.

In the preceding year, the Assembly had empowered the Committee of Five to approve the plan which, in its opinion, complied most nearly with the practical and æsthetic requirements. Its task, which had been a difficult and sometimes a thankless one, had been very clearly defined, and the work of the Committee had been widely appreciated. The Committee had, however, done more than was requested of it, for the conditions of its work had been materially altered. The site was now to be changed. The delegation of the Netherlands was prepared to vote for that change which would, it considered, be an improvement. The change involved, however, the setting up of new criteria on which the plans for the buildings would have to be judged. Hitherto, it had been believed that the buildings would stand close to the lake. It was now known, however, that they were to stand at some distance from it. It should be remembered that the plans for any building could not be considered *in abstracto*, for a building should harmonise with the surrounding landscape. Moreover, the architects that had designed the successful plan had not known that an adjacent library was also to be constructed. The resolution passed by the Assembly in the preceding year did not necessarily apply, therefore, to the new situation, and the States Members of the League had very scanty information on that situation.

M. Hambro wished to add that he thought that the Swiss authorities, who had been in a somewhat delicate position, had given proof of the utmost consideration and of great breadth of

mind. They had shown themselves willing to make any sacrifice that the League might reasonably expect.

M. Hambro was not prepared to support a resolution authorising the Committee of Five to give the scheme its final approval. That Committee did not include any member with the technical knowledge required. The Assembly had appointed the Committee in the preceding year in the belief that a suitable plan would be submitted to it. It had trusted implicitly in the ability of the members of the Committee to do everything that was necessary in the situation, especially in view of the fact that certain of its members were experts in League finances. The situation had now, however, been radically altered. He would propose, therefore, in order that the States Members might examine the new plans, that the last paragraph of the resolution be suppressed. If all the necessary legal transactions were concluded, a delay of only one year would be entailed. He did not think that such a delay would be a serious one, for it was to be expected that the new buildings would serve as a home for the League for a very long period.

M. Hambro added that he was anxious to hear the views of the Committee of Five on the matter.

M. ADATCI (Japan) said that, whilst he could not speak on behalf of his colleagues, he was, for his part, quite prepared to lay down the duties that had been conferred on him by the last paragraph of the resolution to which M. Hambro had referred. He would, however, ask the Fourth Committee to remember that the Committee of Five had endeavoured to fulfil its duties to the best of its ability and had proposed the course which seemed to it to be the most practical one. He begged the Committee to discuss the matter calmly and carefully, setting aside all personal considerations, for everyone had at heart the welfare of the League of Nations.

M. LOUDON (Netherlands) said that, although he was not a member of the Fourth Committee, he had asked to speak in view of the very great importance which the delegation of the Netherlands attached to this question. As M. Hambro had recalled, he had raised this point in the preceding year and had severely criticised the manner in which the problem had been treated up to that time. M. Loudon would not repeat all that he had said on that occasion. He wished, however, to state that he agreed with most of M. Hambro's observations.

The delegation of the Netherlands strongly approved the choice of the Ariana site. It considered that the Fourth Committee should express its warmest thanks to the authorities of the City of Geneva for their praiseworthy efforts in helping to solve the problem that had arisen, efforts which had been all the more praiseworthy since it had probably been realised that part of the population would not welcome the solution towards which those efforts had been directed.

M. Loudon thought that it was very difficult to agree with the latter half of the proposals of the Committee of Five. When that Committee had been instructed to submit proposals, it had been believed that the question of the site was permanently settled, and the Council had shared that belief when it had approved the Committee's report. The situation was now, however, entirely different. The Library Organisation Committee had decided that the former site was too small, and unsuccessful efforts had been made to enlarge it. The rules for the competition had laid down that any plan adopted would have to harmonise with the lake-side site, and it had been considered that the plan selected had fulfilled that condition. It was doubtful, however, whether that plan could be adapted to the new site, since, in the first place, it would have to harmonise with the Ariana Museum and, secondly, the site was on a slope.

In addition to the question of the kind of building which the new one should be, there was also the question of the architects who were to construct it. The choice of a new site implied, probably, the choice of a new plan. The Committee would therefore have to decide whether a new competition should be held and, if so, what the rules of that competition should be.

In his view, the taking of this decision would be dependent on technical considerations and, as far as he knew, none of the members of the Committee of Five possessed the requisite qualifications in this respect. M. Loudon would propose, therefore, that the Committee of Five be instructed to apply to the members of the Jury for advice as to the proposals which they were to submit to the Council. He did not think that the question of delay was of vital importance.

M. RAPPARD (Switzerland) thanked the preceding speakers for their tributes to the Swiss authorities. He was pleased that agreement had been reached on the choice of a new site, for if the discussion on this subject had been protracted there might have been unfortunate currents in local opinion.

He wished to explain the attitude of the Swiss Government and the cantonal authorities. Switzerland had shared with particular keenness the impatience of other Members of the League at the delay in erecting a permanent building. The citizens of Geneva were daily witnesses of the difficulties caused by the present inadequate accommodation both at the Secretariat and at the Assembly Hall. It would also be very desirable that the intention of the generous donor of the Rockefeller grant should be carried out as soon as possible. The Swiss Government had, therefore, sought to do everything in its power to further the conclusion of an agreement, and it had been convinced that the cantonal and municipal authorities would spare no effort in order to attain this end.

On the other hand, the Swiss Government had refrained from influencing the decisions of the Committee. It had been careful not to attempt to exert the least pressure in favour of any particular solution of the problem.

To summarise the position briefly, the Swiss policy in this matter had been inspired only by a desire to come to an agreement, to facilitate any solution which might be agreeable to the League of Nations and to avoid even any appearance of indiscretion.

M. Rappard added that he had never sought the privilege of acting as Rapporteur. His sole object, as a member of the Committee, was to collaborate with his colleagues to the best of his ability and he was entirely at their disposal.

In conclusion, M. Rappard said that he wished to pay a tribute to the work of the Committee of Five and to that of the Secretary-General and the Under-Secretary-General in charge of internal administration.

M. CAVAZZONI (Italy) recalled the Assembly's resolution of September 26th, 1927. He did not think that the situation had materially altered since that date.

He pointed out that the choice of the scheme should depend not only on æsthetic considerations but also on technical ones. The Committee of Five was fully qualified to choose a scheme that would satisfy the League's requirements. A very satisfactory solution to the problem of the site had been reached, thanks to the friendly attitude of the Swiss Government and the City of Geneva. M. Cavazzoni thought that the work on the new building should be begun as soon as possible, and that any other decision than the decision to proceed with that work would be unfair to the Committee of Five.

The delegate of Italy was sure that he might speak on behalf of the Committee as a whole in expressing the desire that the Committee of Five should continue to carry out the task conferred on it. He begged M. Adatci, who presided over the Committee with such ability, to hasten the completion of its work as much as possible.

M. DE MODZELEWSKI (Poland) entirely agreed with the observations of the Italian delegate. He fully realised the difficulties that the Committee of Five had encountered.

On the other hand, he believed that the new difficulty that had arisen was not so great as had been stated, since the new site was very similar to the former one. Moreover, if the Committee of Five thought it necessary, it might apply for further expert advice. The Polish delegation had full confidence in that Committee and was convinced that it would accomplish its task to the satisfaction of all.

M. POLITIS (Greece) said that he did not wish by any means to attempt to exonerate the Committee from the reproach of certain members. He wished to point out, however, that M. Hambro had been particularly severe. He had complained that the report of the Committee of Five had been submitted at a very late stage of the Fourth Committee's proceedings. The fact, however, that the Committee of Five had met on the previous evening in order to complete a report which had been begun several days ago was a proof of the industry with which it had pursued its task, and of its respect for the Committee which was to discuss its work. The delay in submitting the report had been due to difficulties that had arisen. It was to him a very welcome duty to state that those difficulties had been overcome, thanks to the boundless devotion of the Federal Government and of the municipal authorities to the work of the League.

It had been stated that the work of the Committee of Five had been carried out in very difficult circumstances. Perhaps that statement implied—and he did not contest the implication—that the members of the Committee had no technical competence for following the very difficult and thankless task conferred on them in the preceding year by the Assembly. The delegate of Greece could assure the Committee that the members of the Committee of Five had only accepted that task in order to prove their unshakable devotion to the League. They did not ask for an expression of thanks for having done so. They only asked that they should be treated fairly and that the fact that they were themselves aware of their technical incompetence should be realised. The Committee had obtained all the necessary expert advice, and it had been only after the examination of numerous reports by experts, and after deep study, that it had replied to the questions it had had to solve.

M. Politis did not think that the present situation was very different from the situation in the preceding year. The question that now had to be considered was whether the changes that were to be made in the plans would have to be such that all the work hitherto accomplished would have to be undone.

Two kinds of considerations had directed the choice of the Committee of Five: practical and architectural considerations. From the practical point of view, the situation was unaltered. The only new aspects were architectural ones. The draft resolution had, therefore, only referred to a mere adaptation of the plans selected.

The question of the manner of that adaptation was a technical one which the Committee of Five could not solve unaided. The Committee, however, whether composed as at present or otherwise—and M. Politis was sure that he might speak on behalf of his colleagues in stating that they would all be pleased if others were prepared to take up their heavy task—had only to continue to act on the very simple method that it had hitherto followed, obtaining all the expert advice that it thought necessary before submitting the proposal for the ratification of the Council.

M. Loudon had suggested that the jury of architects should be consulted. M. Politis did not know whether this jury still existed as such or whether, in the negative case, it would be possible to re-form it. He thought that enquiries should be made in this respect. There were, however, other sources of information to which the Committee might apply, for the field of investigation should not be limited.

It was in this spirit that the Committee of Five had proposed in its draft resolution the adaptation of the plan already approved, it being understood that the Committee of Five would obtain all the necessary technical advice.

M. Politis could not admit M. Hambro's theory that the States Members of the League should approve the plans for the new buildings. It was true that they were the most interested parties,

but to arrange that the States as a group should discuss and choose the final plans would be to adopt a procedure that was without precedent in the annals of public affairs. When a public building was to be constructed, an assembly, it was true, always supervised the work, but the duty of carrying out the will of that assembly was always entrusted to an executive organ. The position in the present case was the same. In the preceding year the Assembly had directed the Council and its consultative organ, the Committee of Five, to undertake certain work. The Assembly would do the same this year, and the Council and the organ that was to advise it would incur the same responsibility.

To consult the various Governments and forward the plans for their approval would be to enter on a very complicated procedure which would cause a whole series of delays over a period of several years.

If, therefore, a concrete result, which was long overdue in this matter, were to be reached, the procedure determined in the preceding year should be followed, and the Council, with the assistance of the Committee of Five, which would obtain all the necessary advice on technical questions, should be given the right to take a decision as to the form of the buildings to be constructed in the Ariana Park.

M. Politis added that, if he needed any other argument to convince the Committee that a change of method would entail all kinds of disadvantages, it would be enough for him to recall that, by striving for the better, one often marred what was well.

M. HAMBRO (Norway) explained that he had not wished in any way to reproach the Committee of Five. He was aware that it had been impossible for that Committee to submit its report at an earlier stage. He had rendered a tribute to its work, but had pointed out at the same time that the situation had changed.

In the preceding year the Committee of Five had been given a definite task for the fulfilment of which no special technical assistance was necessary. Now, however, there was to be a change of site, and such a change nearly always involved an alteration of plan. He had not meant to suggest that the Governments should approve the plan or give opinions on its details. Naturally, however, they were all interested in the buildings and, equally naturally, the various delegations should receive instructions as to what decision they should take upon the present resolution, which would have more far-reaching results than any resolution that had hitherto been submitted to the Fourth Committee.

M. Hambro did not think that it would be enough to consult the various technical experts; the Committee should also take into consideration public opinion in all the countries concerned, and particularly the views of architects and art critics. The delay of one year would not be serious. If the Committee were not to face the facts of the new situation, it would show a lack of responsibility.

M. Hambro thought that all the members of the Committee of Five could be highly complimented on their work. He was sure that not a single member of the Fourth Committee had the slightest intention of criticising that work. The Committee of Five had accomplished far more than it had been asked to do and in a spirit which deserved the highest praise. Now, however, it had incurred new duties. Its task was no longer merely to alter the plan on certain technical points, but to consider whether the plan that had been considered suitable, from the æsthetic point of view, for the former site would also be suitable for the new site.

The CHAIRMAN said that the meeting would be suspended for fifteen minutes in order to allow the Committee of Five to discuss the matter.

(The meeting was suspended for fifteen minutes.)

M. POLITIS (Greece) informed the Committee of the result of the discussion of the Committee of Five. It appeared that there were only two possible solutions for the problem. One of these, which had been proposed by M. Hambro, would be a radical one. It would be to make a clean sweep of all that had been done hitherto and open another international competition. The Committee of Five was unanimous in opposing such a decision. It had many reasons for doing so, the most practical of which was that it was absolutely convinced that, if this step were taken, the situation would be exactly the same in a year's time. There would be the same difficulties, the same criticisms and further delays.

The Committee thought that failing this solution, which should be entirely discarded, only one remained, to repose trust in the Council of the League. The Council was the League's executive organ and assumed the responsibility of solving the gravest problems that arose in international relations. There was all the more reason for giving it the necessary powers to solve the difficulty concerning the buildings.

The Council would reach a solution after having heard the views of the Committee of Five, which would only take the responsibility of coming to a decision after having obtained the advice of the architects with whom it had hitherto collaborated, and any other advice that it thought necessary.

The Committee of Five proposed, therefore, that there should be added in the fourth paragraph of the resolution, after the words "have been completed", the words "and after having obtained all the expert advice necessary from the technical point of view".

The CHAIRMAN put the resolution to the vote, as amended by M. Politis, paragraph by paragraph.

M. LOUDON (Netherlands) proposed that there should be added after the words "expert advice" the words "including consultation with the Jury".

M. CAVAZZONI (Italy) thought that this addition would be superfluous.

M. LOUDON (Netherlands) asked whether the advice that the Committee of Five would receive would be communicated to the Assembly later.

M. POLITIS (Greece) replied that the Council had been informed of all the stages in the negotiations and of all the advice that the Committee of Five had received.

M. LOUDON (Netherlands) withdrew his proposed amendment.

M. HAMBRO (Norway) said that he would abstain from voting on the fourth paragraph.

The fourth paragraph and the resolution as a whole were adopted with one abstention.

The CHAIRMAN drew special attention to the following passage in the report of the Committee of Five adopted by the Fourth Committee:

"The Special Committee could not close this report without taking the opportunity of expressing its warmest thanks to the Federal Authorities and in particular to M. Motta, to the cantonal and municipal authorities of Geneva, as well as to the heirs of M. Gustave Revilliod, for the invaluable assistance in solving the difficult problem with which the Committee was faced."

Speaking on behalf of his colleagues, he thanked the Committee of Five for having attended the meeting, and said that the confidence of the Fourth Committee in the Committee of Five was unshaken.

The Committee unanimously appointed M. RAPPARD (Switzerland) Rapporteur for this question.

FIFTEENTH MEETING

Held on Monday, September 24th, 1928, at 10 a. m.

Chairman : M. DE VASCONCELLOS (Portugal).

80. Examination of the General Report to the Assembly.

M. MOLLOFF (Bulgaria), General Rapporteur, submitted his draft report (Annex 14).

M. HAMBRO (Norway) said that the Rapporteur's task had been more than usually difficult this year in view of the important discussions on questions of principle held in the course of the session. He thought that the report as a whole had been drawn up in a fair and impartial manner.

He would be glad, however, if the compliments paid in it could be omitted. Compliments were out of place in a report on a budget.

Furthermore, he had observed that, whereas the statements of the Director of the International Labour Office took up several pages in the report, the criticisms put forward by delegates had been condensed into the space of half a page. He could not approve the tendency shown by members of the Secretariat preparing the drafts not to give adequate space to criticisms. The Members of the League were certainly more interested in criticisms than in compliments. As regards compliments, other Committees of the Assembly had decided to omit them from their reports and the Fourth Committee would do well to follow their example.

M. MOLLOFF (Bulgaria), General Rapporteur, pointed out that he had only been voicing the feelings of the members of the Committee in tendering congratulations to the Secretary-General, the Under-Secretary-General and the Treasurer. He had believed, too, that the members of the Committee would wish to pay a tribute to the Chairman and Vice-Chairman, who had shown so much tact and impartiality in directing the proceedings. This was a formal vote of thanks which was found in the report each year.

The Committee decided to examine the draft report, section by section.

PREAMBLE.

The preamble was adopted with the following addition: after the words "contributions in arrears" the following words were inserted: "of the construction of new buildings, and of an amendment to Article 1 of the Financial Regulations".

I. AUDITED ACCOUNTS FOR 1927.

This section of the report was adopted.

II. 1929 BUDGET.

I. Secretariat and Special Organisations.

(a) General Discussion.

The Right Honourable G. LOCKER-LAMPSON (British Empire) proposed that the passage reading:

“ Certain delegates asked that the budget should be reduced by a sum of 1,000,000 francs arguing that . . . ”

should be replaced by the following passage, which presented a slightly more complete statement of the facts:

“ Certain delegates asked that the budget should be referred back to the Supervisory Commission so that that Commission might work out the effect of making reductions up to a total of one million francs, and submit the result to the Fourth Committee, so that the latter could decide what economies could, in fact, be recommended to the Assembly. They argued that . . . ”

The amendment was adopted.

M. HAMBRO (Norway) reminded the Committee that he had proposed the omission of all the compliments contained in the report. If the members of the Committee were not prepared to delete the passage beginning: “ After emphasising the importance of several principles . . . ”, that passage should at least be modified so as to make it clear that the tribute paid to the Secretary-General, the Under-Secretary-General and the Treasurer emanated from the Committee itself.

M. CAVAZZONI (Italy) urged that the expressions of congratulation should be retained in the report.

The following wording, proposed by M. Hambro, was adopted:

“ After emphasising the importance of several principles inseparable from good administration, the speaker, *interpreting the opinion of the Commission* . . . ”

The Right Honourable LOCKER-LAMPSON (British Empire) proposed that the words “ the task of cutting down the budget estimates ” should be replaced by the words: “ the technical work of showing where economies might be effected if certain decisions of principle were taken ”.

The amendment was adopted.

Section II (a) of the report was adopted.

(b) Detailed Examination of the Budget.

Chapter I: Assembly and Council.

Adopted without amendment.

Chapter II: General Services of the Secretariat: Item 4.

M. HAMBRO (Norway) reminded the Committee that M. van Eysinga had remarked that certain countries appeared to have a monopoly of the higher posts in the Secretariat. That remark had been followed by a long and important debate, in which the Secretary-General had given certain very interesting explanations. It would be well to make some reference thereto in this section of the report.

The SECRETARY-GENERAL thought that M. Hambro's request should be satisfied.

M. CAVAZZONI (Italy), while recognising that the word “ monopoly ” had been used, pointed out that the Secretary-General had said in reply that no monopoly existed. The amendment proposed by M. Hambro would, moreover, be aiming at certain States Members of the League. M. Cavazzoni therefore thought it inexpedient to insert in the report a passage on the lines suggested by M. Hambro, not because he wanted to hide anything, but because a passage of that kind would not correspond to the views of the Fourth Committee.

M. RAPPARD (Switzerland) submitted that there was one way of making it unnecessary to refer to statements made by the members of the Committee. It would be enough to say in the preamble: “ The present report, *which should be read in conjunction with the Minutes of the Committee* . . . ”

M. HAMBRO (Norway) supported M. Rappard's suggestion. He proposed that, for the record of the discussion concerning the nationality of the Secretariat officials, there should be substituted a reference indicating that the discussion had been reproduced *in extenso* in the *Assembly Journal* of Friday, September 14th, 1928.

The SECRETARY-GENERAL pointed out that the *Assembly Journal* was not an official document, that it was published only in a very limited edition, and that, if M. Hambro's proposal were adopted, the number in question would have to be reprinted.

After some discussion, it was decided that the preamble should be completed in accordance with the proposal of M. Rappard.

After a further exchange of views, the Committee decided to replace the passage beginning:

“ Nationals of a certain group of Powers fill a very large number of posts ”

by the words:

“ Nationals of a certain group of Powers fill too large a number of posts ”.

The General Rapporteur and the Secretary-General were requested to draft a passage concerning “ the monopolisation of higher posts by certain Powers ” so as to satisfy M. Hambro ¹.

Chapter II, Item 4, was adopted, subject to the above amendments.

Chapter II, Items 5 to 17, and Chapter III were adopted without amendment, with the exception of the paragraphs relating to the opium enquiry in the Far East.

2. International Labour Organisation.

(a) General Discussion.

M. HAMBRO (Norway) thought that too much space had been given to the statement of M. Albert Thomas, which he proposed should be condensed.

M. RAPPARD (Switzerland) pointed out that the place given in the report to M. Albert Thomas' statement was in no way disproportionate to its length. He proposed that the report should not be amended on the lines suggested by M. Hambro.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, thought that the existing wording of the passage giving the conclusions of the debate on the constitutional problem might give rise to some misunderstanding. He asked that this passage should be held over and said that he would later submit a new draft to the Rapporteur and the Committee.

The passage indicated by M. Osuský, was reserved ².

M. HAMBRO (Norway), supported by Mme. KLUYVER (Netherlands), suggested that mention should be made of the special vote which had been taken in regard to the creation of a new post of Chief of Division. He said that this question would be raised in the Assembly at a plenary meeting.

M. Hambro's suggestion was adopted.

M. Albert THOMAS (Director of the International Labour Office) proposed that mention should be made of the refugees' budget.

The Fifth Committee had decided to set up a new organisation and to concentrate all the refugee services under the direction of the High Commissioner. The Governing Body of the International Labour Office had anticipated that some time would be required for the reorganisation of the High Commissariat and had intimated its willingness to administer the budget of the refugee service for one year. Should, however, reorganisation be carried out immediately, M. Albert Thomas has told the Fifth Committee that the credits appropriated to the refugee service might be transferred to a chapter in the budget of the League.

He did not know whether the Secretary-General was prepared to take over the control of the funds in question and he was quite ready, if the Secretariat felt embarrassed, to retain the administrative control of those funds. However, he wished to say, in conformity with the resolution taken by the Governing Body, that he would in no circumstances be ready to assume responsibility for the general administration of the refugee budget. If the refugee service were to receive instructions from a new organisation, the responsibility for decisions should be assumed by the High Commissariat alone.

M. HAMBRO (Norway) was surprised that this question had been raised at that meeting, since M. Albert Thomas had never brought it to the attention of the High Commissioner, in whose absence, moreover, it could not be discussed. It was enough for the Fourth Committee to know that it had been agreed that the International Labour Office would continue to be responsible for the funds for one year to come. If there were any point in doubt, the responsibility for settling it was incumbent on the Council of the League, the Secretariat, the Governing Body of the International Labour Office and the Director of the latter.

¹ The following phrase was added to the report:

“ A claim by any particular Power for a monopoly of any particular post or posts in the Secretariat was untenable.”

² See page 117.

The SECRETARY-GENERAL hoped that the Committee would make no reference to this question in the report. The question could have been raised in the Fifth Committee, supposing it ought to be raised at all. It had, however, never been mentioned in the discussions of the Fifth Committee. To the Secretary-General's mind, it was absolutely essential that, until the Council, or perhaps the new organisation, had decided otherwise, the supervision, not only of the administrative questions, but also of the policy to be followed, should remain in the hands of the International Labour Office. If, in the following year, the High Commissioner, after studying the question with the new organisation, thought that he could assume control, Sir Eric Drummond was sure that he would do so. Until then, however, the decisions of the Fourth and Fifth Committees must be upheld.

M. Albert THOMAS (Director of the International Labour Office) said that the discussion was of small importance if Sir Eric Drummond recognised that the responsibilities would be incumbent upon the High Commissariat as soon as it had been reorganised.

The SECRETARY-GENERAL pointed out that the agreement of the High Commissariat must still be reserved.

M. Albert THOMAS (Director of the International Labour Office) said that it would, from an administrative point of view, be absurd to make a body responsible for the administration of a budget while refusing it any power to intervene in the administration of that budget. He had, moreover, brought up the question quite explicitly in the Fifth Committee, and this was shown by the fact that, immediately after he had brought it up, the representative of the High Commissioner had protested and had intimated that he did not agree with this view of the question.

M. MOLLOFF (Bulgaria), General Rapporteur, said that he could not introduce into the report the addition suggested by M. Albert Thomas, since the question of the administration of the refugee budget had only just been raised. Moreover, he agreed with the Secretary-General.

M. HAMBRO (Norway) agreed entirely with M. Molloff. Further, if the question were to be examined, it should be referred to the Fifth Committee. The High Commissioner for Refugees was under the impression that the matter had been settled and that it had been decided that the International Labour Office would continue to be responsible for the budget for another year. M. Hambro proposed that the Committee should not go into details on this question.

M. Albert THOMAS (Director of the International Labour Office) replied that, if the Fifth Committee had to examine the question, he would remind it of the statements he had made previously. He acquiesced in the point of view expressed by the Secretary-General to the effect that, as long as the International Labour Office was responsible for the refugee service, the expenses of that service would form a chapter in the budget of the Office. As soon as the new organisation was constituted, negotiations would take place and doubtless agreement would be reached between the new organisation and the Governing Body of the International Labour Office.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, pointed out that, after the budget had been approved by the Fourth Committee and the Assembly, it was impossible to transfer the responsibility for the administration of any of its chapters.

The SECRETARY-GENERAL thought that, in point of fact, the question presented no difficulty. M. Albert Thomas' idea was simply that, pending the constitution of the new organisation, the International Labour Office would assume a twofold responsibility, both administrative and political. As soon as the new commission was set up, it would be responsible for decisions of a political nature.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, said that he was satisfied by this reply.

The CHAIRMAN said that, as the question had not been placed on the agenda, it could not be discussed now. It must be settled by agreement between the International Labour Office, the Secretary-General, the Council and the High Commissariat.

Section 2 (a) of the report was adopted without amendment, with the exception of the last paragraph.

2 (b): Consideration of the Items.

This section of the report was adopted.

3. Permanent Court of International Justice.

Section 3 of the report was adopted without amendment.

III. REPORTS OF THE SUPERVISORY COMMISSION.

M. HAMBRO (Norway) requested Mr. Locker-Lampson to examine with the competent authorities the question of the publication of the Minutes of Sub-Committees. As was well known, great importance was attached, particularly in the United States, to the Minutes of some of the Sub-Committees, particularly to those of the Sub-Committees of the Health Committee. The

Secretariat would, moreover, receive various communications on the point, and Mr. Locker-Lampson would have an opportunity of studying the matter before it was referred to the Assembly.

Mr. PINSENT (British Empire) promised to transmit M. Hambro's suggestion to Mr. Locker-Lampson. He wondered, however, whether it should be discussed at the present meeting, which should be given up to the examination of a report indicating the situation with regard to the various questions under examination.

Mr. Pinsent then proposed that paragraphs 2, 3 and 4 of section (b) should be replaced by a very brief passage in the following terms:

"The object of the three slight amendments approved by the Fourth Committee was to give more exact effect to the intentions of the Supervisory Commission as expressed in its report of June 20th."

The amendment was adopted.

Section III of the report was adopted as amended.

IV. ALLOCATION OF THE LEAGUE EXPENDITURE.

This section of the report was adopted with the following additions:

At the end of the first paragraph: "This would allow the Allocation Committee to prepare a revised draft scale for the 1932 Assembly".

At the end of the second paragraph: "Consequently, the provisional scale will remain in force during the four years 1929 to 1932 inclusive".

Further, the words, "the Indian representative declared himself satisfied", were replaced at the request of Mr. Yusuf ALI (India) by the words, "the Indian representative said he would raise no objection if an earlier date was not possible".

V. MISCELLANEOUS QUESTIONS.

M. RÉVEILLAUD (France) quite understood the view expressed by M. Hambro with regard to the compliments paid in the report. He thought that the Committee might take M. Hambro's suggestion into consideration for the years to come. As, however, it meant breaking with a tradition which had existed since the beginning of the League, it would in one way be inconvenient to do so at once, because the proposed omission might be regarded by certain people as a mark of discourtesy—M. Réveillaud fully realised that this was not M. Hambro's intention—to the two delegates who had presided over the work of the Fourth Committee and who had shown so much tact, impartiality and skill. Consequently, M. Réveillaud begged M. Hambro not to press his proposal.

M. HAMBRO (Norway) withdrew his proposal, but hoped that it would be taken into consideration another year. He wished to renew his thanks to the Chairman and did so with greater emphasis because he had been one of those who had made the most frequent calls upon the Chairman's patience.

The Committee then decided, on the proposal of M. HAMBRO, to omit paragraph (a) referring to the payment of contributions.

The report as a whole, with the amendments indicated above, was adopted.

Addendum to the Section "Budget of the Secretariat" of the General Report of the Fourth Committee¹ and Addendum to the Resolutions².

M. KURUSU (Japan) pointed out with reference to the passage in the addendum to the report relative to the Commission of Enquiry to the Far East that the Japanese delegation had made, in regard to the proposed appropriation for the opium enquiry, a very important objection, which should, he thought, be mentioned in the report.

After some discussion, M. Kurusu said that, as his objection would appear in the Minutes of the Fourth Committee, a reference to which was contained in the general report, he would not press his suggestion.

M. RAPPARD (Switzerland) proposed that in the third paragraph the words, ". . . and ascertaining what additional contributions might be expected from these Governments"; should read, ". . . and ascertaining what additional contributions these Governments might be prepared to offer".

This amendment was adopted.

¹ Chapter III: Items referred to the Supervisory Commission or to the relevant Committees of the Assembly (Section II (b), page 192).

² Resolution No. 5.

Count DE PENHA GARCIA (Portugal) drew attention to the following passage:

“ It is, however, understood that the British Government will communicate with the Governments concerned in the control of opium-smoking, with a view to arranging the details and methods . . . in order to finance the whole scheme.”

Count de Penha Garcia had understood that the British Government had applied to the League with a request that it should undertake an enquiry, the importance of which was expounded in the British memorandum. If such were the facts of the case, the enquiry should be conducted by the organisations belonging to the League, whereas the inference from the paragraph in question seemed to be that the direction of the enquiry was entrusted to the British Government.

M. YUSUF ALI (India) thought it was understood that the enquiry would be carried out under the auspices of the League.

M. HAMBRO (Norway) shared the view of Count de Penha Garcia. It had been decided that the British Government would make certain representations with a view to determining what additional contributions might be hoped for from the countries concerned. He proposed a drafting amendment with the object of clearing up this point.

Mr. PINSENT (British Empire) accepted M. Hambro's amendment. The British Government had never had any intention of usurping the Council's right to decide upon the whole matter.

M. RÉVEILLAUD (France) pointed out that the terms used in the Fourth Committee's report were borrowed from the Sub-Committee's report.

In order to decide the question what sum was required to carry out the enquiry, it was necessary to obtain further information on points of detail, so as to be able to draw up an estimate. If the terms used might give rise to the supposition that the British Government was entrusted with the preparation of the programme of the enquiry, it would be better to suppress the passage under discussion. As, however, reference was made further on to the powers of the Supervisory Commission and of the Council, it was clear that the British Government was only entrusted with a purely preliminary task.

M. CAVAZZONI (Italy) and Count DE PENHA GARCIA (Portugal) thought the Committee should agree to the omission suggested by M. Hambro.

The CHAIRMAN declared the addendum adopted subject to the reservations that had been put forward. The addendum to the resolutions was also adopted.

81. Report to the Assembly on the Construction of an Assembly Hall, of New Buildings for the Secretariat and of a New Library.

M. RAPPARD (Switzerland), Rapporteur, read his report (Annex 15).

Mme. KLUYVER (Netherlands) asked whether mention should not be made in the report of the promise given by M. Politis that the opinions received by the Special Committee from the experts would be submitted to the Council.

M. RAPPARD (Switzerland), Rapporteur, thought that that was a matter of course, since the decisions taken by the Special Committee were submitted to the Council. If it were definitely stated in the report that the Special Committee “ would obtain all the expert advice necessary from the technical point of view ”, it would not fail to report to the Council on the various consultations it had undertaken.

M. HAMBRO (Norway) asked if the words, “ expert advice from the technical point of view ”, signified that the Committee would consult not only technical experts but architects as well.

M. RAPPARD (Switzerland), Rapporteur, thought the wording quite clear as it stood. It referred to the opinions given by experts on architecture, that was to say, by architects.

The report was adopted.

82. Method of Appointment of the Members of the Supervisory Commission: Amendment to the Financial Regulations of the League.

M. MOLLOFF (Bulgaria), General Rapporteur, drew the attention of the Committee to the last paragraph of the report (Annex 16). The question dealt with in that paragraph had not been formally discussed by the Fourth Committee. It was a proposal put forward by agreement between the Supervisory Commission, M. Hambro, the General Rapporteur and the Bureau of the Committee.

It had been observed that the resolution taken by the Fourth Committee could not be carried out at once, since it had not been voted by the Assembly. It had been thought that in these circumstances it would be better to postpone putting this resolution into effect until January 1st, 1929.

The report was adopted.

83. **Examination of the General Report to the Assembly** (continuation).

After a short adjournment, M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, read out the following text which he had drafted in consultation with the Rapporteur to cover the point in the report which had been held over:

“ The Committee was of opinion that, in accordance with the Financial Regulations, only the Assembly had the right to approve or amend the budget of the International Labour Organisation. It was necessary, however, that the Assembly, in the exercise of this indisputable and undisputed right, should take account of the system in force in the International Labour Organisation, which provides that the budget submitted to the Assembly is that approved by the Governing Body of the Office. ”

Mr. Yusuf ALI (India) said that he would like a definite reference to the Fourth Committee to be made in this passage, because as at present drafted it might give the impression that only the Assembly was entitled to examine the budget of the International Labour Organisation.

M. DE VILLIERS (South Africa) shared the view of the Indian delegate.

M. OSUSKÝ (Czechoslovakia), Chairman of the Supervisory Commission, thought there was no need for such an indication, and read Article 17, paragraph (1), of the Financial Regulations, the wording of which was quite clear on this subject.

The text proposed by M. Osuský was adopted.

4. **Close of the Session.**

The CHAIRMAN said that the Fourth Committee had now concluded its proceedings, and he was proud to have presided over the memorable meetings which had been held in the course of the session.

He thanked the Secretary-General, the Director of the International Labour Office, the Under-Secretary-General and the Treasurer for the valuable assistance they had given the Fourth Committee.

He would also thank all the members of the staff who had assisted the Committee.

M. HAMBRO (Norway) proposed a vote of thanks to the Chairman, who had undertaken a very heavy task and had performed it with remarkable skill and who had won the sympathetic regard both of the members of the Fourth Committee and of the officials who were responsible for defending the budget of the three organisations.

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ANNEX 1.

PROVISIONAL AGENDA.

1. Election of Vice-Chairman.
2. Publicity of Meetings.
3. Approval of Provisional Agenda.
4. Appointment of the Sub-Committee on Contributions in Arrears.
5. Reports of the Supervisory Commission.
6. Audited Accounts for 1927.
7. Financial Situation of the League on August 31st, 1928.
8. Report by the Council on New Work involving Additional Expenditure on the Part of the League.
9. Appointment of Rapporteur.
10. Budget for 1929:
 - (a) Secretariat and Special Organisations of the League;
 - (b) International Labour Organisation;
 - (c) Permanent Court of International Justice.
11. Allocation of Expenses.
12. Consideration of the Reports of the Sub-Committee on Arrears.
13. Consideration of the Conclusions of the Reports of the Supervisory Commission (in so far as not previously adopted).
14. Supplementary Credits.
15. Miscellaneous Questions.

ANNEX 2.

REPORT OF THE SUPERVISORY COMMISSION ON THE WORK OF ITS
TWENTY-SEVENTH SESSION.

1. The Supervisory Commission, consisting of:

His Excellency Stefan OSUSKÝ, Minister of Czechoslovakia in Paris, *Chairman*;
Lord MESTON OF AGRA (India), *Vice-Chairman*;
Dr. J. A. NEDERBRAGT, Chief of the Economic Division of the Ministry for Foreign
Affairs of the Netherlands, *Rapporteur*;
M. Jean RÉVEILLAUD, President of Section of the Conseil de Préfecture de la Seine; and
M. C. PARRA-PÉREZ, Minister of Venezuela in Rome,

met in ordinary session, from April 27th to May 1st, to consider:

- (a) The accounts of the various organisations of the League for 1927, together with the report of the Auditor thereon;
- (b) The estimates for 1929;
- (c) Certain budgetary and administrative questions which had been referred to it.

I. ACCOUNTS FOR 1927.

The Commission considered the accounts for the ninth financial period (1927), together with the report prepared by the Auditor and the observations of the Rapporteur.

The Auditor expressed his satisfaction at the care and accuracy shown in setting out the accounts for 1927. He noted that the form of the accounts had been improved, particularly as regards the International Health Organisation.

2. The explanations and recommendations of the Supervisory Commission — apart from those to which effect was immediately given in the documents submitted to the Assembly — are as follows:

(a) The Commission noted that the Depreciation Reserve is not, properly speaking, a "Fund", but, as pointed out in the Auditor's report, an account set up for balance-sheet purposes, in order to write off the capital assets of the League.

(b) The Commission recommended that, in future, the accounts should show the *net* amount of the various salary items, *i.e.*, the amount less, in each case, the reduction for lower cost of living. This modification in the method of presenting the account is indispensable particularly in order to render intelligible the transfers made in the salary items.

(c) The Commission noted that, with one exception, to which reference had been made in the Auditor's report, recoverable advances had been regularly repaid during 1927; it suggested that it would be of interest if, in future reports, the Auditor would refer to the position of all recoverable advances from this point of view.

(d) The Commission discussed at length the question of the transfers made in the budget for 1927. It noted a declaration by the Secretary-General who emphasised that nothing had been done by means of these transfers which was contrary to the general policy and work of the League as approved by the Assembly.

In view of the special constitutional position of the League which makes the vote of supplementary credits impossible during the current budgetary year, and having heard a statement by the Rapporteur on the result of the detailed study which he had made of the transfers effected in the budget for 1927, the Commission did not think that any change was necessary in the present regulations and practice. It considers that its annual examination of the transfers made in the previous year's budget is the best way of supervising and checking the system now in force.

The Commission noted that, as regards the International Labour Organisation, transfers had been effected: (a) to salary items; and (b) from unforeseen items to supplement inadequate credits in already existing items of the budget.

The Commission was informed that the transfer to the salary items had been made by the Governing Body to provide for the salary of the official who had been appointed Director of the Delhi Office and who, before taking up his duties, had to serve for a short time at headquarters. It recognised the necessity for the action which had been taken in this particular case, but it emphasised the principle that transfers from unforeseen items to existing services and particularly to salary items are not permissible.

3. In conclusion, the Supervisory Commission recommends the Assembly finally to pass the accounts submitted to it by the Secretary-General and the competent officials of the autonomous organisations. It takes this opportunity to thank the Auditor and the Deputy Auditor for their very valuable work.

II. DISPOSAL OF THE SURPLUS FOR 1927 AND REIMBURSEMENT TO STATES OUT OF THE BUILDING FUND.

4. The Commission noted that the surplus of the Secretariat and Permanent Court of International Justice for 1927 amounted to 1,419,293.68 gold francs, while to meet the expenditure authorised by its budget, the International Labour Office had been obliged to draw from the Working Capital Fund 328,700.16 francs. Following precedents, the Commission recommends that the repayment of this sum to the Working Capital Fund should be considered as the first charge on the surplus, the net amount of which is therefore 1,090,593.52 francs.

In accordance with Article 38 (a) of the Financial Regulations, the Commission recommends that the net surplus be returned to the Members of the League in 1929, by treating it as part of the income of the year.

5. On December 31st, 1927, the net available balance of the Building Fund was approximately eleven million francs, to which will be added, in due course, the proceeds of the sale of the present premises of the Secretariat (at least four million francs) and receipts on account of interest and the sale of the Annex, amounting, in all probability, to another one and a half million francs; the Building Fund will thus, presumably, reach the total of sixteen and a half million francs. At its last session, however, the Assembly "approved, in principle, that the amount to be spent on the

new buildings may be increased to approximately 19,500,000 francs", leaving it to a later session to fix definitely the cost of the whole scheme.

The Commission considers it essential that some immediate steps should be taken to bridge over the difference between the amount available in the Building Fund account and the commitments which it will have to meet, and it recommends, therefore, that the sum to be repaid to the Members of the League, which, by the punctual payment of their contributions for the financial periods previous to 1926, enabled the Building Fund to be constituted should, in 1929, be fixed at 700,000 francs only, as against 1,400,000 francs in each of the two preceding years. This recommendation applies solely to the year 1929 since the Commission cannot yet say whether it will not have to make further recommendations in regard to subsequent years.

III. BUDGET FOR 1929.

A. *General Introduction.*

6. At this session the primary duty of the Commission was, as usual, to examine the estimates prepared for the budget of next year. Those estimates for 1929 present features of such grave importance that the Commission must depart from its ordinary practice and devote the main part of its report to certain broad financial considerations which the draft budget evokes. It feels that the financial position alone has now made it imperative for the Commission to invite the Assembly to consider the extent of the functions attempted by the different organisations of the League, and the relative importance of these functions to the essential purposes contemplated by the Covenant and by the Labour Sections of the Treaties. It is clearly impossible to secure due co-ordination between the minor functions of the League unless they are also brought into their due proportion to the objects for which the League was primarily created. This proportion must be reflected in the financial provisions; it can be determined only by the Assembly, and, until it is so determined, there can be no continuous or stable financial policy for the League.

The question is not academic. It has direct consequences of daily practical importance. The constant extension of the League's activities means, for example, a development of buildings, equipment, personnel, which it is not in the power of this Commission and of the responsible officials to check or regulate unless they can count on the guidance of the Assembly. The natural disposition of individual organisations or sections of the League to endeavour to enlarge their own spheres, under cover of the policy of the Assembly and of the International Labour Conference, is a further difficulty with which the Commission is constantly faced, and which makes the establishment of some ratio between the different sides of the work an imperative necessity. And finally, the avoidance of confusion in the work and of financial waste is clearly dependent on an orderly programme of growth, based on a definite outline of policy.

7. It will be within the recollection of the Assembly that serious exception was taken to the growth of expenditure which culminated in a budget of 25.7 million francs for 1923, and that in the following year the provisions were reduced to 23.3 million francs. For 1928, the budget again exceeded the figure of 25 million Swiss francs or almost £1,000,000 sterling. This was partly due to the entry of Germany into the League, partly to the full development of a number of duties which the League had undertaken. Rightly or wrongly, there was a general feeling that 25 million francs represented the high-water mark of expenditure for some years to come, subject to any crisis or to the necessity for any new task of special costliness. The Supervisory Commission shared this hope. It recognised that the field of the League's activities cannot be limited by specific figures; but it believed that some general limitation should be possible to the cumulative growth of personnel and expenditure. New duties will inevitably be added to the old; but ordinary prudence and foresight would suggest that the older commitments should be liquidated before the full weight of the new duties is felt. The Commission anticipated, therefore, that a standard of 25 million francs need not be materially exceeded, except for some special and temporary emergency. The estimates for 1929, however, as presented to the Commission, amounted to almost 27 million francs¹. Even with the reductions which have been made and which will be shown later in this report — they reach a total of 26,871,244 francs, or 1,537,427 in excess of the provision for 1928, and, of course, this large excess is liable to be still further enhanced by supplementary credits in September. The estimates had evidently been prepared with special care, as both the Secretary-General in his sphere and the Director and the Governing Body in the Labour Office had substantially pruned the proposals presented to them in the first instance. This fact made the increase of over 1½ million francs all the more disturbing.

¹ This, in fact, does not represent an actual estimated expenditure of 27 millions on current League requirements. A surplus of about 1 million may be counted upon and a sum of about 1½ million is earmarked for the Building Fund and enables reimbursements to those States Members whose contributions constituted the Fund.

8. A summary scrutiny of the figures made it plain that a major part of the increase is due to work that is being undertaken under direct or implied instructions from the Assembly and the International Labour Conference. For example, the Secretariat budget contains the following increases:

	Francs
In the Economic Section for conferences and reports approved by the Assembly	157,000
In the same Section for work consequential on the General Economic Conference	201,000
In the Transit Section, for the collection of information on communications and transit, also approved by the Assembly	78,000
For the new Central Opium Board	127,000
For a Conference on the Codification of International Law	365,000
	928,000
or on these five heads alone	

Similarly, the sum of 152,000 francs is included in the budget of the International Labour Organisation for a special Maritime Labour Conference to be held in 1929.

The indirect consequences of the general increase of the budget are exemplified by the experience of the Secretariat, which, shortly after having purchased a building in the neighbourhood of its original premises, was compelled to submit to the Supervisory Commission a proposal for the leasing of additional accommodation in an adjoining house under construction. Further instances could be quoted from the estimates of the International Labour Office, where the multiplication of work threatens to render inadequate the accommodation of a building which was completed only two years ago.

9. Proceeding to a closer examination of the figures, the Commission was soon made aware of a special reluctance to agree to any reduction of the credits demanded for such services as the above. When an official becomes responsible for a duty imposed upon him by the Assembly, it is natural for him to claim ample provision for its discharge. Even when the Commission is confident, as it is in the case of the Economic Section, that the credit cannot, according to all the ordinary probabilities, be spent, the full amount of the estimate is still pressed for by the officials concerned, as a precaution against failure to meet the Assembly's wishes.

10. The Commission next turned to consider any reasonable means of bringing the budget within the limits of the actual requirements of the year and the financial capacity of the League. Certain radical changes of system had to be rejected as doubtful novelties or politically inexpedient. The device of fixing a maximum limit of expenditure, as was lately introduced with excellent results in the Health Section, offers some amelioration, and the Commission, as will be noted below, recommends its extension to the section of Intellectual Co-operation. But it does not operate any immediate reduction of the budget, and its extension must be cautious and gradual. On the other hand, the ordinary procedure by which the Commission laboriously reduces the provision for individual items does not produce a marked impression on so large an increase as 1½ million francs; and it has thus been forced upon the Commission that it must submit the problem, in its general bearings, for the consideration and orders of the Assembly. It may be that the Assembly will see fit to suspend or postpone certain of the tasks which it had formerly approved. If, however, the Assembly is satisfied that an expenditure of roughly 27 million francs can be imposed on the Member States, then the Commission will readily complete its examination of the new provisions indicated above and more particularly of the credits for the Economic and Financial Organisation.

B. *Budget of the Secretariat and Special Organisations of the League.*

11. The Commission made no change in the three items shown in *Chapter I*. In regard to the Assembly, it noted that the difference between the actual expenditure incurred in 1927 and the provisions made for 1929 was due to the fact that the estimates were based on the assumption that the Assembly would last four weeks, whereas the session held in 1927 lasted only three weeks and two days.

Salaries, Wages and Allowances of the Secretariat.

12. After discussion and explanations by the Secretary-General, the Commission agreed to the creation of a new post of member of section B in the *Information Section* and of a post of translator for Slavonic languages in the *Interpreters' and Translators' Branch* to cope with the increasing

amount of translation from these languages, especially in connection with the *Treaty Series*; experience had shown that it had been unwise to suppress this post, which had existed in the budget until 1927.

The Commission also accepted the Secretary-General's proposal in regard to the creation of five *subordinate posts in the various sections* of the General Organisation of the Secretariat, the net increase amounting only to three, since a post of draughtsman in the *Miscellaneous Services of the Secretariat* and of second-class clerk in the *Library* had been suppressed.

The Secretary-General agreed to reduce from 25,000 to 22,000 francs the amount provided for *Overtime, temporary engagements and replacements* of the House Staff. He explained that further reduction would be impossible since, in addition to payments made for Sunday and holiday work, this item covered work outside ordinary hours constantly required from the House Staff in connection with the cleaning and arranging of rooms placed at the disposal of the various committees which now meet almost continuously during the whole of the year.

13. The Commission approved the estimates put forward for *Liaison with Latin America*. As regards the sub-head "Technical Enquiries" of this item, the Secretary-General explained that the Health Organisation would doubtless desire to develop, in further countries of the Central and South American continent, certain aspects of its work.

14. In connection with Item 7, *Branch Offices*, the Commission noted that the London Office of the Secretariat had been moved to more commodious but cheaper premises. In accordance with the decision taken by the last Assembly, endeavours had been made to combine this office with that of the International Labour Organisation. This amalgamation had proved impossible since the lease of the Correspondents' Bureau of the International Labour Office had still seven years to run. At the expiry of this period the matter would be taken up anew and, with that end in view, it had been arranged that the lease of the Secretariat offices should expire at the end of seven years.

The Commission noted that it had not been practicable, for obvious reasons, to amalgamate the Secretariat and the International Labour Organisation Offices in Berlin, since the latter was accommodated in very favourable circumstances at the Labour Ministry of the Reich.

15. The Secretary-General agreed to reduce from 150,000 to 145,000 francs the amount estimated for *Travelling expenses and subsistence allowances in connection with General Services*. Reductions appeared, however, impossible in respect of the other two sub-heads ("Travelling expenses on leave" and "Removal expenses") in view of the larger amount spent during 1927.

16. Reductions amounting to 10,746 francs were made under Item 10a *Property account: Maintenance*. In view of the undertaking given by the Swiss Government concerning the purchase of the Hôtel National, and the fact that the building was fifty years old, the Commission, after discussion, did not insist that the amount provided for *Repairs of the Building* should be brought down to a lower figure.

17. The Secretary-General agreed to reduce from 116,000 to 110,000 francs the amount provided for the printing of Council documents and the *Official Journal*. While the expenditure in 1927 had amounted to only 92,912 francs, a sum of 117,156 francs had been spent in 1926. Furthermore, the Council Minutes were now printed as soon as the provisional text had been approved (*i.e.*, within forty-eight hours of the meeting), a greater number of copies were required by the States Members, and the cost of printing in France showed a tendency to rise.

The Commission approved the inclusion in the estimates of the sum of 10,000 francs to cover printing of the *Library index cards*, and the *Monthly List of Books catalogued in the Library of the League of Nations*, after the Secretary-General had explained that this new expenditure was compensated by the suppression of one post in the staff of the Library as well as by the reduction of the amounts included for capital expenditure of the Library.

18. The Commission was informed by the Director of the Information Section that the plan outlined last year for the publication of pamphlets on the work of the League had been carried into execution. The pamphlet describing the work of the League during 1927 had been very favourably received and similar booklets would be issued in a number of other languages. The chapters dealing with the work of the various organisations of the League would be printed separately, and issued as addenda to the earlier pamphlets on the work of these organisations. The Secretary-General thought it possible, however, to reduce from 30,000 to 28,000 francs the amount included for the purpose in the 1929 estimates.

19. The Commission, after discussion, decided to leave at 60,000 francs, as against 70,000 francs for 1928, the amount provided for the *Travelling, transport charges, advertising for the Sales Department, catalogues, etc.*, on the understanding that the amount estimated for the sale of publications would be increased from 240,000 to 250,000 francs, and that the question should be reconsidered next year in the light of the result of the sales made during 1928. The Commission noted that only a very small proportion of the appropriation was spent on newspaper advertising; it covered chiefly the printing of catalogues and the forwarding of circulars in the countries where the best result could be expected.

20. In connection with the question of *free distribution*, the Secretary-General and the Director of the International Labour Office agreed to examine whether, in the case of the large and more

expensive publications, such as those of the technical organisations, the recipients should not be requested to reimburse the cost of postage, in accordance with the successful practice followed by the Permanent Court of International Justice.

21. The sum included in the budget for the Publications Department, as approved by the Supervisory Commission, amounts, therefore, to 430,500 francs, as against 438,500 francs for 1928.

The Commission noted that the increase, over 1928 expenditure, in the provision for postage was compensated by a reduction of the appropriation for the Courier Service, since the bulk of the League's letters and printed matter is, for reasons of economy, now posted in Switzerland. It approved, therefore, the estimates made under these two heads, but reduced by 7,000 francs other subheads of Item 12, *General Office Expenses*. Apart from Item 15, *Unforeseen and miscellaneous expenses of the Secretariat*, which was brought down from 50,000 to 40,000 francs, the other items of Chapter III were approved without modification.

Chapter III. — Special Organisations of the League.

22. When considering the budget of the *Section for Administrative Commissions and Minorities Questions*, the Commission noted that the sum provided for the salary of the new Director was higher than the minimum of the scale. While accepting the Secretary-General's explanation, the Commission emphasised, and not only on financial grounds, that officials should normally be engaged at the initial salary of their scale, and that exceptions to this general rule should be made as seldom as possible. As regards the other posts, the Commission saw with satisfaction that the Secretary-General had been able to diminish by one the number of members of section; the amount set aside for the printing of the Section was reduced from 8,000 to 7,000 francs.

23. The Commission considered with the greatest care the general position of the estimates of the *Economic and Financial Organisation*, which, including the provision for the consequences of the General Economic Conference, amounted to the large figure of 1,749,045 francs. On the one hand, it felt it would hardly be justified in doing anything which might delay the programme which had been laid down by the Economic Committee in execution of the decisions of the Conference, as ratified by the Assembly on the other, it was faced with certain decisions of the Assembly; such as the resolution which provided that no organisation of the League should hold more than one conference in any one year. It was true that the five conferences shown in the estimates for 1929 dealt with strictly limited subjects and that the preparatory studies which had already been made would make quick progress possible, but, quite apart from the financial and budgetary point of view, it was open to doubt whether the Secretariat as well as the Government departments concerned could cope with the immense additional amount of work which would thus be thrown upon them.

After having heard the full explanation of the Director of the Section, who agreed to reduce by 15,000 francs the amount provided for the Conferences under sub-head 1 of Schedule L, and noted that the bulk of the supplementary staff would be engaged on a purely temporary basis, the Commission noted the figures which had been put forward by the Section and approved by the Economic Committee, leaving it to the Assembly to take a decision concerning the general policy to be followed as regards this particular budget.

24. The Commission noted that, the Chief of the *Mandates Section* having now attained the maximum of his grade, it was proposed to re-establish the Directorship which had been suppressed three years ago; this promotion, the Commission was assured by the Secretary-General, was fully justifiable, in view of the great responsibilities attached to the post and the high qualifications and experience of the official in question.

After discussion, the Commission agreed to the creation of a new post of Intermediate Class B, to cope particularly with the increased statistical work which was now demanded from the Section. In order that the staff should not be increased beyond the figure included in the 1928 estimates, the Secretary-General agreed, however, to the suppression of a post of first-class clerk locally recruited.

He consented also to reduce from 12,000 to 11,000 and from 32,000 to 30,000 francs respectively the appropriation for travelling and printing. As approved by the Commission, the budget of the *Mandates Section* amounts to 249,412 francs, as compared with 260,884 francs in the estimates for the present year.

25. At its eighth ordinary session the Assembly had decided that provision should be made in the budget of the *Transit Section* for 1929 for the application of the decisions of the Third General Conference on Communications and Transit in the matter of the collection and exchange of information of interest to this particular technical organisation. Having last September discussed the details of the new credits, the Commission, having regard to the decision of the Assembly, accepted the figures shown in the budget.

As regards the other sub-heads, it considered advisable, in view of the important political issues involved, to accept the creation of a senior assistant's post to maintain the necessary liaison with the various correspondents appointed for the purpose in the different countries, and to keep up to date, in accordance with a resolution of the Council, the information showing the state of railway and telegraphic communications between Geneva and the principal capitals.

After considering the appropriation of 18,000 francs included for the conciliation of disputes submitted to the Transit Committee, the Commission, while agreeing that nothing should be done

to make it less easy for States to bring their differences before the organs of the League for the purpose of conciliation or settlement, decided to examine subsequently the entire question of throwing upon the disputants the whole or part of the cost of the procedure. Subject to these considerations, the Commission approved as it stood the budget of the Transit Organisation.

26. The Commission noted that the budget of the *International Health Organisation* had been presented in a new and clearer form. It was true that, this year, comparisons with previous budgets and accounts were more difficult, but this inconvenience would in due course disappear. Since the total of the budget of the Health Organisation amounted to a sum less than the figure of 1 million at which the seventh session of the Assembly had decided that it should be stabilised, the Commission, after considering the various sub-heads, approved the proposals which had been made to it.

In connection with the Health budget, the Commission wishes, however, to draw the special attention of the Assembly to the fact that the Governments most directly interested in the work of the Eastern Bureau have so far refrained from making definite undertakings as regards their contributions for the upkeep of that Bureau. The Commission believes that the financial position of the Singapore Bureau will continue to be precarious until the extent to which it can count on the permanent support of the contributory Governments can be ascertained. The work of the Bureau is probably of sufficient general interest to justify a contribution from the budget of the League; this contribution should, however, be kept within reasonable limits.

27. As regards the estimates for the *Section for Social Questions*, the Secretary-General pointed out that two token amounts of 100 francs each had been included for conferences on opium and on the suppression of obscene publications respectively.

This had been done in order to call attention to the fact that, according to previous conventions, such conferences fall due to be held in 1929.

He pointed out, however, that in the first instance the convocation of the conference was primarily a matter for the eight States concerned.

28. On the proposal of the Secretary-General, the Commission reduced from 12,000 to 10,000 francs the sum provided for the sessions of the Opium Advisory Committee, since, at its last session, the Committee had decided not to hold more than one session in any year; a reduction of 500 francs was also made in the appropriation for *Other social questions and unforeseen contingencies*. The budget of the Social Section, as submitted to the Assembly, amounts therefore to 281,715 francs.

In view of the decision taken by the Assembly at its last session, and having regard to the consideration it gave last year to the detailed estimates, the Supervisory Commission agreed to the sum of 126,600 francs being provided in the estimates for the expenses of the *Permanent Central Opium Board* during 1929.

29. A reduction of 7,500 francs was made in the printing and cables sub-heads of Sub-Item 4, "Organ of the Council for Disarmament Work", of Item 24, *Reduction of Armaments*.

30. Item 25, *Intellectual Co-operation and International Bureaux*, was reduced from 244,846 to 239,846 francs. The Commission considers that the time has come to recommend to the Assembly that this item should in future be stabilised at a sum not exceeding 250,000 francs. It is of opinion that such a decision will not prejudice the work of the Committee on Intellectual Co-operation, the importance of which it fully recognises.

31. The Commission was informed that an economy of over 100,000 francs would result if the Conference on the Codification of International Law was held at Geneva, which would accord with the general ruling of the Assembly; in this case, however, the Assembly had decided that this particular Conference should be held at The Hague; and the Commission accordingly did not feel competent to propose any modification in the figures which had been submitted to it and approved the item of *Progressive Codification of International Law* amounting altogether to 410,000 francs.

32. The Commission agreed to the inclusion in the estimates of a sum of 15,000 francs in respect of the *International Federation for Mutual Assistance in the Relief of Peoples overtaken by Disaster*. This credit will be used to cover the expenses of the special meeting which is to take place as soon as the Convention comes into force.

Chapter V. — Capital Expenditure.

33. Detailed figures were submitted to the Commission in support of the provision of 80,000 francs made for *Further purchases of furniture and equipment*. The Commission was informed that investigations were to be made as to the possible purchase of certain new machines for the Duplicating Department which might result in certain economies and that the balance was required for the purchase of typewriters, furniture and various office appliances. After discussion, the Secretary-General agreed to reduce the credit to 70,000 francs.

34. Net reductions amounting to 87,336 francs having been accepted by the Secretary-General, the estimates of the Secretariat and Special Organisations, as submitted by the Supervisory Commission to the Assembly, amount to 14,753,409 francs.

C. *Budget of the International Labour Organisation.*

35. In presenting the budget of the International Labour Organisation for 1929, M. Albert Thomas pointed out that the increase over the 1928 estimates, amounting to 528,810 francs, was mainly due to the following three factors:

- (a) The provision for a Maritime Conference to be held in addition to the usual Annual Conference;
- (b) The development of the work of the International Labour Office;
- (c) Annual increments and other such contractual increases.

36. As regards the new posts, the Director of the International Labour Office emphasised that political considerations had never been the dominating factor; all increases corresponded to requirements which undoubtedly existed and to desires expressed by the Conference or the Governing Body.

The Commission commended the practice of the International Labour Office in preparing yearly a separate statement of the promotions provided for in the budget. Having noted the existence of a similar statement prepared by the Secretariat and communicated to the Commission, it suggested that this practice be in future followed by the various organisations of the League. It also expressed its satisfaction that, as a general rule, the officials of the International Labour Office were engaged at the minimum salary of their grades.

37. As regards the more general question of promotions from the B to the A category of members of section raised by the Director of the International Labour Office, the Commission requested its Rapporteur to study in consultation with M. Albert Thomas the system in force at the International Labour Office and submit a report as soon as possible.

38. The Commission noted that a detailed estimate of the work for refugees during 1929 would be submitted to it at a later session. The Director had already decided to suppress the Constantinople office, but no decision could be taken concerning the work in South America until the Buenos Aires representative had come to Geneva personally to report on the situation.

39. Having considered the estimates of the International Labour Office item by item, the Commission approved the figures agreed upon by the Governing Body; the budget, as submitted to the Assembly, amounts therefore to 8,487,280 francs.

D. *Budget of the Permanent Court of International Justice.*

40. In presenting the estimates for 1929, the Registrar of the Permanent Court of International Justice drew the attention of the Commission to the fact that the increase over 1928 was mainly due to the following causes:

(a) The decision of the Court, which took the form of the insertion of a new paragraph in Article 71 of the Rules of the Court according to which national judges (or judges *ad hoc*) are to sit not only in contested cases but also in questions submitted for an advisory opinion when the Court's opinion is sought in regard to a question concerning a dispute which has arisen between two or more States.

(b) The higher provision made for temporary staff; it should be remembered, however, that, having regard to the method of remuneration of the judges, the expenses entailed by the prolongation of sessions are incomparably greater than those involved by an increase of temporary staff, made for the express purpose of reducing the length of the sessions.

(c) The additional provisions required to meet the expenses involved by the rearrangement of the accommodation placed at the disposal of the Court in the Peace Palace, as approved by the Assembly in 1927.

The Commission regrets that the Carnegie Foundation did not find it possible to arrange for the integral execution of the Agreement at the date provided for by the Assembly. The Commission feels it to be its duty to call the attention of the Assembly to this fact and it confidently hopes that in all other respects there will be no difficulty in the execution of the Agreement.

41. Although, as a matter of fact, the Court had not during 1927 been in session for much longer than six months, the Commission did not think it advisable, in view of previous experience, to reduce to less than eight months the estimated length of the Court's sessions during 1929. The Court budget has, in fact, been based during the last few years on the calculation that the Court sessions might last eight months.

42. On the basis of the above considerations, the Commission approved the estimates submitted to it, subject to a reduction of 200 Dutch florins in the provision for temporary staff, and an increase of 500 florins to meet the cost of the additional number of copies of certain of the Court's publications required for distribution to the States Members.

43. The total budget of the Court, as submitted to the Assembly, amounts, therefore, to 1,082,839.37 florins, or 2,255,555 gold francs.

IV. MISCELLANEOUS QUESTIONS.

Fee for certified true copies of extracts from Treaties.

44. The Commission agreed that the charge for certified true copies of extracts from Treaties might be fixed at 100 Swiss francs.

Purchase of the "Perle du Lac".

45. The Commission noted the report submitted to it by the Secretary-General (Appendix).

Family allowances.

46. In view of the fact that all grades of officials of the Swiss Civil Service are in receipt of family allowances, the Commission agreed that family allowances should be paid to married officials, with children, graded in the new category, created by the eighth session of the Assembly, of "Intermediate Class", locally recruited.

Appendix

PURCHASE OF THE "PERLE DU LAC".

Note by the Secretary-General.

The plan adopted by the Assembly on March 13th, 1926, provided for the purchase of the three properties, Bartholoni, Moynier and "Perle du Lac". The League was able to purchase the first two, but in view of the opposition of the owner, expropriation proceedings had to be contemplated for the "Perle du Lac"; it should be stated, however, that the Swiss authorities at the Assembly had foreseen that this might be necessary. The Federal Government requested the Genevese Government to start proceedings. Consequently, the Genevese Government decreed that the property should be expropriated and offered the sum of 650,000 francs as purchase price, in conformity with the estimate on which the Assembly had based its decision.

In February 1927, the owner appealed to the Federal Tribunal on the constitutional question. At the same time he brought before the competent cantonal Court two lawsuits against the State of Geneva on the substance of the question.

The Tribunal appointed three experts, who fixed the value of the property at 700,000 francs, and who, in addition, made provision for an expropriation indemnity in favour of the proprietor. This indemnity was fixed by the expert of the Canton of Geneva at 25,000 francs, by the expert of the expropriated party at 150,000 francs, and by the neutral expert at 75,000 francs.

Having been asked to express an opinion, the Secretary-General referred to the decisions of the Assembly and added that the Genevese Government should act on its own responsibility. The Genevese Government offered, therefore, to the interested party an indemnity of 725,000 francs, which corresponded to the estimate of its own expert. This offer was refused and the owner made before the judge conducting the procedure of conciliation a counter-proposal of 850,000 francs.

During October 1927, the Government of Geneva, at the request of its advocate, pressed the Secretary-General to accept a compromise of 800,000 francs; the Government insisted on the serious risks which might result from a refusal and stated that, should this offer not be accepted, the whole question would have to be reopened. The owner having recovered his freedom of action, the Court would have to appoint further experts to verify the estimate of the first experts; the result of the advice of such experts was highly doubtful, since, shortly before, three experts, at the request of the owner, had privately fixed the value of the property at 864,600 francs. No matter what the decision of the Court, it would still be subject to appeal. The consideration of the question before the various Appeal Courts would give rise to a series of valuations and counter-valuations; these proceedings would mean a considerable increase in the costs and greater risks that the property would be estimated at a higher price. It seemed, therefore, wise to accept the offer of 800,000 francs. The Secretary-General consulted, nevertheless, the President of the Swiss Confederation. The President, endorsing the advice of the Genevese Government, recommended strongly the proposed solution. M. Motta added: "You can count on my support with the competent organs of the League who might wish for further explanations".

In the circumstances, the Secretary-General declared that he would accept the sum of 800,000 francs; he thinks that he should refer to the discussion which took place at a private meeting of the Fourth Committee of the Assembly of September 26th, 1927. The deed of sale which resulted in the League becoming the owner of the "Perle du Lac" was signed on November 19th, 1927. Since the League could enter into possession only on February 1st, 1928, the purchase price was reduced to 798,500 francs.

ANNEX 3.

REPORT OF THE SUPERVISORY COMMISSION ON THE WORK OF ITS
TWENTY-EIGHTH SESSION.

1. The Supervisory Commission, consisting of :

- H. E. Stefan OSUSKÝ, Minister of Czechoslovakia in Paris, *Chairman* ;
Lord MESTON OF AGRA (India), *Vice-Chairman* ;
Dr. J. A. NEDERBRAGT, Chief of the Economic Division of the Ministry of Foreign
Affairs of the Netherlands, *Rapporteur* ;
M. C. PARRA-PÉREZ, Minister of Venezuela in Rome ;
M. Jean RÉVEILLAUD, President of Section of the Conseil de Préfecture de la Seine ;

met in extraordinary session, on June 15th and 16th, to consider various questions, which had been examined at its twenty-sixth or twenty-seventh sessions, but on which no final decision had been taken.

I. SUPPLEMENTARY CREDITS AND DIVERGENCIES BETWEEN THE FOURTH AND OTHER
COMMITTEES OF THE ASSEMBLY WITH REGARD TO BUDGET CREDITS.

2. The following is an extract from the report of the Fourth Committee approved by the Assembly at its eighth ordinary session :

“ When voting supplementary credits, several speakers mentioned that the time limit given to the members of the Fourth Committee to examine the proposals for supplementary credits and the report thereon by the Supervisory Commission was really too short. Although it was hard to improve the present system without prolonging the Assembly, the Committee invited the competent authorities to study the question and, if necessary, to make proposals to the Fourth Committee of the next Assembly.

“ The Fourth Committee decided to instruct the Supervisory Commission to examine, before the next Assembly, the procedure to be followed in future should disputes arise through the Fourth Committee's refusing supplementary credits proposed by a Committee.”

3. The Supervisory Commission considered these two questions at its twenty-sixth and twenty-eighth sessions. After examining a certain number of proposals which had been made by various members, it came to the conclusion that the only satisfactory method of dealing with the delicate problem referred to it by the Assembly was the amendment of the Financial Regulations and of the Rules of Procedure of the Assembly on the basis of the following general principles :

(1) All proposals involving expenditure not provided for in the Budget as submitted to the Members of the League at the beginning of June should, in order to be considered, be forwarded to the Secretary-General at least one month before the opening of the Assembly.

(2) On receipt of these proposals, the Secretary-General would, as far as may be practicable, estimate the expenditure involved and report to the Assembly. The proposals and the estimates would be contained in a single document.

(3) The Assembly, when discussing its agenda, would refer the proposals and the Secretary-General's estimates to the competent technical committee of the Assembly.

(4) The technical committee would discuss the proposal, and, if it agreed with the policy involved, consider the estimates prepared by the Secretary-General, as required by Article 19, paragraph 2, section (b) of the Financial Regulations.

(5) The report of the technical committee, dealing both with the question of policy and of expenditure, would be submitted direct to the Supervisory Commission, as provided for in paragraph 3 of Article 19 of the Financial Regulations.

(6) The Supervisory Commission would then consider the estimate presented by the competent technical committees and report thereon to the Fourth Committee.

(7) In order that sufficient time should be given to the Fourth Committee to study such proposals, no supplementary credits should be considered by the above Commission unless the technical committee concerned had forwarded the proposals, with the estimates concerning them, to the Supervisory Commission within fifteen days after the opening meeting of the Assembly.

(8) Provision for new work, estimates for which reached the Supervisory Commission after the expiry of the fifteen days referred to above, would be automatically postponed till the consideration of the budget for the following year.

(9) Whenever, at its May session, the Supervisory Commission was in doubt concerning new expenditure, it would be open to the Commission to submit the matter to the Assembly with a special report, in order that the question should be first considered by the technical committee. The report of the technical committee would then be dealt with as provided for in paragraph 5 and 6 above.

(10) If the Fourth Committee voted the credits entailed by the proposals made by the technical committee, it would report to the Assembly.

(11) In case of a divergency between the Fourth and the technical committee with regard to a budgetary credit, the point in dispute would be re-submitted to the Fourth Committee for a second reading, after such time — not less than 24 hours — as would enable the representatives of the Fourth Committee to consult their delegations. The second vote of the Fourth Committee would be considered as definitely settling the divergency.

4. The Supervisory Commission will submit in due course to the Assembly amendments in the Financial Regulations and Rules of Procedure of the Assembly, in order to give effect to these proposals. If the Assembly accepts these amendments, they will be inserted, in their proper place, in the Regulations. It goes without saying that, as in the case of the other provisions of the Financial Regulations and of the Rules of Procedure, the effect to be given to the proposed amendments might be suspended by a special vote of the Assembly.

II. ADMISSION OF TEMPORARY OFFICIALS TO THE STAFF PROVIDENT FUND.

5. The Director of the International Labour Office requested the Commission to consider whether arrangements could not be made to admit to the Provident Fund the officials of the Refugees Service, some of whom had been in the employment of the High Commissariat, and later of the International Labour Office, for almost seven years. In view of the decision of the Assembly that the Refugees Service should be considered as a temporary organisation, it was impossible to grant these officials permanent contracts: they have thus, heretofore, not been permitted to become members of the Fund.

6. The Commission came to the conclusion that it would be inadvisable to propose to the Assembly to allow exceptions to be made in favour of this or that particular category of officials, since, once exceptions are made, it would be difficult to resist further claims. It was also strongly of opinion that it would be inadvisable to reduce to less than seven years the minimum period of service before which a temporary official could be admitted to the Fund.

At the same time, the Commission recommends that the membership of the Provident Fund might as a general measure be extended after proper medical examination to temporary officials appointed by the Secretary-General or the competent officials of the autonomous organisations, after they had been for seven years in the service of the Secretariat, the Labour Office, or the Court. These officials should, further, be given the option of making retroactive payments in respect of their previous temporary employment, on the understanding, of course, that similar payments would be made *pari passu* by the League; in order not unduly to inconvenience the officials concerned, the retroactive payments might be spread over a reasonably long period.

III. ESTIMATES OF THE REFUGEES SERVICE FOR 1929.

7. The Commission considered the report of the Finance Committee and of the Refugees Committee of the Governing Body of the International Labour Office (Appendix 1).

In presenting the budget of the Refugees Service for 1929 (Appendix 2), the representatives of the Director of the International Labour Office pointed out that the proposal that this activity should be wound up as far as the International Labour Office was concerned did not mean that the work was completed. A great deal remained to be done; 200,000 refugees were awaiting for employment to be found for them; furthermore, the

Council, at its fiftieth session, had requested the Governments to extend to other categories of refugees the arrangements hitherto made for Russians and Armenians only; finally, the High Commissioner had been invited by a resolution voted by the Assembly of 1927 to convene an inter-Governmental Conference for the purpose of solving the important problem of the legal and personal status of the refugees.

The Governing Body of the International Labour Office had merely noted that the Refugees Service was now called upon to deal with colonisation schemes and with assistance of a legal and political character rather than with the finding of employment. It had therefore been of opinion that it would be advisable to set up a new organisation which would be better fitted to bring this work to a conclusion than the Labour Office and that the 1929 budget should be regarded as the last refugees budget to be administered by the International Labour Office. It thought that it might be suggested to the Assembly that the direction of the entire refugee work should, as from the beginning of 1930, be entrusted to the High Commissariat — which was already concerned with political, legal and financial questions — assisted by a Mixed Committee of representatives of the Council of the League of Nations and of the Governing Body of the International Labour Office.

8. Without entering into a discussion on the general proposals of the Governing Body, on which a decision will have to be taken by the next Assembly, the Supervisory Commission examined item by item the estimates which had been submitted to it, and approved them as they stood. These estimates amount to a total sum of 298,000 francs, as against 300,000 francs provisionally entered in the budget of the International Labour Office for 1929, which represents a decrease of 40,000 francs on the budget for 1928 (see document A. 4 (a). 1928. X.). The total of the general budget of the League for 1929 amounts therefore to 26,869,244 francs, instead of 26,871,244 francs, as shown in the general budget for 1929 (see document A. 4. 1928. X.).

IV. COST OF LIVING AND SALARIES ADJUSTMENT.

9. The Commission decided to postpone to its next session, to be held at the end of July, a final decision on the recommendations to be made to the Assembly on this subject.

V. PUBLICATIONS OF THE LEAGUE OF NATIONS.

10. The Commission approved the report prepared by its rapporteur, Dr. Nederbragt, on this subject (see Annex 7).

VI. MISCELLANEOUS QUESTIONS.

(a) *Unpaid Liabilities Fund.*

11. The Commission was informed that the balance under item 16 of the Budget for 1928 — “Unpaid liabilities fund” — was insufficient to enable the Secretariat to liquidate all the liabilities carried over from 1927.

The Commission requested the Secretariat to include the sum necessary to meet these liabilities, amounting altogether to 6,553.85 francs in the Supplementary Estimates to be submitted to the next Assembly. In regard to one of the claims the payment of which could not without great inconvenience to the creditor indefinitely be postponed, the Commission suggested that the Secretary-General might take steps to regularise an advance out of Working Capital Fund, which would be reimbursed from the budgetary provision in 1929.

The Commission further decided to include in the supplementary estimates the sum of 2,500 francs, so as to increase from 5,000 to 7,500 francs the “Unpaid liabilities” appropriated in the 1929 budget.

(b) *Accommodation placed at the Disposal of the Permanent Court of International Justice.*

12. With reference to the last two clauses of paragraph 40 of the report of the Commission on the work of its twenty-seventh session (Annex 2, page 127), the Commission was informed that the greater part of the work of reconstructing and adapting — in accordance with the decision taken by the Assembly at its eighth ordinary session — the accommodation placed at the disposal of the Permanent Court in the Peace Palace at The Hague had been terminated by the date fixed by the Assembly for the completion of the whole programme. The remaining part, comprising six rooms, a lift, etc., would be completed in February or March 1929, and in any case in sufficient time before the opening of the Court's ordinary session of that year.

The Commission duly noted that, save as concerns the time stipulated for the completion of the whole of the programme of work, the agreement approved by the Assembly at its eighth ordinary session would doubtless integrally be executed.

Appendix 1.

EXTRACT FROM THE REPORT OF THE FINANCE COMMITTEE, ADOPTED BY THE GOVERNING BODY OF THE INTERNATIONAL LABOUR OFFICE ON JUNE 6TH, 1928.

3. 1929 Budget Estimates for the Refugees Service.

The Finance Committee and the Refugees Committee, meeting jointly, before drawing up the 1929 budget estimates for 1929, carefully considered the development of the Refugees Service, its present position and its future prospects, in the light of the reports on the refugee work which were before them.

The members noted that the Refugees Service originally occupied itself with relief work, but that it had gradually altered its character, and had become primarily concerned with the transfer of large bodies of refugees. Later, at the time when it was attached to the International Labour Office, its duties were to find employment for refugees. The reports before the Committees show that this work is coming to an end, and a new phase is beginning in which the work will be of the nature of colonisation, preceded in some cases by the training of refugees, and of the provision of legal and political assistance.

From both these points of view, the work which now has to be done does not appear to fall within the competence of the International Labour Office. The two Committees therefore accept the following proposals of the Director :

(1) The entire refugee work should be entrusted to the High Commissariat, assisted by a Mixed Committee of representatives of the Council of the League of Nations and of the Governing Body of the International Labour Office. This solution should be suggested to the Assembly when it next meets ;

(2) The 1929 budget should be regarded as the last refugees budget to be administered by the International Labour Office. It is recommended that the Governing Body should adopt the estimates as submitted to it¹.

The Finance Committee and the Refugees Committee, while proposing that the refugee work should be wound up in so far as it consists of a service for finding employment attached to the International Labour Office, request the Governing Body to associate itself with them in paying a warm tribute to the officials of the Refugees Service, and to express their profound gratitude for the intelligent and devoted way in which they have carried out their complex and difficult task, and for the considerable measure of success which they have obtained in spite of the difficulties of all kinds which they have encountered and overcome. They also ask the Governing Body to recommend to the Assembly to give full consideration to the position of those officials and the claim which they have on the gratitude of the League of Nations, which most of them have served for nearly seven years (although up to the present they have not enjoyed the secure status of permanent officials), when it is setting up the organisation which will take over the refugee work, in its new form, from the Office, and carry it to a conclusion.

(Signed) Dr WEIGERT, *Rapporteur*.

¹ In this connection, the German Government's representative stated that his Government intended to discontinue in 1929 the subsidy of 15,000 Reichsmarks which it previously paid for the upkeep of the Berlin agency, and to ask the Assembly to provide the credits necessary to replace the subsidy if it considered it desirable.

Appendix 2.

BUDGET ESTIMATES OF THE REFUGEES SERVICE FOR 1929.

(Chapter IIa of the General Budget of the International Labour Organisation.)

Summary.

	Estimates for 1929	1928 ¹ Budget	1927 ¹ Budget	1927 Expenditure
I. Headquarters	115,750	112,900	111,175	111,032
II. Agencies	182,250	226,275	214,150	254,497 ²
	<u>298,000</u>	<u>339,175</u>	<u>325,325</u>	<u>365,529²</u>

I. Headquarters.

1. Staff :	Estimates for 1929	1928 Budget ¹	1927 Budget ¹	1927 Ex- penditure
1 Chief of Section "hors cadre"	31,000	30,000	29,000	29,000
1 Member of Section B	14,800	14,000	13,600	13,600
1 Member of Section B	13,700	12,800	12,400	12,400
1 Book-keeper	—	5,000	3,710	} 10,530
1 Secretary	6,925	6,750	6,575	
2 Bilingual shorthand-typists	{ 5,575 5,750	{ 7,400 5,575	{ 7,200 5,400	} 12,352
2. External collaborators	9,500	—	—	
3. Travelling	19,000	21,375	19,550	19,440
4. Postage, telegrams, etc.	5,000	5,000	6,400	6,398
5. Printing and distribution of Nansen stamps	3,500	4,000	—	—
6. Unforeseen and miscellaneous	1,000	1,000	7,340	7,312
	<u>115,750</u>	<u>112,900</u>	<u>111,175</u>	<u>111,032</u>

II. Agencies.

	Estimates for 1929		1928 Budget		1927 Budget		1927 Ex- penditure
	Budget Sw. frs.	Subsidy	Budget Sw. frs.	Subsidy	Budget Sw. frs.	Subsidy	Swiss frances
Germany	26,150	RM 15,000	26,150	RM 15,000	26,150	RM 15,000	44,425
Austria		Sw. fr. 7,200		Sch. 9,500		Sch. 9,500	7,197
Estonia	} 25,300		} 24,500		} 24,500		} 26,718
Latvia							
Lithuania							
Poland		Zl. 4,800		Zl. 4,800		Zl. 4,800	
Near East :							
(a) Stamboul	} 21,400		} 32,825		} 35,000		} 60,139
(b) Belgrade							
(c) Athens							
(d) Sofia							
South America	57,300		80,000		75,000		74,776
China	18,800		18,000		18,000		17,909
Syria	33,300	Fr.f. 24,000	32,500	Fr.f. 24,000	25,000		23,333
	<u>182,250</u>		<u>226,275</u>		<u>214,150</u>		<u>254,497</u>

Note on Estimates for the Refugees Service.

The estimates for 1929 represent a decrease of 41,175 francs as compared with the 1928 budget. This considerable reduction is mainly due to the abolition of the Stamboul agency and the Rio sub-agency. The reasons for these administrative operations are given in the report on the work of the Service for the past year.

¹ Including transfers made during the year.

² Including contributions from States.

As in the case of 1928, the Office has drawn up the budgets of the German, Austrian, Bulgarian, Polish and Syrian agencies on the assumption that the Governments of those countries will continue the generous subsidies which they have paid up to the present. If, however, any of the subsidies were to be reduced or withdrawn, the budgets of the agencies in question would have to be reconsidered.

Note on Headquarters.

1. *Staff.*

Provision is made for certain increases in salaries, but the post of book-keeper is abolished. The total saving as compared with 1928 is 3,775 francs.

2. *External Collaborators.*

Payment for work required by the Service, such as the work of the accountant, which does not necessitate the creation of a regular post with the obligations thereby involved, will henceforth be allocated to this paragraph. The estimate corresponds to the expenditure for 1928.

3. *Travelling Expenses.*

The expenditure of 1927 has been taken as basis and allowance has been made for the reduction in the number of agencies. The estimates are accordingly reduced by 2,375 francs as compared with 1928.

4. *Postage, etc.*

No change.

5. *Nansen Stamps.*

In view of the experience of 1928, it appears possible to reduce the estimates for 1929 to 3,500 francs.

6. *Unforeseen and Miscellaneous.*

No change.

Vienna Agency¹.

	Estimates for 1929	1928 Budget Swiss francs	1927 Expenditure
A. Salary of delegate			
B. Office expenses	7,200	7,200	7,196

Berlin Agency.

	Estimates for 1929	1928 Budget Reichsmark	1927 Expenditure
A. Salaries :			
Delegate	11,100	11,100	
Assistant	6,000	6,000	
Secretary interpreter	4,800	4,800	
Book-keeper	3,300	3,300	
Messenger	600	600	
External collaboration	2,400	2,400	
	<hr/>	<hr/>	
	28,200	28,200	28,820
B. Travelling and entertainment expenses	1,400	1,400	1,055
C. Office Expenses :			
Rent	2,600	2,600	
Heating and lighting	210	210	
Cleaning, etc.	510	510	
Postage	240	240	
Telegrams	200	200	
Telephones	400	400	
Newspapers	100	100	
Sickness insurance	410	410	
Unemployment insurance	420	420	
Taxation	510	510	
Cleaning and repair of type-writers	80	80	
Office supplies	500	500	
Miscellaneous	220	220	
	<hr/>	<hr/>	
	6,400	6,400	6,104
	<hr/>	<hr/>	
	RM. 36,000	RM. 36,000	35,979
	<hr/>	<hr/>	
	Sw. fr. 26,150	Sw. frs. 26,150	44,425
	<hr/>	<hr/>	
	RM. 15,000	RM. 15,000	

¹ The cost of this Agency is entirely borne by the Austrian Government.

Warsaw Agency.

	Estimates for 1929	1928 ¹ Budget	1927 Expenditure
A. Salaries :		Swiss francs	
Delegate	15,300	14,500	
Secretary (Warsaw)	3,000	3,000	
Secretary (Riga)	3,000	3,000	
B. Office Expenses :			
1. Warsaw	3,200	3,200	
2. Riga	800	800	
C. Travelling expenses	1,800	1,800	
D. Unforeseen expenditure	1,000	1,000	
	<hr/>	<hr/>	
	25,300	24,500	26,718
	Zlotys 4,800	4,800	
	(Swiss francs 2,800)	2,800)	

Note on the Warsaw Agency.

- A. Salaries. No change as compared with 1928 except increase in the delegate's salary.
- B. Office expenses }
 C. Travelling expenses } No change.
 D. Unforeseen expenditure }

Near East Sub-Agencies.

	Estimates for 1929		1928 Budget		1927 Expenditure
	Swiss frs.	£	Swiss frs.	£	Swiss frs.
1. <i>Stamboul</i> :					
A. Salaries :					
Delegate			18,825		
Assistant	6,000		5,400		
Secretary			2,400		
Messenger			1,200		
B. Office expenses	2,500		5,000		35,075
2. <i>Sofia</i> ² :					
A. Salaries :					
Sub-delegate		276		276	
Secretary		120		120	
Book-keeper		60		60	
Typist		60		60	
B. Office expenses		84		84	15,139
3. <i>Athens</i> :					
A. Salaries :					
Sub-delegate	5,400		4,800		
B. Office expenses	1,200		1,200		6,000
4. <i>Belgrade</i> :					
A. Salaries :					
Sub-delegate	4,800		4,800		
B. Office expenses	1,500		1,500		3,925
	<hr/>		<hr/>		
	21,400	£600	45,125	£600	60,139

Note on Near East Sub-Agencies.

1. *Stamboul* :
 The sub-agency as such has been abolished. The estimates provide only for the sums necessary to maintain a liaison officer with the Advisory Committee on Refugees.
2. *Athens* :
 An increase of salary has been granted to the delegate.
3. *Belgrade* :
 No change as compared with 1928.

¹ Including transfers made during the year.

² The expenses of this sub-agency are entirely borne by the Bulgarian Government.

South-American Agency.

	Estimates for 1929	1928 Budget Swiss francs	1927 Expenditure
A. Salaries :			
Delegate	26,800	26,000	
Cost-of-living allowance	3,500	3,500	
Assistant	—	16,000	
B. Office expenses	20,000	26,000	
C. Travelling expenses	5,000	8,500	
D. Entertainment	2,000	—	
	57,300	80,000	74,775

Note on the South-American Agency.

A. Salaries :

The delegate's salary has been increased and the post of sub-agency at Rio has been abolished.

B. Office Expenses ; C. Travelling Expenses :

The abolition of the Rio sub-agency appears to make it possible to reduce the Office expenses by 6,000 francs and the travelling expenses by 3,500 francs.

D. Entertainment :

It has been found necessary to provide a special credit for this purpose as experience has shown that the delegate is obliged to undertake a considerable amount of entertainment.

China Agency.

	Estimates for 1929	1928 Budget Swiss francs	1927 Expenditure
A. Salary of delegate	12,800	12,000	
B. Insurance of delegate	6,000	6,000	
C. Office expenses	—	—	
	18,800	18,000	17,909

Notes on the China Agency.

No change as compared with 1928 except for an increase in the delegate's salary.

Syrian Agency.

	Estimates for 1929	1928 Budget Swiss francs	1927 Expenditure
A. Salaries :			
Delegate	16,400	15,600	
Assistant delegate	7,500	7,500	
Subordinate staff	+ 24,000 Fr. fr. 3,600	+ 24,000 Fr. fr. 4,800	
B. Office Expenses :			
Stationery	3,600	360	
Postage, telegrams	—	600	
Miscellaneous	—	2,640	
C. Travelling expenses	1,000	1,000	
D. Unforeseen expenditure	1,200	—	
	• Swiss frs. 33,300	32,500	23,333
	+ Fr. fr. 24,000	24,000	

Note on the Syrian Agency.

No change as compared with 1928 except for an increase in the delegate's salary.

ANNEX 4.

REPORT OF THE SUPERVISORY COMMISSION ON THE WORK
OF ITS TWENTY-NINTH SESSION.

The Supervisory Commission, consisting of:

His Excellency M. Stefan OSUSKÝ, Minister of Czechoslovakia in Paris, *Chairman*;
Lord MESTON OF AGRA (India), *Vice-Chairman*;
Dr. J. A. NEDERBRAGT, Chief of the Economic Division of the Ministry of Foreign Affairs
of the Netherlands, *Rapporteur*;
M. C. PARRA-PÉREZ, Minister of Venezuela in Rome;
M. Jean RÉVEILLAUD, President of Section of the Conseil de Préfecture de la Seine,

met in extraordinary session on July 31st, 1928, to take a final decision in regard to the recommendations to be made to the Assembly on the question of the cost of living and adjustment of salaries and to adopt the text of the amendments to be made in the Financial Regulations and the Rules of Procedure of the Assembly to give effect to the proposals which it had adopted on the question of supplementary credits at its June session (see Annex 3, page 129).

I. COST OF LIVING AND ADJUSTMENT OF SALARIES.

At its eighth ordinary session the Assembly decided:

" 1. To apply once more the system at present in force under which no changes will be made in the salaries in 1928;

" 2. To instruct the Salaries Adjustment Committee to carry out the investigations necessary for this enquiry with the help of the competent services of the Secretariat and of the International Labour Office, and to submit the results to the Supervisory Commission at its session in January 1928;

" 3. And to instruct the Supervisory Commission to submit a general report on the question to the Assembly at its ninth ordinary session."

After considering the report of the Salaries Adjustment Committee on the history and various aspects of the question (Appendix 1), the Commission decided that, in the circumstances, the best course was to propose to the Assembly to abandon the system under which the salaries of League officials varied with the fluctuation of the cost of living. In taking this decision, which was reached after discussions extending over several sessions, the Commission was chiefly influenced by the following three arguments:

1. It was most difficult to apply to an international staff, such as the staff of the League, a single cost-of-living index, in view of the great differences in the standards and modes of life of the various officials.

2. From the experience of the Commission it does not seem likely that any index, no matter how scientific, will ever give complete satisfaction to the staff.

3. There was every justification for the somewhat complicated system of variable salaries during the period immediately following the war, in view of the sharp and rapid fluctuations which then occurred in the cost of living. This was no longer the case, chiefly as the result of the almost general stabilisation of currencies.

As regards the *rate* at which salaries should be stabilised, the Supervisory Commission at its June session requested that the Statistical Services of the Secretariat and of the International Labour Office should prepare as soon as possible an index figure in accordance with the principles approved by the fourth session of the Assembly. It further proposed that, for the sake of comparison, an alternative index should be submitted taking into account, as far as the available time and circumstances would allow, such improvements as might be made in the present system.

At a session held on July 31st the Commission considered the results of this study (Appendix 2). While paying tribute to the very objective manner in which the report of the statisticians had

been drawn up, the Commission did not think it could approve the two new systems of weighting which had been suggested (Table II, weights B and C). For it seemed to the Commission that it was not possible to modify the weights which had been adopted after careful consideration by the fourth ordinary session of the Assembly, since such a change would entirely vitiate the bases of comparison.

On the other hand, the Commission gave general approval to the suggestions which had been made to it in regard to the new data of which, in the opinion of the statisticians, account might be taken for the calculation of the index figure for lighting, heating and rent.

The Commission noted that the statistics which had been submitted to it showed that the index calculated for the cost of living at Geneva amounted at present to 95.2 per cent of the index during the basic period (last six months of 1921).

In view, however:

(1) Of the continuous increase of certain component parts of the general index, an increase which, it would seem, may continue for some time to come since rents at Geneva have not yet been raised in the same proportion as in the other large Swiss cities;

(2) Of the fact that the officials may have thought that they had been unfairly treated during past years because the rent index had been based on insufficient data;

And, chiefly:

(3) Of the considerable advantage that would result if all the officials came under a single system devoid of complications and above criticism¹,

the Commission decided to recommend to the Assembly to stabilise the salaries of the officials of the Secretariat and of the International Labour Office at the nominal rates adopted in 1921 and the salaries of the officials of the Permanent Court of International Justice at the nominal rates of 1922, on the understanding that, if the officials did not unanimously agree to this proposal before January 1st, 1929, the present system of variable salaries would remain in force except in regard to the improvements contemplated for the calculation of the figures relating to rent, heating and light.

This reform will result in an increase of the budget of 288,680 Swiss francs.

2. AMENDMENTS IN THE FINANCIAL REGULATIONS AND THE RULES OF PROCEDURE OF THE ASSEMBLY.

At its twenty-eighth session, the Supervisory Commission made proposals to improve the present procedure of the Assembly in regard to the consideration of supplementary credits and the settlement of divergences between the Finance Committee and another Committee of the Assembly concerning the budget (see Annex 3, page 129).

The Supervisory Commission, after considering the text, prepared by the Secretariat, of the modifications to be made in the Financial Regulations and in the Rules of Procedure of the Assembly to give effect to the principles it had adopted, has the honour to submit, the following amendments to the Assembly for approval:

A. Rules of Procedure of the Assembly.

Original Text.

Amended Text.

Rule 14, paragraph 2.

Rule 14, paragraph 2.

(2) The Assembly shall not decide items on the agenda in full meeting until the report of a committee upon them has been presented and circulated unless the Assembly itself, by a two-thirds majority, determines otherwise.

1st clause, no change.

No corresponding provision.

Decisions involving expenditure shall be subject to the rules laid down in the Regulations for the Financial Administration of the League of Nations. The Assembly in plenary session may, by a vote taken by a two-thirds majority, suspend the application of the Financial Regulations without reference of the question to a Committee.

¹ Should the stabilisation be made at the present cost of living, many, if not all, the officials would ask, as they are entitled to, to remain on their present contracts.

Original Text

Amended Text

Rule 14, paragraph 2 (continued).

Rule 14, paragraph 2 (continued).

Reports by a committee involving the expenditure of money must indicate whether the expenditure will constitute part of the general expenses of the League or whether it will be recovered from the Members of the League particularly concerned.

2nd clause, no change.

Reports by a committee other than the Finance Committee recommending action which will involve the expenditure of money shall be accompanied by as close an estimate as time and circumstances allow of the amount of the expenditure involved. This estimate shall, before the matter is brought before the Assembly, be submitted to the Finance Committee in order that it may be checked by that Committee.

To be omitted, being replaced by the new provisions of the Financial Regulations.

No resolution involving expenditure shall in any case be voted by the Assembly before the Finance Committee shall have expressed its opinion on the advisability of the proposed expenditure from the point of view of general budgetary resources.

4th clause, no change.

B. Regulations for the Financial Administration of the League of Nations.

Article 14.

Article 14.

Modifications proposed in the estimates after the budget has been circulated to the Members of the League shall, as far as possible, be included in one document; if necessary, a revised budget shall be substituted for the original budget. A supplementary budget may be submitted to the Assembly by its Finance Committee.

Omit as inapplicable under the procedure now proposed.

Article 16.

Article 16.

Paragraphs (1) to (4) deal with examination of the budget by the Supervisory Commission.

(1) to (4). No change.

(5) A short session of the Commission shall be held each year during the meeting of the Assembly.

(5) is suppressed and reproduced as Article 16b.

(6) It shall be the duty of the Commission at this session to examine all amendments to the budget.

(6) and (7) are omitted, being replaced by the new provisions.

(7) The estimates in their final form shall be considered and reported upon by the Supervisory Commission before their submission to the Finance Committee of the Assembly.

(8) No corresponding text.

(8) Proposed credits which in the opinion of the Commission require special examination by the Assembly may form the object of special reports by the Commission which shall be dealt with by the procedure laid down in Article 16c below. If the credit forms part of the budget of an autonomous organisation, the special report shall be communicated to the competent authority of the organisation.

Note. — By the above changes the Regulations, down to the end of Article 16, deal exclusively with preparation and presentation of the budget as circulated three months before the Assembly. The question of alteration of this budget is left to be dealt with in the following articles. This arrangement would seem to make the Regulations easier to understand.

Original Text

No corresponding provision.

Amended Text

Article 16a.

(1) Proposals involving an increase in the budget as originally communicated to the Members of the League must be placed in the hands of the Secretary-General at least one month before the date fixed for the opening of the Assembly's session. The Secretary-General or the competent official of the autonomous organisation concerned shall draw up as accurate an estimate as possible of the amount of the necessary increase. If a proposal received later than one month before the opening of the session is found to involve an increase in the budget, it shall be adjourned until the next session of the Assembly.

(2) The Secretary-General shall incorporate the estimates referred to in paragraph (1) above, and estimates for any increases in the budget of the Secretariat which he himself considers it necessary to propose, in a single supplementary budget, which shall be circulated to the Members of the League and to the Supervisory Commission not later than two weeks before the opening of the Assembly's session.

Article 16b.

See Article 16, paragraph (5), quoted above.

A session of the Supervisory Commission shall be held each year during the meeting of the Assembly.

Article 16c.

No corresponding provision.

(1) Proposed credits upon which a special report has been made by the Supervisory Commission under Article 16, paragraph (8), shall be dealt with by the following procedure:

(a) Where consideration of the objects for which the proposed credit is required is referred by the Assembly to a Committee other than the Finance Committee, the proposed credit together with the special report of the Supervisory Commission shall be referred to the same Committee, which, in so far as it reports in favour of the said objects, shall examine the estimate of expenditure and, if necessary, modify it to correspond to the recommendations which it makes. The Committee's report, if it recommends a credit, shall be passed directly to the Supervisory Commission for verification of the estimated expenditure and be then submitted to the Finance Committee with a report by the Supervisory Commission.

(b) In other cases the special report of the Supervisory Commission shall be referred to the Finance Committee for consideration with the proposed credit to which it relates¹.

(2) The various estimates included in the supplementary budget shall be dealt with by the following procedure:

(a) Where consideration of the objects for which the supplementary credit is asked is referred by the Assembly to a Committee other than the Finance Committee, the estimate shall be referred to the same Committee which, in so far as it reports in favour of the said objects, shall examine the estimate and, if necessary, modify it to correspond to the recommendations which it makes. The Committee's

¹ The procedure here provided is that normally applicable to the International Labour Organisation and the Permanent Court of International Justice. In special cases (for example, in regard to the question of Russian refugees) the procedure of paragraph (a) above might be appropriate.

Original Text

Amended Text

Article 16c (continued).

report, if it recommends a credit, shall be passed directly to the Supervisory Commission for verification of the estimate and be then submitted to the Finance Committee with a report by the Supervisory Commission. The report must, however, be received by the Supervisory Commission within fifteen days from the opening of the session of the Assembly. If it is received later, its examination shall be adjourned to the next session of the Assembly.

(b) In other cases, the estimate shall be submitted to the Supervisory Commission for verification and be transmitted by the Commission with its observations to the Finance Committee¹.

Article 16d.

In the cases dealt with in Article 16c, the decision of the Finance Committee shall be reconsidered if a request to that effect is formulated by one-quarter of the members of the Finance Committee or by the competent official of the organisation affected or by a vote of another committee of the Assembly affected thereby.

Such reconsideration shall not take place until after an interval of at least twenty-four hours from the time when the request was made or was communicated to the Finance Committee.

Article 16e.

Subject to the above provisions, the budget and supplementary budget shall be referred to the Finance Committee, which shall place them before the Assembly in the form approved by it, preferably in a single document.

Article 17.

Omit as being either covered by the new provisions or unnecessary.

Article 17.

(1) The Assembly shall not consider the budget in plenary session until its Finance Committee has considered the budget and the report of the Commission and has presented its report.

(2) The Assembly may in plenary session make any amendment in the budget which it may consider desirable. The consideration and the adoption of the budget by the Assembly shall be governed by the rules made by the Assembly in that respect in exercise of the powers vested in it by the Covenant.

Article 18.

(1) When the Assembly or its Finance Committee discusses the budget of any autonomous organisation, such organisation may delegate one representative to assist at the meetings of the Assembly, and as many representatives as the Finance Committee may approve to assist at the meetings of the Finance Committee. Such representative or representatives may be heard, but shall not address the meeting except on the invitation of the President.

Article 18.

This article, dealing with representation of autonomous and non-autonomous organisations during discussion of their budgets at the Assembly, requires no change.

¹ The procedure here provided is that normally applicable to the International Labour Organisation and the Permanent Court of International Justice. In special cases (for example, in regard to the question of Russian refugees) the procedure of paragraph (a) above might be appropriate.

Original Text

Article 18 (continued).

(2) The advisory committee of a non-autonomous organisation may, in like manner, send a representative to attend at meetings of the Finance Committee of the Assembly at which its budget is discussed.

Article 19.

(1) Modifications in the part of the budget dealing with the Secretariat proposed by the Secretary-General before the opening of the Assembly shall, as far as possible, be submitted to the Council. Proposals for modification of a part dealing with an autonomous organisation shall similarly be submitted to the competent authority of the organisation.

(2) In accordance with paragraph 2 of Rule 14 of the Rules of Procedure of the Assembly, and subject to any amendment thereof, the following rules shall apply:

(a) Reports by a Committee involving the expenditure of money must indicate whether the expenditure will constitute part of the general expenses of the League or whether it will be recovered from the Members of the League particularly concerned.

(b) Reports by a Committee other than the Finance Committee recommending action which will involve the expenditure of money shall be accompanied by as close an estimate as time and circumstance allow of the amount of the expenditure involved. This estimate shall, before the matter is brought before the Assembly, be submitted to the Finance Committee in order that it may be checked by that Committee.

(c) No resolution involving expenditure shall in any case be voted by the Assembly before the Finance Committee shall have expressed its opinion on the advisability of the proposed expenditure from the point of view of general budgetary resources.

(3) In the cases contemplated by subparagraphs (b) and (c) of paragraph 2, before the proposed credits are considered by the Finance Committee, they shall be submitted to the Supervisory Commission, which shall report thereon. The Supervisory Commission shall in the first place consider whether a proposal for additional expenditure can be adopted or whether it would not be advisable to postpone such expenditure.

Amended Text

Article 18 (continued).

Article 19.

The suppression of this article is suggested.

(1) Contains provisions which do not seem to be actually of practical utility and which have no convenient place under the new system.

(2) Embodies the old system in so far as it was incorporated in the Rules of Procedure of the Assembly. From the legal point of view, it is an unnecessary complication to repeat parts of the Assembly Rules of Procedure in the Financial Regulations and it is suggested that this paragraph be not amended so as to quote the amended Rules of Procedure, but be simply struck out. The provisions of the paragraph which are retained under the new system are incorporated in the proposals made above for amending the Assembly Rules of Procedure and the Financial Regulations.

(3) Is replaced by the new provisions.

Definition at the Commencement of the Regulations for the Financial Administration of the League of Nations.

Original Text

Competent authority means.....

(c) in the case of the Permanent Court of International Justice, the Court.

Amended Text

Competent authority means.....

(c) in the case of the Permanent Court of International Justice, the Court or, by delegation from the Court, its President.

Note. — By stating that in the case of the Court the “competent authority” for the purposes of the Regulations is the full Court, the existing definition makes it impossible for the Court’s budget to be approved by the “competent authority” before the regular annual session

commencing on June 15th, except in years in which a special session is held earlier in the year. If the Regulations in the amended form now proposed are strictly interpreted and applied, this might mean that the whole budget of the Court would have to form part of the supplementary budget. To avoid any difficulty on this point, the proposed amendment of the definition enables the Court to authorise its President to act as the "competent authority".

APPENDIX 1.

REPORT BY THE SALARIES ADJUSTMENT COMMITTEE.

The eighth ordinary session of the Assembly decided on September 26th, 1927, on the recommendation of its Fourth Committee, that the investigations necessary for an enquiry into the question of whether and how far the present salaries should be modified should be carried out, with the help of the competent services of the Secretariat and of the International Labour Office, by the Salaries Adjustment Committee, and the result submitted to the Supervisory Commission.

For this purpose, the Salaries Adjustment Committee appointed a Sub-Committee. The Salaries Adjustment Committee¹ submits herewith to the Supervisory Commission the report of this Sub-Committee (Sub-Appendix), the conclusions of which they unanimously adopt.

The Salaries Adjustment Committee only desires to add the following observations:

The Committee has thought it right to address itself in the first place to the question: What are possible improvements which can still be made in the existing system? To this end it has consulted the competent statistical services and has itself made enquiries. The results are embodied in the report of the Sub-Committee, and various suggestions have been advanced which would go to improve the existing system, if it were retained. The Committee desires, however, to make it clear that, in its view: (a) the improvements which have been suggested are not such as to make the index one which will measure with reasonable accuracy the variations in the cost of living of the international staff at Geneva; (b) after nearly three years of enquiry, it is not likely that any further light will be thrown upon the subject in the near future, or that new elements will be introduced tending to a solution of the problem of improving the index, in such a manner as to satisfy the conditions which the Supervisory Commission regards as essential, viz., that its basis would be "unassailable" and "that the staff should be thoroughly satisfied of its justice"; (c) in these circumstances, the existing index should be forthwith abolished and salaries stabilised, for the reasons given at the end of the Sub-Committee's report, at the nominal rates which were fixed in 1921.

Sub-Appendix.

REPORT BY THE SUB-COMMITTEE (SET UP BY THE SALARIES ADJUSTMENT COMMITTEE ON JANUARY 27TH, 1928, ADOPTED BY THE COMMITTEE ON APRIL 25TH, 1928.

I. *History of the Question.*

In 1921, the Assembly of the League of Nations at its second session decided to accept the proposal of the Committee of Experts appointed to enquire into the organisation of the Secretariat and the International Labour Office (the "Noblemaire Committee") that the salaries of members of the staff should be subject to modification from time to time in accordance with periodic variations of the cost of living, and that a Salaries Adjustment Committee should be appointed for the purpose of making recommendations as to the modifications to be effected.

¹ The Committee held two sessions, at which the following members were present:

First Session:

Marquis PAULUCCI DI CALBOLI BARONE, *President*, Under-Secretary-General of the League of Nations;
M. OSUSKÝ (during part of the Session) and
M. PARRA-PÉREZ, members of the Supervisory Commission;
Mr. H. B. BUTLER, Deputy-Director of the International Labour Office;
Mr. FELKIN and M. FRUMKIN, representing the staff of the Secretariat of the League of Nations;
Mr. BLELLOCH and M. DUMOULIN, representing the staff of the International Labour Office, and
M. DUATME.

Second Session:

Marquis PAULUCCI DI CALBOLI BARONE, *President*, Under-Secretary-General of the League of Nations;
M. PARRA-PÉREZ, in place of M. Osuský, and
M. NEDERBRAGT in place of Lord Meston, members of the Supervisory Commission;
Mr. H. B. BUTLER, Deputy-Director of the International Labour Office;
Mr. FELKIN and M. FRUMKIN, representing the staff of the Secretariat of the League of Nations;
Mr. BLELLOCH, representing the staff of the International Labour Office.

Accordingly, the salaries offered to the individual members of the staff in virtue of the contracts drawn up in 1921 after the second session of the Assembly were declared to be subject to variation in accordance with the cost of living.

During 1922 and down to the meeting of the fourth session of the Assembly in September 1923, the Supervisory Commission and the Salaries Adjustment Committee discussed the manner in which the Assembly's decision might be applied. The fourth session of the Assembly, in accordance with the recommendations of these two bodies, decided to establish a scheme for the international staff on the following bases:

- (a) The variable portion of salaries was fixed at 20 per cent for all categories of the staff.
- (b) The question of adjusting the variable portion of salaries to the cost of living was to be examined once a year.
- (c) For the purpose of assessing price movements, the year to be subjected to examination was to be that running from August 1st to July 31st.
- (d) The basic period, with the average prices for which those for each successive year as above defined were to be compared, was to be the last six months of 1921 (*i.e.*, the six-monthly period in the middle of which salary rates had originally been fixed by the Assembly) the index number for this basic period being fixed at 100.
- (e) No change was to be made in salaries unless the index number for any year showed a rise or fall of 10 per cent of the index number upon which the last preceding variation had been based.
- (f) The percentage reduction or increase on the variable portion of salaries was to be calculated on the nominal variable portion and not on the variable portion as already varied.
- (g) The items of expenditure used to estimate the cost of living, and the weights respectively attached to them, were to be as follows:

Food.	6.5
Rent.	3
Heat and lighting.	1
Domestic service	1

At the same time, the Assembly decided, on an examination of the cost-of-living figures conducted by its Fourth Committee, that the index had already fallen by 13.2 per cent as compared with the basic period, and therefore ordered the variable portion of salaries to be reduced by 13 per cent. The statistics on which the Fourth Committee's estimate was based were as follows, for the four respective items taken into consideration:

Food:	Index numbers for thirty-three Swiss towns published by the Swiss Government.
Heating and lighting:	<i>Idem.</i>
Rent:	Information supplied by: (a) the staff; and (b) the Association of local estate agents (no official statistics being available).
Domestic service:	Information supplied by: (a) the staff; and (b) the <i>Chambre du Travail</i> and the various local employment agencies (no official statistics being available).

It is to be noted that the information obtained as described above in regard to rent and domestic service was accepted as showing no change in the price level since 1921.

For the period August 1st, 1923, to July 31st, 1924, the statistics compiled by the Statistical Section of the International Labour Office for the Salaries Adjustment Committee on the same bases as had been used by the Fourth Committee in 1923 showed that the general index had risen very slightly (from 86.8 to 87.1), the index numbers for rent and domestic service, based on data supplied in the absence of official statistics by local private agencies, having dropped from 100 to 95 and 90 respectively.

For the period August 1st, 1924, to July 31st, 1925, the general index was reckoned as having risen to 88.7, the figure for rent remaining at 95, while that for domestic service was reckoned as having risen to 110. The Salaries Adjustment Committee had, however, become aware that there was some dissatisfaction among the staff with the statistical methods applied, and its report for this period contained the following passage:

"The Committee had, however, remarked that among a certain section of the staff it was felt that perhaps the actual basic figures of the calculations made were not those which ensured the statistical results being a true reflex of the real facts as borne out by the individual experience of the various members of the Committee."

By the time that the Committee came to draw up its report for the period August 1st, 1925, to July 31st, 1926, material was forthcoming which went a long way towards confirming the doubts referred to in the paragraph quoted above. In 1925, the Swiss Federal Labour Office

began the compilation of official rent statistics for Switzerland, and for this purpose invited the collaboration of the different Cantons. In May 1925, the *Canton* of Geneva accordingly undertook a comprehensive enquiry into the level of rents in Geneva. This enquiry covered all flats of two rooms and upwards, and enabled the percentage increase as compared with December 1920 to be calculated. The figures for December 1920 were based on the results of the decennial census conducted by the Federal Census Department in that month, and covered flats of from two to six rooms. In May 1926, the *Canton* of Geneva repeated its enquiry of May 1925, limiting it, however, for financial reasons to flats of three and four rooms. The figures showed that the rents of flats of three, four, five and six rooms had risen, as compared with December 1920, by 20 per cent to May 1925, and that those of three- and four-room flats had risen by 24 per cent to May 1926. Thus, although no figures were available of the official Geneva enquiries which applied specifically to the basic period of the League's system of variable salaries (the last six months of 1921), it became evident that the information supplied by the local estate agents (to the effect that no rise in rents had taken place and on which the Salaries Adjustment Committee had relied) was henceforth invalidated.

In 1925, however, the results of an enquiry by the *Federal* Government were published, and these showed rents in Geneva as having risen from 1921 to 1923 by about 7½ per cent. Though this enquiry was not comprehensive, being based on only about 10 per cent of flats, it indicated that the basis on which the variable portion of salaries had been reduced by 13 per cent in 1923 was wrong; on the assumption that the figure of 7½ per cent was applicable to flats in general, it appeared that the reduction should not have exceeded 11 per cent. It is worth while to reproduce the figures submitted by the Salaries Adjustment Committee in 1926, in which the results of the Cantonal and Federal enquiries into rents are taken into account.

Index Numbers of Cost of Living.

Groups	Weights	Base period 1921	Period of 12 months ending July:				
			1923		1924	1925	1926
			A	B			
Food	13	100	78.3	78.3	83.2	84.0	81.4
Fuel, etc.	2	200	90.0	90.0	87.2	81.2	76.2
Rent	6	100	100.0	107.5	114.5	120.0	124.0
Domestic service . .	2	100	100.0	100.0	110.0	110.0	110.0
Total	23	2300	1997.9	2043.0	2163.0	2194.4	2174.6
Index number	—	100	86.8	88.8	94.0	95.41	94.55
Percentage changes since 1923		A	100	—	8.3	9.92	9.0
		B	—	100	5.9	7.45	6.5

Note. — Line A based on assumption that rents did not rise from 1921 to 1923. Line B based on information that rents rose from 1921 to 1923.

Thus, the Committee reported that, taking the *Cantonal* rent figures, subject to all qualifications, as the best available, (a) a rise in the general index of about 9 per cent had occurred between 1923 and 1926; and (b) a rise of nearly 10 per cent had occurred between 1923 and 1925. On the other hand, if, on the basis of the *Federal* figures, it was assumed that a rise in rents of 7.5 per cent had occurred between 1921 and 1923, general prices had risen, as compared with 1923, by a lesser amount (6.5 in 1926 and 7.45 in 1925), but the deduction from the total salary of each member of the staff should in each year since 1923 have been 2.2 per cent instead of 2.6 per cent.

The Committee at the same time pointed out that about 40 per cent of the staff lived in pensions and hotels, and were therefore not directly affected by the rise in rents; that it was in any case impossible to distinguish between the amounts represented by food, heating and rent respectively in hotel and pension prices; but that the results of enquiries which had been made among the staff had convinced the Committee that an appreciable rise in such prices had occurred. A table submitted to the Committee indicated an approximate rise of 20 per cent.

The Committee, after drawing attention to the points summarised above, concluded its report as follows:

“ The general conclusions which the Committee has reached on the ground of the above considerations is that they give a sufficiently clear indication that there has been such a rise in the cost of living in the years 1925 and 1926 as to make reconsideration of the present

deduction from salaries reasonable. At the same time, in view of the difficulty of arriving at a precise estimate of this rise, it has refrained from making a specific recommendation, but prefers to lay the whole situation before the Council and the Assembly, leaving in their hands the final appreciation of the action which is called for by the facts as presented and by the equitable and other considerations which they suggest."

In September 1926, the Assembly, at its seventh ordinary session, approved the following report submitted by the Supervisory Commission:

"The Commission has, as instructed by the Council and the Fourth Committee of the Assembly, examined the report of the Salaries Adjustment Committee dated September 18th. It has also gone carefully into the statistics referred to in the report and considered the circumstances in which those statistics were obtained.

"The conclusion of the Commission is that, although there seems to have been a certain rise in the cost of living since 1923, the figures as they stand do not raise the general index number of 1923 by the *full* 10 per cent which, according to the existing rules, is necessary to justify a rise in salaries. The Commission is thus unable to make any recommendation affecting the budget of 1927.

"This, however, does not close the matter. The criticisms of the Salaries Adjustment Committee on the figures which were employed in the decision of 1923, and the claims which would arise if those criticisms are justified, have led the Commission to a closer scrutiny of the whole statistical basis and history of the present method of varying the salaries of the staff with reference to the cost of living in Geneva. This scrutiny has forced the Commission to the conclusion that the statistical features are in several respects unsatisfactory, and that in certain other respects the equity of the present system requires re-examination. Without, therefore, advancing any opinions as to the practical result of such an examination, the Commission requests the Assembly to authorise it, before next year, to study the entire system and its application and to submit the result of its study to the Assembly of 1927. The adjustment of salaries from time to time must always be a task of delicacy and difficulty, and, if it is to be maintained as a principle, it is essential that its basis should be unassailable and that the staff be thoroughly satisfied of its justice."

In February 1927, the Supervisory Commission discussed the question further. It heard representatives of the staffs of the Secretariat and the International Labour Office, and learned from them: (1) that a staff meeting at the Secretariat had adopted a resolution declaring 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 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"; and (2) that a staff meeting at the International Labour Office had adopted a resolution favouring the maintenance of the variable system, on the understanding that the statistical bases for measuring fluctuations in the cost of living would be improved.

The Commission, after a lengthy debate, in the course of which two of its members expressed serious doubts as to the advisability of maintaining a variable system, decided that the statisticians of the Secretariat and the International Labour Office should be asked to investigate the statistical methods previously adopted and to suggest improvements, and that the legal advisers of the two institutions should be requested to make a study of the legal aspect of the situation, with special reference to the right of the Assembly to modify contracts by abolishing the variable system.

The joint report presented by the statisticians was generally negative, in regard both to the possibility of considerably improving the statistical methods previously employed and to that of establishing by any method a cost-of-living index number applicable to the staff of the two institutions. The only modification which they were prepared to advocate, if the variable system was to be maintained, was that the percentage change necessary to involve a change of salary should be reduced from 10 to 5. At the same time, the legal advisers reported that, in their opinion, the contracts between the individual members of the staff and the authority by which they were appointed could not be modified unilaterally by the Assembly and that therefore, if the Assembly came to the conclusion that the system of variable salaries should be abolished, it ought to offer every official the option of accepting or refusing such a modification in the terms of his appointment.

After further discussion in April and July 1927, the Supervisory Commission came to the conclusion that the two main reasons which weighed in favour of the retention of the system in force were:

- (a) The fact that the staff did not unanimously desire a change; and
- (b) The difficulties which would arise out of the existence of two different systems, one for the Secretariat and the other for the International Labour Office.

The Commission decided, however:

- (1) To recommend the Assembly to abolish the 10 per cent limit, so that in future salaries should vary exactly according to the fluctuations of the index number for each year;
- (2) To ask the Geneva authorities to conduct at the League's expense an enquiry into the rents of five-, six- and seven-room flats in a number of blocks situated in the districts inhabited by the majority of officials, for 1921, 1923, 1925 and 1927;
- (3) To recommend the Assembly that in future no account should be taken of the item "domestic service".

By the time that the Assembly met in September, the results of a new enquiry into rents made by the Cantonal authorities were available. The method used for this enquiry was, however, different from that adopted hitherto and, as it excluded all flats built after 1921, its results did not apply to the staff, the majority of which took flats after that date.

On the basis of these results it appeared that the index number for rent for 1926-27 was 107.8, and that the general index number (excluding domestic service) was only 0.1 per cent higher than in 1923. The figures used in the enquiry were, as was to be expected, so much at variance with the other statistics and with the individual experience of members of the staff that the Salaries Adjustment Committee did not feel that it could accept them. The Committee therefore proposed:

"... That one more attempt should be made during the coming year to revise the whole present index system with the object of obtaining one whereby data can be collected *from impartial and official sources*, which, when combined into an index, will accurately reflect the variations in the cost of living of the international staff at Geneva, and will be accepted as such by those concerned.

"They propose that this enquiry should be conducted by the Statistical Sections of the International Labour Office and the Economic Section of the Secretariat, and that the final report should be presented to the Salaries Adjustment Committee and through the Committee to the Council at its next meeting in December."

The Supervisory Commission, in its report to the Fourth Committee of the Assembly, agreed with the Salaries Adjustment Committee that the existing system should be applied once more. At the same time it indicated that it thought it desirable 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, the new system to be submitted to the Assembly at its next ordinary session.

The Assembly, at its eighth ordinary session, therefore decided:

- (1) To apply for one more year the system in force;
- (2) To instruct the Salaries Adjustment Committee to carry out a fresh enquiry into the whole question, with the help of the competent services of the Secretariat and the International Labour Office, and to submit the results to the Supervisory Commission at its session in January 1928; and
- (3) To instruct the Supervisory Commission to submit a general report on the question to the Assembly at its ninth ordinary session.

It proved impossible for the Salaries Adjustment Committee to present its report to the Supervisory Commission in January 1928 as, for the convenience of those members of the Committee who are also members of the Supervisory Commission, the meetings of the two bodies were held coincidentally. However, in accordance with the resolution of the Assembly, the Committee, at its meeting held in January 1928, took cognisance of further reports submitted to it at the request of the President of the Committee by the Statistical Services of the Secretariat and the International Labour Office. The conclusions of the Statistical Sections were again unfavourable. After further enquiry, however, they considered the improvements which might, in their opinion, still be made in the existing system. Their recommendations have been almost entirely adopted by the Sub-Committee and are embodied in Section III of this report.

The Committee was also informed by the representatives of the staff of the International Labour Office that a staff meeting had unanimously decided, in view of the difficulty of discovering a satisfactory variable system, to agree with the staff of the Secretariat in requesting that salaries should be stabilised at the basic rates fixed in 1921; the staff had, however, expressed its desire that, should stabilisation at the 1921 rate be found impossible, the present system should be maintained, but should be rendered more elastic so as to ensure its more satisfactory application in practice.

The Committee decided to appoint a Sub-Committee, consisting of:

- M. PARRA-PÉREZ, member of the Supervisory Commission;
- Mr. BUTLER, Deputy-Director of the International Labour Office; and
- M. FRUMKIN, representative of the staff of the Secretariat,

to draft a report for the next meeting of the Committee. It is this report which the Sub-Committee now begs to submit.

II. *Objections to the Present System.*

It appears advisable to begin our examination of the present position and the possible remedies by summarising the criticisms to which the existing system has given rise.

I. *General Objections to a Variable System.*

The rise in prices caused by the war led some Governments to adopt various expedients for compensating their employees for the decreased purchasing power of their fixed salaries. When the Noblemaire Committee was conducting its enquiry into the organisation of the Secretariat and the International Labour Office in the early months of 1921, prices were still unstable. The Committee therefore felt it necessary to advise the League to follow the example of the Governments in providing against the effects of fluctuating prices on the purchasing power of the salaries paid to its employees; and it is on record that the Committee anticipated that prices would continue to rise¹. Thus the system of variable salaries for employees both of the League and of the various Governments was instituted under special circumstances, in a period of crisis, and primarily for the protection of the employees themselves.

Since 1921, the situation has completely changed. In the great majority of countries, and in Switzerland in particular, the exchange value of the national currency and the prices of commodities of ordinary consumption are now practically stable. The salaries of civil servants have consequently been generally stabilised, at their request or with their consent². This process of readjustment and re-stabilisation appears entirely natural and normal. On the one hand in a period of relative stability the salaried worker prefers to know the exact sum which he is entitled to receive and to assume the sole responsibility for making it go as far as possible. On the other hand, cost-of-living statistics are not an instrument of precision. They are based on average prices, average consumption and average expenditure. When prices fluctuate considerably, the statistics are capable of reflecting with tolerable accuracy the experience of the individual; but when the individual finds the amount of his salary dependent upon a movement of the statistics of a few decimal points upwards or downwards, he tends to doubt whether the statistics faithfully reflect price movements as he has observed them. In abnormal times, and in the case of a large and fairly homogeneous group, any index, however imperfect, is likely to be better than none; but in a normal period, and in respect of a small and heterogeneous group, the margin of error is liable to be greater than the possible price fluctuations.

2. *Special Objections to a Variable System in the Case of the Geneva Staff.*

Moreover, the application of a variable system of salaries for a staff like that of the League of Nations in a city like Geneva involves certain special disadvantages:

(i) The small numbers of the persons affected makes it more difficult to strike satisfactory averages.

(ii) The salaries affected vary from 6,000 to 100,000 francs.

(iii) The manner of living of some thirty different nationalities of the five continents differs widely and cannot easily be brought down to any common denominator of "average consumption".

(iv) Whereas a national Government is able to direct and control the compilation of first-hand statistics through one of its own departments, the League of Nations has no such power, but is obliged to accept such second-hand statistics as are available.

(v) Geneva, with its 150,000 inhabitants, is too small a place to have complete and separate cost-of-living statistics and it cannot be claimed that the Federal statistics fully compensate for the lack of official local information.

(vi) The fact that Geneva is a tourist centre, in virtue of both its geographical situation and its international interest, affects price movements, particularly in regard to accommodation in hotels and pensions (in which about 40 per cent of the staff live).

(vii) The proximity of Geneva to the Free Zones on the French frontier and its partial dependence on those districts for supplies also exert an influence on prices.

(viii) Whereas the cost-of-living statistics established by a national Government are more or less of a mystery for the millions affected by them, and are therefore the less likely

¹ Cf. report adopted by the Supervisory Commission on February 15th, 1923 (document A.24.1925.X), page 4 (n).

² E.g., in Austria, Denmark, Germany, Poland, Norway, Sweden, Switzerland.

to inspire a reasoned distrust, the difficulties experienced by the League's statisticians are and will always be too well known to their colleagues for the latter to repose faith in the figures put forward, especially when their results seem to be in contradiction with the experience of individuals.

(ix) The regular calculation of special indices for the staff may create — and actually has created — some uneasiness among the Genevese population, particularly among those interested in the influx of foreigners. It is perhaps undesirable that the indices calculated should be discussed publicly and either attacked or endorsed by interested parties.

Although objections could be brought against all methods of calculating the cost of living, which can never give more than a rough average, the considerations indicated above suggest that such an average must be substantially rougher in the present case than in most others.

3. *Objections to the Existing System in particular.*

(a) *The Items of Expenditure considered.* — The items of expenditure hitherto taken into consideration for the compilation of an annual index number have been food, lighting and heating, rent and domestic service. The Supervisory Commission has recommended that, in the absence of satisfactory statistics, no attention shall in future be paid to the item "domestic service". The three remaining items, though representing the main items of the cost of living to the individual, do not cover other important items — clothing, recreation, education, etc. It would be impossible to include these items in a general index, as they probably vary more widely on account of national tastes and habits than those which are already included and, given those tastes and habits, are probably not subject to very great fluctuations. It may be remarked in passing, however, that the educational item in the case of officials who are expatriated and who probably desire, whenever possible, to give their children a national education is liable to be very much heavier than in the case of officials in any national administration. Moreover, the substantial increase in railway fares in most of the countries bordering on Switzerland has considerably increased educational charges since 1921 for all those who educate their children outside Geneva. A further objection arises out of the fact that about 40 per cent of the staff live in hotels and pensions, the price of accommodation in which is strongly affected by temporary fluctuations in supply and demand. The replies of members of the staff to a questionnaire circulated in 1926 indicated an average rise in prices during the previous two or three years which was estimated at 20 per cent. The growing importance of Geneva as an international centre and the revival of the Swiss tourist traffic due to the stabilisation of the currencies in neighbouring countries render such an upward tendency not improbable.

(b) *The Weights.* — The various items were weighted in 1923 by the Fourth Committee of the Assembly as follows:

Food	6.5
Rent	3
Heating and lighting	1
Domestic service	1

It is not quite clear on what grounds the Fourth Committee considered it necessary to increase the weight 6 for food suggested by the Salaries Adjustment Committee and the Supervisory Commission. The weights could not in any case, in view of the wide differences of income and habits, claim to represent more than a very rough average proportion. But even on that basis it seems doubtful whether the existing weights are still correct, particularly that attached to food, which seems unduly high.

(c) *The Statistics used.* — The index number used for food is the Federal index for thirty-three Swiss towns. The only locally compiled index of Geneva food prices available is that of the Geneva Co-operative Society, based on the prices charged in the society's shops. The Federal Labour Office has also since January 1926 published a series of monthly index numbers for each town, showing changes: (i) as compared with the previous month; and (ii) as compared with the same month of the previous year. As the fluctuations shown by these indices for Geneva correspond closely with those for the thirty-three towns taken together, and as the latter are given in a form which renders accurate comparison with 1921 and 1923 possible, while the former are not, the statisticians have continued to use the Federal figures.

It must be remembered, however, that the Federal Labour Office's figures are based on a working-class budget. It is difficult to say how far an index based on such a budget is likely to differ from one based on a middle-class budget — everything depends on the manner in which the budget is composed.

Whereas an enquiry made by the Statistical Section of the International Labour Office, for which middle-class budgets for different countries were averaged into a hypothetical international budget, yielded food indices slightly below the Swiss Federal indices, the contrary obtained in the case of an experiment conducted by one of the International Labour Office staff representatives who applied prices quoted by the Geneva Co-operative Society to a Swiss middle-class budget, whereas the Swiss authorities adopted a working-class budget.

Thus the Federal food index, though the best available, might be criticised on the ground: (i) that it does not *necessarily* represent Geneva prices (though in this respect it is possible to check it by referring to the monthly figure for Geneva published by the Federal Labour Office); and (ii) that it does not *necessarily* reflect middle-class experience.

For *heating and lighting*, as for food, the Federal index based on thirty-three Swiss towns has been used. No official index number for Geneva alone is available. The Co-operative Society publishes an index for Geneva of the prices of oil, wood, soap, petroleum and briquettes. It thus excludes gas and electricity, two of the most important items. The Federal figures are open to the objection that the prices of gas and electricity are liable to be based on fiscal rather than economic consideration, and may therefore differ widely from town to town.

For *domestic service*, figures obtained from the local employment agencies have been used. These figures are only approximate and show wide variations. The Supervisory Commission has come to the conclusion that, in view of the unsatisfactory nature of the information available, this item should be dropped.

The history of the question of *rent* statistics has been given above. The Cantonal authorities now publish annual figures for three- and four-room flats. These show a substantial rise since December 1920; their representative accuracy is nevertheless open to criticism on the following grounds:

(i) The figures quoted are distinctly lower than the rents actually paid by the staff. An enquiry conducted by the staff representatives of the Secretariat in 1927 shows the following average figures, based on 55 replies received from officials occupying three- or four-room flats:

Three Rooms:		Four Rooms:	
With bathroom . . .	1,131 francs	With bathroom . . .	1,585 francs
Without bathroom . .	925 "	Without bathroom . .	1,181 "

The average rate for three rooms was 1,071 francs, and for four rooms 1,481 francs. The figures resulting from the ordinary official Geneva enquiry in 1927 were 693 francs and 932 francs respectively, and from the special Cantonal enquiry conducted on different principles, which were, however, rejected by the Committee, 849 francs and 1,162 francs.

(ii) They take no account of the larger flats, in which a considerable proportion of the staff live.

(iii) They include a considerable number of old houses in which rents are not raised because no repairs are done, the general standard being thus unduly lowered.

(iv) The rent figures are only published some considerable time after the expiration of the period to which they apply. As rents have been continuously rising, this tells against the staff.

" The figures resulting from the special enquiry in 1927 were rejected by the Salaries Adjustment Committee: (i) because all new buildings were ignored, and the rents in such tend to be higher than in the old; (ii) because the leases examined were not leases actually signed in the year selected; and (iii) because the enquiry was carried out on entirely different methods from the ordinary annual enquiries into the rents of three- and four-room flats.

(d) *The Percentage Change in Prices required to justify a Change in Salaries.* — The figure of 10 per cent has been generally recognised to be unduly high. The Supervisory Commission has recommended that the limit should be abolished altogether, so that salaries should vary directly with the cost of living. The maximum adopted in any national variation system appears to be 5 per cent.

(e) *The Interval between the Establishment of the Index and the Readjustment of Salaries.* — The figures on which salary rates in each year are based refer not even to the preceding twelve months, but to a period of twelve months which expires six months before the beginning of the year; the rent figures may be still more obsolete. Thus, the salaries paid in December 1927 were based on the estimated cost of living in the twelve months from July 1st, 1925, to June 30th, 1926.

III. Possibilities of Improvement.

The Sub-Committee is convinced that the general and special objections outlined in Section II, 1 and 2 above, are sufficient in themselves to make the maintenance of a variable system undesirable, but it has endeavoured to give full and impartial consideration to all the improvements in the present system which have been suggested with a view to rendering it more satisfactory. The suggestions, and the Sub-Committee's comments on them, are as follows:

(a) *The Items of Expenditure considered.* — If the system of indices is to be retained on its present basis, it has been suggested that the item "domestic service" should not be dropped. In fact, the figures available, while admittedly unsatisfactory, are scarcely more so than these for other items.

The inclusion of various other items has from time to time been suggested, but, owing to the impossibility of obtaining statistics from even approximately disinterested sources, none of these suggestions appears practical. It has also been suggested that the cost of living in hotels and pensions (inhabited by at least 40 per cent of the staff) should be taken into account. It might be possible for the Statistical Section of the International Labour Office to keep a register of prices in a number of hotels and pensions of the class inhabited by members of the staff, though this would entail a considerable amount of work and expense, and it may be doubted whether it would be possible to carry the figures back to 1921 or 1923. Although it may be possible to combine very roughly into one single index number the general index and an approximate index number for hotels and pensions, it is believed that it would be impossible to get current data for pensions which would be sufficiently accurate to be used for a periodical calculation of such an index. It would be, moreover, impossible to warrant a more or less stable standard for a certain period because of frequent changes in accommodation.

In view of the apparent impossibility of improving to any great extent the present index system intended to measure the cost of living of the international staff at Geneva, it has been suggested that the indices should be adapted for the purpose of simply measuring fluctuations in the purchasing power of the Swiss franc in regard to certain quantities of certain commodities, to be estimated on the basis of a hypothetical international middle-class budget. Mention has already been given of two attempts which have been made, by the staff and the statisticians of the International Labour Office respectively, to estimate the food consumption of an international middle-class family. The difference in the results arrived at in these two experiments is an indication of the difficulty of working out an acceptable scheme on such lines. For there is no such thing as an international standard.

(b) *The Weights.* — A fresh enquiry into the actual expenditure of members of the staff, with a view to revising the weights adopted by the Fourth Committee in 1923, would in any case result in a certain adjustment of the index to changed conditions. It has already been stated that the weight originally proposed for food by the Salaries Adjustment Committee as a result of a serious study of actual expenditure was different from that actually adopted by the Assembly. The abolition of the item "domestic service", if finally approved by the Assembly, would supply an additional argument in favour of a revision of the weights.

(c) *The Statistics used.* — For food the Federal index already used appears to be as satisfactory as any other available index.

As regards *heating and lighting*, the Geneva municipal services which supply gas and electricity and the prices quoted to the staff by the local merchants of fuel would constitute a better source of information than those used hitherto. The respective weights of the various items could not, however, be fixed without a fresh enquiry into the consumption of the staff.

As regards *rents*, there is no doubt that, with the collaboration of the local authorities, more precise figures could be obtained if the League were prepared to pay the small cost of an annual enquiry. Its exact method would have to be determined in consultation with the Statistical Services but in any case it should apply to all flats up to seven rooms, and certain quarters of the town which are not inhabited by the international staff should be omitted.

Should this be found impossible, the best course would appear to be to accept the annual official figures for three- and four-room flats. Nearly 60 per cent of the staff living in flats or houses occupy four rooms or less, so that those figures would have some representative value.

(d) *The Percentage Change in Prices required to justify a Change in Salaries.* — It has been suggested by the Supervisory Commission that the percentage margin of 10 per cent should be abolished and that salaries should vary with the annual fluctuations of the cost of living. The Sub-Committee is entirely in agreement with the Supervisory Commission that the 10 per cent margin is too high.

(e) *The Interval between the Establishment of the Index and the Readjustment of Salaries.* — The Salaries Adjustment Committee might consider the possibility of submitting provisional cost-of-living figures for the last six months of the year to the Assembly in September, so as to enable the budget for the ensuing year to be voted, provided that there are no objections on behalf of the administration. The figures could be revised at the beginning of January, and the salaries actually paid throughout the year could be based on the definitive index. This would be in harmony

with the practice adopted by various national Parliaments, *e.g.*, in Great Britain. Such an arrangement might, however, present administrative difficulties in view of the complexity of the index.

* * *

The improvements which the Sub-Committee would suggest, if a variable system is to be maintained, are therefore as follows:

- (a) The item "domestic service" should be retained;
- (b) The weights might be reviewed;
- (c) New methods of arriving at the figures for heating and lighting and for rent might be tried;
- (d) The percentage change in prices required to justify a change in salaries should be reduced.

The Sub-Committee is, however, of opinion that, thus improved, the system for varying salaries with the cost of living would still, for the reasons indicated, remain open to serious criticism, and would be unlikely to command the confidence of the staff.

The question as to how far it would be possible to compare index numbers compiled on a new revised basis with statistics for previous years might also give rise to considerable doubt and discussion.

IV. Possible Alternatives to Stabilisation.

The alternative to the maintenance of a variable system is stabilisation. But at what rate? There are three possibilities, which may be examined in succession.

(a) *Stabilisation at the Present Rate.* — It is not thought a proposal to this effect is likely to be seriously advanced, if only because its result would be to deprive the staff of any hope of recovering the amount, generally agreed to be excessive in the light of subsequent information, by which salaries were reduced in 1923. All the present members of the staff would undoubtedly insist on their recognised right to maintain the variable system specified in their contracts in preference to making the change, and there would be no advantage in stabilising salaries at an arbitrary rate only for persons engaged in the future.

(b) *Stabilisation at some Rate intermediate between the Present and the 1921 Rates.* — This proposal can be justified theoretically on the ground that, although the cost of living appears to have risen since 1923, the figures calculated on the system used until the present, the index is still below the index for 1921. On the other hand, it is open to serious practical objections. In the first place, it is difficult to see exactly what rate could be chosen, and for what reasons. It would not be fair to try to establish a rate which would represent the present cost of living in comparison with that of 1921 by using simply the old indices, for the main ground on which the abandonment of the variable system is proposed is that the index system utilised hitherto is inadequate to measure variations in the cost of living. To choose a rate quite arbitrarily would not be satisfactory either. Moreover, as in the case of a proposal to stabilise salaries at the existing rate, the staff would almost certainly refuse the implied alteration in their contracts.

(c) *Stabilisation at the Original (1921) Rate.* — The only remaining possibility is stabilisation at the original rate fixed in 1921. There is a risk, of course, that a minority of the staff might insist on the maintenance of a variable system, in view of the possibility of a considerable increase in the cost of living, and particularly of the continuous tendency of rents and pension prices to rise. The unanimous resolutions adopted by the staff meetings both at the Secretariat and at the International Labour Office appear, however, to indicate that this risk is a slight one.

Thus the staff would probably be prepared to accept such stabilisation, and would certainly not accept stabilisation at any other rate. This is not sufficient of itself, however, to justify the proposal. It remains, therefore, to consider whether it is in itself justifiable.

In the first place, although the reasons which render the variable system unsatisfactory also make it impossible to obtain any agreed and authoritative figures to represent the relation between the present cost of living and that in 1921, it seems clear that the rise since 1923 has been considerable. The general indices accepted by the Salaries Adjustment Committee in its report for 1927 together with the corresponding figure have been as follows:

1921	1923	1925 ¹	1926	1927
100	86.8	95.4	94.3	93.7
	100	109.9	108.6	108.0

In the second place, the fact that some 40 per cent of the staff live in pensions or hotels, and that the price of such accommodation appears to have increased considerably since 1921, must

¹ Figure taken from the report for 1926.

also be taken into account. Enquiries which were made in 1926 among the staff as to prices actually paid in hotels and pensions, although of an incomplete character, pointed to an increase of some 20 per cent as compared with the year 1923. Although these figures may easily err by a few points, there is no reason to believe that the error was in one direction rather than in another.

In the third place, it seems clear that rents had in fact (contrary to the conclusion of the Salaries Adjustment Committee and the Assembly) risen between 1921 and 1923 by an amount which may be variously estimated, but which in any case would have sufficed to reduce the cut which the Assembly decided to make. On this, the staff might fairly claim to have been deprived of a portion of their salaries (estimated at 0.4 per cent) each year since 1923. Moreover, ever since the cut was effected the cost of living has been without any doubt appreciably above the 1923 level, *i.e.*, although there has been no intentional unfairness, salaries have been fixed since 1923 at a figure which was (owing to the 10 per cent rule, and apart from any question of an error in the original calculations) lower than the actual cost of living warranted.

Fourthly, if the Assembly decided to restore salaries to the 1921 level, the additional sum involved may be justified as an insurance premium against a further rise in the cost of living. It would be rash to prophesy that such a rise will in fact take place, but it would be equally rash to form a considered opinion that it will not. Rents have not ceased to rise since 1921. The rise at Geneva is still well below that in the other large towns, as may be seen from the following indices published by the Federal Labour Office (June 1914 = 100).

Towns	May 1926	May 1927
Zurich	182	195
Basle.	179	186
Berne	191	193
Geneva.	160	166

It is not unreasonable to suppose that rents at Geneva may continue to rise during the next few years, as there appears to be no economic reason why the rise at Geneva should ultimately be less than that in the other large Swiss towns. Such a rise, even ignoring the rise of prices in hotels and pensions and accepting the existing indices, would in itself be sufficient to bring the general index roughly back to the 1921 level. On the other hand, the enquiry into prices in hotels and pensions referred to above already points to a price level which, if those prices be included, is very much the same as in 1921.

* * *

The Sub-Committee's conclusions may be summarised as follows:

1. The existing variable system has not proved satisfactory and, though the statistical method of calculating the variations is capable of some improvement, the improvements which can be made are not such as to render the system sufficiently satisfactory to warrant its retention. In this connection, attention may be drawn to the conclusions of a memorandum submitted to the Supervisory Commission by two of its members (Annex 1 to the report of the Supervisory Commission (document A.5(a).1927.X) with regard to any index system calculated for an international staff of a very peculiar character:

- " (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."

2. If salaries are stabilised, the only practicable rate of stabilisation would be at the 1921 figure.

3. Stabilisation at the 1921 rate can be justified on the ground that: (a) the cost of living appears to have risen considerably since 1923; and (b) if prices in hotels and pensions are taken into account it has even approximately reached the 1921 level. Further, the staff has, through the inadequacy of the statistical information available, apparently suffered some loss in salary in each of the years since 1923.

4. The cost of stabilisation at the 1921 figure to the League would be for 1929 about 290,000 francs for the Secretariat of the League of Nations and the International Labour Office. On the other hand, the League would in future have a safeguard against further rises in salaries on account of increased cost of living.

APPENDIX 2.

INDEX FIGURES PREPARED BY THE STATISTICAL SERVICES OF THE INTERNATIONAL LABOUR OFFICE AND THE SECRETARIAT.

In accordance with the request of the Supervisory Commission at its last session, the following index figures have been prepared. The first of these figures is in continuation of the series presented in previous years on the principles approved by the fourth session of the Assembly; the others are alternative indices, account being taken of various modifications proposed by the Salaries Adjustment Committee (Appendix 1).

Table I below gives the cost-of-living index for the year ending June 1928 and for previous years calculated in accordance with the principles approved by the fourth session of the Assembly. It also gives the elements of which the indices are composed, namely, food, heating and lighting, rent and domestic service. The series are based as far as possible on the period July-December 1921 (= 100). The food and fuel and light indices are those compiled by the Federal Labour Office according to working-class consumption for thirty-three Swiss towns¹. The rent figure for 1923 is based on information communicated by the Société des Régisseurs de Genève. For later years, figures for apartments of three and four rooms in Geneva obtained in connection with the compilation of the Federal rent index have been used. These figures, compared with corresponding data for December 1st, 1920, obtained in the Federal Census, enable indices showing the movement of rents to be calculated. These indices show the combined result of changes in rents for identical accommodation throughout the period covered and of changes in the quality of accommodation.

This is due to the inclusion in the earlier years of dwellings which have since be demolished and in later years of newly constructed apartments. In consequence of the change in the standard of accommodation, the index is higher than it would have been had it been based only on the rents of identical apartments throughout the period. But the old and cheaper accommodation is no longer available to the same extent as heretofore and its consumer is forced to pay more for what he may not actually desire.

In the case of domestic service the figures are estimates based on current rates in Geneva furnished by the Chambre de Travail. The separate indices are combined by using as weights: for food 13, heating and lighting 2, rent 6, domestic service² 2.

TABLE I.

(Calculated on same methods as 1926 and 1927.)

Group	Weights	Base 1921	1923	1926	1927	1928
Food ²	13	100	78.3	81.0	77.5	77.5
Heating, etc. ²	2	100	90.0	76.2	73.8	71.4
Rent ²	6	100 ⁴	100.0 ⁵	124.0	128.7	133.3
Domestic service ³	2	100	100.0	110.0	110.0	115.0
Total	23	2300	1997.9	2169.4	2147.3	2180.3
Index numbers		100	86.8	94.3	93.4	94.8

The suggestions put forward in the report of the Salaries Adjustment Committee (Appendix 1) are that: (a) domestic service should be retained; (b) new methods of arriving at the figures for heating and lighting and for rent might be tried; and (c) the weights might be reviewed.

¹ Special calculations for food made in 1927 on the basis of the consumption quantities of Swiss officials and of the average consumption of officials and other non-manual workers in several European countries gave indexes which differed little from that based on Swiss working-class consumption.

² *Rapports économiques et Statistiques sociales*, published by the Federal Department of Public Economy.

³ Based on figures communicated by the Geneva Chambre de Travail.

⁴ December 1st, 1920.

⁵ Based on information communicated by the Société des Régisseurs de Genève.

As regards (a), domestic service has now been retained in all the calculations, and a further enquiry into the price of domestic service in Geneva has been undertaken.

As regards (b), new indices have been calculated¹. As already stated, the figures for heating and lighting given in Table I are averages for thirty-three Swiss towns. Those in Table II are for Geneva alone. They cover fuel, gas and electricity. The prices used for fuel, viz. wood, anthracite, briquettes and coke, are those supplied by the Geneva branch of the Société Coopérative Suisse de Consommation. The prices of gas and electricity have been communicated by the Geneva Municipal Industrial Services. In combining the figures for fuel, gas and electricity the weights used in the calculation of the Swiss Federal index for heating and lighting have been employed. The resulting index differs very little from the Federal index for thirty-three Swiss towns. The prices and weights used in the calculation of the Geneva index are given in Sub-Appendix I.

In the case of rent, the figures used in Table I cover only apartments of three and four rooms in Geneva. With the object of securing a more comprehensive index, a special compilation has been made by the Director of the Statistical and Census Offices of the Republic and Canton of Geneva. The figures compiled cover all apartments of three, four, five and six rooms in a representative area of Geneva. The area selected is mainly residential and includes all classes of apartments. The number of apartments covered is 4,601, representing not less than one-sixth of the total number of apartments in Geneva (excluding Carouge, where few members, if any, of the international staff dwell). The base figures are those of the Federal Census of December 1st, 1920, and those for 1928 are for the month of June. The observation made with regard to the rent figures in Table I applies also to those in Table II, namely, that they show the effects of changes in the standard of accommodation available as well as of changes in the rents of identical apartments. The statistics for each size of apartment and each date are given in Sub-Appendix II.

As regards (c), revised weights, it might be pointed out that the weight for food was increased from 12 to 13 by the fourth session of the Assembly. It is stated in the report above referred to (Appendix I): "It is not quite clear on what grounds the fourth session of the Assembly considered it necessary to increase the weight for food suggested by the Salaries Adjustment Committee and the Supervisory Commission" (which were based on direct enquiries among the staff). Figures are therefore calculated below for the 1921 weights (12; 2; 6; 2) originally proposed, as well as for the 1921 weight (13; 2; 6; 2) actually adopted.

It is no doubt the case that the decrease in the price of food commodities between 1921 and 1928 and the increase in the cost of housing accommodation have caused a diminution in the proportion which food represents of total expenditure and an increase in the case of rent. Similarly, the cost of heating and lighting have doubtless diminished and the cost of domestic service increased somewhat in proportion to total expenditure. As actual consumption budgets for 1928 are not available, a calculation has been made of the proportionate cost of each group of expenditure at the levels of prices in 1928, as follows:

Group	A 1921 weights	B 1928 indices	C 1928 Product (A × B)	D 1928 Proportions to total of 23.	E Average of co- lumn A and D ("Cross" weights)
Food	13	77.5	1007.5	10.63	11.82
Heating, etc.	2	71.4	142.8	1.50	1.75
Rent	6	133.3	799.8	8.44	7.22
Domestic service	2	115.0	230.0	2.43	2.21

The figures ("cross" weights) given in column E represent an average of the expenditure weights roughly appropriate in 1921 and 1928 respectively, assuming unchanged consumption quantities. These figures to the nearest whole number are: food, 12; heating, etc., 2; rent, 7; domestic service, 2. This series of weights is also used in the following calculation. Their use in effect makes allowance for a smaller proportionate expenditure on food and an increased proportionate expenditure on rent as a result of price changes. The weights for heating and lighting and domestic service, which are relatively small, remain unchanged.

¹ It seems more appropriate to use such weights which correspond to the climate and latitude of the country in which the seat of the League of Nations is situated than to use weights taken from the consumption budgets of other countries or even international average weights.

TABLE II. — COST OF LIVING IN 1928 ACCORDING TO VARIOUS METHODS OF WEIGHTING.

Group	Weights			Price indices	
	Adopted by the Assembly	Proposed originally to the Assembly.	" Cross "	Base	1928
	A	B	C		
Food	13	12	12	100	77.5
Heating, etc.	2	2	2	100	71.1
Rent.	6	6	7	100	136.1
Domestic service	2	2	2	100	115.0
Totals	Using weights:				
	A			2300	2196.3
	B			2200	2118.8
Index numbers	C			2300	2254.9
	Using weights:				
	A			100	95.2
B			100	96.0	
C			100	97.7	

The foregoing tables show changes in certain elements of the cost of living of officials with their own households in flats or houses. However, about 40 per cent of the members of the staff of the Secretariat and of the International Labour Office live in hotels and pensions. An attempt has been made to obtain detailed information which could be used in the compilation of an index to show changes in the rates paid for accommodation by such members. It has not been possible to secure adequate information for this purpose, but all the indications show that hotel and pension charges in Geneva are now definitely higher than in 1921. This fact should be taken into consideration in making an estimate of the general movement of the cost of living for the whole of the staff.

The results of the present report may be briefly summarised.

(a) If the index number is calculated as in former years, using the weights laid down by the fourth session of the Assembly, the *Federal* statistics of food and fuel and light, and the statistics of rents of *three-* and *four-room* flats in Geneva, the figure for 1928 is 94.8, compared with 100 in 1921 and 86.8 in 1923.

(b) If the index number is calculated by using the weights adopted in 1921 but using *Geneva* statistics of fuel and light, and statistics of rents of *three-* to *six-room* flats in Geneva, the figure for 1928 is 95.2; if the weights originally suggested in 1921 are used, the figure is 96.0.

(c) If a new series of "cross" weights representing an average roughly appropriate to 1921 and 1928 are used, and the same price-relatives as in (b), the figure is 97.7.

None of these figures is entirely satisfactory for an international staff with wide differences of grade, though they indicate that the general trend of cost of living has been upward during the last few years.

Sub-Appendix I.

COST OF HEATING AND LIGHTING IN GENEVA, 1921-22 AND 1927-28¹.

Items	Quantities consumed ² Kilogrammes	Prices per unit ⁴	
		1921	1928
Pine kindling sticks	125	13.00	12.00
Wood blocks	500	8.00	8.00
Coke	50	10.00	7.25
Anthracite ²	150	13.50	11.00
Compressed fuel (briquettes)	250	11.00	8.00
Gas	400 cubic metres	0.53	0.30
Electricity	100 kilowatts	0.80	0.70
Total cost		401.00	285.13
Index numbers		100.00	71.10

Sources. — *Fuel*: Figures supplied by the Geneva Branch of the Société Coopérative Suisse de Consommation. *Gas and electricity*: figures supplied by the Geneva Municipal Industrial Services.

¹ The prices for the fuel articles are those for the autumn and winter of 1921-22 and 1927-28.
² Covers two qualities of Belgian and one of French anthracite.
³ Figures used in the calculation of the Swiss Federal index.
⁴ The units are 100 kilogrammes for each article except gas (cubic metres) and electricity (kilowatts).

Sub-Appendix II.

COST OF RENT IN A REPRESENTATIVE RESIDENTIAL PART OF GENEVA,
DECEMBER 1ST, 1920, AND JUNE 1928.

Size of apartment ¹	Number of apartments ²		Average annual rent ³		1928 Index (1920 = 100) ⁴
	1920	1928	1920 Francs	1928	
Three rooms	1,811	2,194	554	754	136.1
Four rooms	1,280	1,384	777	1,071	137.8
Five rooms	603	634	1,140	1,502	131.8
Six rooms	307	389	1,636	2,006	122.6
					Average index ³ (1920 = 100) 135.1

ANNEX 5.

FINANCIAL POSITION OF THE LEAGUE ON AUGUST 31ST, 1928.

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 1928 was communicated by the Secretary-General, on November 1st, 1927, 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 tenth financial period (1928) were received during the first eight months as follows:

	Gold Francs
In January	3,641,137.01 ⁴
February	629,277.77
March	232,141.14
April	1,935,399.13
May	1,918,705.96
June	3,745,765.74
July	1,726,589.53
August	1,760,829.93
	<hr/> 15,589,846.21 ⁴

The amount to be apportioned between the Members of the League for 1928 being 24,460,190.75 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 1928 have been 15,589,846.21 gold francs, or 63.735 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 1927, there was due to the League by way of unpaid contributions appertaining to the second, third, fourth, fifth, sixth, seventh, eighth and ninth financial periods, as well as to the adjusted arrears account, a total sum of 10,982,342.21 gold francs; on August 31st, 1928, this sum was reduced to 9,268,563.58 gold francs.

¹ The kitchen is counted in each case as a room.

² Figures supplied by the Director of the Statistical and Census Offices of the Republic and Canton of Geneva.

³ The average index is calculated by using as weights the average of the number of apartments in 1920 and 1928.

⁴ 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 Members of the League who are entitled to such refund. This refund being effected by reducing, *pro tanto*, most of the contributions receivable for 1928, the sum of 1,400,000 francs was considered as having actually been paid by the Members of the League on January 1st, 1928.

	Balances due on December 31st, 1927	Balances due on August 31st, 1928 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	235,394.65	229,309.65
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)	1,411,897.56	1,389,180.72
9. Ninth financial period (1927)	2,994,334.49	1,309,357.70
	10,982,342.21	9,268,563.58

The total sum on account of arrears received during the first eight months of the current year amounts to 1,713,778.63 gold francs, leaving yet outstanding the sum of 9,268,563.58 gold francs (see Appendices B and C).

It will be seen that there has been collected:

	100 %	of the revised total of contributions		
In respect of the first period	100 %	»	»	»
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 %	»	»	»
In respect of the seventh period (1925)	93 %	of the Budget.		
In respect of the eighth period (1926)	94 %	»	»	
In respect of the ninth period (1927)	95 %	»	»	

The cash receipts of the League from contributions have been, for the period January 1st to August 31st, 1928, as follows:

	Gold Francs
(a) From arrears of contributions	1,713,778.63
(b) From payments on 1928 Budget	15,589,846.21
Total	17,303,624.84

The amount receivable is:

(a) From arrears of contributions	9,268,563.58
(b) From balances due in respect of 1928	8,871,936.75
Total	18,140,500.33

WORKING CAPITAL FUND.

On December 31st, 1927, the total paid-up Working Capital of the League amounted to 4,749,501.61 Gold Francs.
Receipts of Working Capital during the period from January 1st, 1927, to August 31st, 1928, increased this sum to 4,904,693.34 Gold Francs.

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, 1928, the Working Capital Fund was employed thus:

(1) With the International Labour Organisation	328,700.16
(2) With the Permanent Court of International Justice	149,024.37
(3) With the Secretary-General	4,426,968.81
Total	4,904,693.34

The Working Capital with the Secretary-General was, on August 31st, 1928, thus employed:

(1) Advances to the Iraq Commission (balance not reimbursed)	199,534.50
(2) Advances to the Danzig High Commissariat	27,798.59
(3) Advances to the Swedish officer placed at the disposal of the Greek Government	7,575.25
(4) Advance to the Representative of the Financial Committee in Austria	13,326.85
(5) Expenditure in connection with the new Library	10,534.65
(6) On special deposit in bank	4,168,198.97
Total	4,426,968.81

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 Fourth Assembly's recommendation on this subject:

	Gold Francs
Abyssinia	15,613.98
Finland	783.19
Germany	67,996.52
Latvia	21,830.98
Total	106,224.67

BUILDING FUND OF THE LEAGUE.

The Building Fund amounted on August 31st, 1928, to the total sum of 17,946,730.12 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	1,243,888.90
	17,946,730.12

It should be noted that the sum of 17,946,730.12 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 and the new Secretariat building	3,652,036.25	
3. Refund to States Members	50,000.—	
	7,012,036.25	

The payments under No. 2 may be further subdivided as follows:

1. Cost of land	2,678,500.—
2. Advances on cost of new building (Architects' fees)	42,500.—
3. Cost of building subsequently joined by means of tempo- rary bridge to the present Palais des Nations	270,000.—
4. Internal and external alterations to the above-mentioned building	122,401.60
5. Legal expenses	28,264.20
6. Travelling expenses and subsistence allowance of the Jury of Architects appointed to examine the plans for the new buildings	116,721.50
7. Travelling expenses and subsistence allowance of the Building Committee	18,367.70
8. Expenses of competition (including printing)	285,338.10
9. Salaries of special staff	42,612.—
10. Sundry and unforeseen expenses, including addition to Council Room.	47,331.15
	3,652,036.25

Including accrued interest, the Special Fund set up by the Assembly, at its eighth ordinary session, for the furnishing of the new buildings, amounted, on August 31st, 1928, to 517,670.39 gold francs.

Appendice A — Appendix A.

CONTRIBUTIONS AU BUDGET DE 1928
SOMMES VERSÉES ET SOLDES DUS AU 31 AOUT¹.

CONTRIBUTIONS TO THE BUDGET OF 1928
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
Somme prélevée sur le « Fonds pour les construc- tions » venant en déduction des contributions pour 1928 (voir note page 1).	Francs-or—Gold Francs	Francs-or—Gold Francs	Francs-or—Gold Francs	Sum taken from the Build- ing Fund in deduction of Contributions for 1928 (See note page 1)
Afrique du Sud	1.400.000,—	1.400.000,—	—	South Africa
Albanie	333.626,67	333.626,67	—	Albania
Allemagne	23.021,71	8.184,92	14.836,79	Germany
Argentine	1.960.078,—	1.470.058,50	490.019,50	Argentina
Australie	667.009,95	— ²	667.009,95	Australia
Autriche	614.775,74	409.850,36	204.925,38	Austria
Belgique	196.891,88	147.407,28	49.484,60	Belgium
Bolivie	414.105,95	414.105,95	—	Bolivia
Brésil	99.244,46	—	99.244,46	Brazil
Brésil	259.286,13	259.286,13	—	Brazil
Empire Britannique	2.486.536,50	1.243.268,22	1.243.268,28	British Empire
Bulgarie	113.087,61	—	113.087,61	Bulgaria
Canada	804.553,39	133.958,13	670.595,26	Canada
Chili	326.844,96	—	326.844,96	Chile
Chine	1.141.311,24	—	1.141.311,24	China
Colombie	136.098,27	132.165,47	3.932,80	Colombia
Cuba	211.002,12	—	211.002,12	Cuba
Danemark	274.135,03	274.135,03	—	Denmark
Républ. Dominicaine	24.575,22	24.575,22	—	Dominican Republ.
Espagne	615.544,81	—	615.544,81	Spain
Estonie	70.197,15	35.100,61	35.096,54	Estonia
Ethiopie	48.685,33	48.685,33	—	Abyssinia
Finlande	230.048,82	126.396,77	103.652,05	Finland
France	1.854.625,27	1.398.241,51	456.383,76	France
Grèce	158.709,95	86.839,65	71.870,30	Greece
Guatémala	23.642,68	—	23.642,68	Guatemala
Haïti	19.524,53	19.524,53	—	Haiti
Honduras	24.811,11	12.405,49	12.405,62	Honduras
Hongrie	195.085,69	95.841,30 ³	99.244,39 ³	Hungary
Inde	1.297.730,93	647.825,—	649.905,93	India
Irlande (Etat libre d')	243.426,68	121.713,36	121.713,32	Irish Free State
Italie	1.399.667,61	1.399.667,61	—	Italy
Japon	1.393.671,66	1.393.671,66	—	Japan
Lettonie	69.296,53	69.296,53	—	Latvia
Libéria	24.811,11	6.299,71	18.511,40	Liberia
Lithuanie	94.040,34	—	94.040,34	Lithuania
Luxembourg	21.532,58	—	21.532,58	Luxemburg
Nicaragua	24.811,11	—	24.811,11	Nicaragua
Norvège	200.904,37	200.904,37	—	Norway
Nouvelle-Zélande	234.845,30	234.845,30	—	New Zealand
Panama	22.458,07	—	22.458,07	Panama
Paraguay	23.535,12	—	23.535,12	Paraguay
Pays-Bas	533.321,91	533.321,91	—	Netherlands
Pérou	223.300,03	—	223.300,03	Peru
Perse	115.399,05	2.814,09	112.584,96	Persia
Pologne	741.442,35	103.652,—	637.790,35	Poland
Portugal	128.143,27	128.143,27	—	Portugal
Roumanie	499.272,37	499.272,37	—	Roumania
Salvador	24.811,11	24.811,11	—	Salvador
Royaume des Serbes, Croates et Slovènes	459.308,97	459.308,97	—	Kingd. of the Serbs, Croats & Slovenes
Siam	210.034,19	104.999,48	105.034,71	Siam
Suède	411.202,19	411.202,19	—	Sweden
Suisse	389.294,84	389.294,84	—	Switzerland
Tchécoslovaquie	669.516,04	669.516,04	—	Czechoslovakia
Uruguay	163.315,73	—	163.315,73	Uruguay
Venezuela	115.629,33	115.629,33	—	Venezuela
à déduire, rembour- sement à la Répu- blique de Costa-Rica	24.461.782,96	15.589.846,21	8.871.936,75	Less Costa Rica refund
	1.592,21			
	24.460.190,75			

¹ Compte tenu de la déduction pour part du fonds de construction et du remboursement de l'excédent de 1926. — Taking into account the Building Fund annuity deduction and reimbursement of 1926 surplus.
² Contribution versée le 3 septembre. — Contribution paid on September 3rd.
³ Un nouvel acompte a été payé le 1^{er} septembre. — A further payment has been received on September 1st.

Appendix B.

UNPAID CONTRIBUTIONS.

The contributions yet unpaid in respect of the first nine 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.—		
		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 Assemblies):</i>			
	Reduced amount	Paid on account	Balance due payable in instalments Gold Francs
	Gold Francs	Gold Francs	Gold Francs
Guatemala	25,618.—	20,494.40	5,123.60
Honduras	55,326.58	—	55,326.58
Liberia	106,581.30	32,759.21	73,822.09
Nicaragua	55,326.58	—	55,326.58
Paraguay	25,618.—	10,247.20	15,370.80
Salvador	60,850.—	36,510.—	24,340.—
	329,320.46	100,010.81	229,309.65
<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
			2,194,131.42
92% 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
			1,900,286.33
91% of the revised total of contributions for 1924 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
			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 " "			24,472.39
Peru " "			220,251.55
			1,389,180.72
94% of the 1926 budget has been paid.			

¹ The figures shown hereunder represented 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.5. 1926. X., paragraph 10.)

Ninth Financial Period (1927):

	Gold Francs	Gold Francs.
Bolivia (entire contribution)	96,600.36	
China (unpaid balance)	929,513.11	
Honduras (entire contribution)	24,150.09	
Nicaragua " "	24,150.09	
Paraguay (unpaid balance)	17,593.24	
Peru (entire contribution)	217,350.81	
	<hr/>	1,309,357.70

95% of the 1927 budget has been paid.

Résumé of contributions in arrears on August 31st, 1928:

Second financial period (1920)	29,947.47	
Third financial period	208,333.—	
Fourth financial period (1922)	384,386.—	
Adjusted Arrears Account	229,309.65	
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)	1,389,180.72	
Ninth financial period (1927)	1,309,357.70	
	<hr/>	9,268,563.85

Appendice C — Appendix C.

RELEVÉ DES ARRIÉRÉS PERÇUS ET A PERCEVOIR (au 1^{er} janvier et au 31 août 1928).
STATEMENT SHOWING ARREARS COLLECTED AND DUE
(January 1st and August 31st, 1928.)

Etats	Montant dû au 1 ^{er} janvier 1928	Acomptes versés sur les arriérés, au cours des huit premiers mois de 1928	Solde des arriérés encore impayés au 1 ^{er} septembre 1928	TOTAL DES SOLDES DUS AU 1 ^{er} SEPT. 1928	States
	Amount due on January 1st, 1928	Payments on account of arrears made during eight months of 1928	Balance of arrears yet unpaid as on September 1st, 1928	TOTAL OF BALANCE DUE SEPT. 1st, 1928	
Afrique du Sud.	—	—	—	—	South Africa
Albanie	16.290,93 (1927)	16.290,93	—	—	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) 96.600,36 (1927)	{ — — — — —	{ 100.000,— 115.871,12 121.166,51 97.889,58 96.600,36	{ 531.527,57	Bolivia
Brésil	—	—	—	—	Brazil
Empire Britann.	—	—	—	—	British Empire
Bulgarie	—	—	—	—	Bulgaria
Canada	1.953,56 (1927)	1.953,56	—	—	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) 929.513,11 (1927)	{ — — — — — —	{ 182.119,— 1.767.773,28 1.506.324,51 1.211.665,15 1.022.094,81 929.513,11	{ 6.619.489,86	China
Colombie	—	—	—	—	Colombia
Costa-Rica.	—	—	—	—	Costa Rica

Appendice C (suite) — Appendix C (continued).

RELEVÉ DES ARRIÉRÉS PERÇUS ET A PERCEVOIR (au 1^{er} janvier et au 31 août 1928).

STATEMENT SHOWING ARREARS COLLECTED AND DUE
(January 1st and August 31st, 1928.)

Etats	Montant dû au 1 ^{er} janvier 1928	Acomptes versés sur les arriérés, au cours des huit premiers mois de 1928	Solde des arriérés encore impayés au 1 ^{er} septembre 1928	TOTAL DES SOLDES DUS AU 1 ^{er} SEPT. 1928	Statès
	Amount due on January 1st, 1928	Payments on account of arrears made during eight months of 1928	Balance of arrears yet unpaid as on September 1st, 1928	TOTAL OF BALANCE DUE SEPT. 1st, 1928	
Cuba	—	—	—	—	Cuba
Danemark . . .	—	—	—	—	Denmark
République Domi- nicaine	—	—	—	—	Dominican Republic
Espagne	903.338,33 (1927)	903.338,33	—	—	Spain
Estonie	—	—	—	—	Estonia
Finlande	—	—	—	—	Finland
France	—	—	—	—	France
Grèce	—	—	—	—	Greece
Guatémala . . .	{ 5.123,60 (C.A. ¹) 5.744,14 (1927)	— 5.744,14	5.123,60 —	{ 5.123,60 ¹	Guatemala
Haïti	—	—	—	—	Haiti
Honduras	{ 55.326,58 (C.A. ¹) 27.196,51 (1923) 23.174,23 (1924) 24.233,30 (1925) 24.472,39 (1926) 24.150,09 (1927)	— — — — — —	55.326,58 27.196,51 23.174,23 24.233,30 24.472,39 24.150,09	{ 178.553,10	Honduras
Hongrie	—	—	—	—	Hungary
Inde	—	—	—	—	India
Irlande (Etat libre d')	59.204,13 (1927)	59.204,13	—	—	Irish (Free State)
Italie	—	—	—	—	Italy
Japon	—	—	—	—	Japan
Lettonie	—	—	—	—	Latvia
Libéria	73.822,09 (C.A. ¹)	—	73.822,09	73.822,09 ¹	Liberia
Lithuanie	—	—	—	—	Lithuania
Luxembourg . . .	6.401,60 (1927)	6.401,60	—	—	Luxemburg
Nicaragua	{ 55.326,58 (C.A. ¹) 27.196,51 (1923) 23.174,23 (1924) 24.233,30 (1925) 24.472,39 (1926) 24.150,09 (1927)	— — — — — —	55.326,58 27.196,51 23.174,23 24.233,30 24.472,39 24.150,09	{ 178.553,10	Nicaragua
Norvège	—	—	—	—	Norway
Nouvelle-Zélande	—	—	—	—	New Zealand
Panama	—	—	—	—	Panama
Paraguay	{ 15.370,80 (C.A. ¹) 22.716,84 (1926) 22.874,10 (1927)	— 22.716,84 5.280,86	15.370,80 — 17.593,24	{ 32.964,04	Paraguay

¹ Compte des contributions arriérées révisées; 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).

Appendice C (fin) — Appendix C (concluded).

RELEVÉ DES ARRIÉRÉS PERÇUS ET A PERCEVOIR (au 1^{er} janvier et au 31 août 1928).
STATEMENT SHOWING ARREARS COLLECTED AND DUE.

(January 1st and August 31st, 1928.)

Etats	Montant dû au 1 ^{er} janvier 1928	Acomptes versés sur les arriérés, au cours des huit premiers mois de 1928	Solde des arriérés encore impayés au 1 ^{er} septembre 1928	TOTAL DES SOLDES DUS AU 1 ^{er} SEPT. 1928	States
	Amount due on January 1st, 1928	Payments on account of arrears made during eight months of 1928	Balance of arrears yet unpaid as on September 1st, 1928	TOTAL OF BALANCE DUE SEPT. 1st, 1928	
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) 217.350,81 (1927)	— — — — — — — —	29.947,47 208.333,— 202.267,— 271.965,12 231.742,24 242.333,03 220.251,55 217.350,81	1.624.190,22	Peru
Pays-Bas	—	—	—		Netherlands
Perse	66.295,— (1927)	66.295,—	—	—	Persia
Pologne	620.468,24 (1927)	620.468,24	—	—	Poland
Portugal	—	—	—	—	Portugal
Roumanie	—	—	—	—	Roumania
Salvador	30.425,— (C.A. ¹)	6.085,—	24.340,—	24.340,— 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	10.982.342,21	1.713.778,63	9.268.563,58	9.268.563,58	Total

¹ Voir note 1, page 163. — See note 1, page 163.

ANNEX 6.

NEW WORK INVOLVING NEW EXPENDITURE ON THE PART
OF THE LEAGUE.

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 August 30th, 1928.)

A. NEW WORK INVOLVING NEW EXPENDITURE IMMEDIATELY OR IN THE NEAR FUTURE.

I. *Financial Reconstruction of Portugal.*

On November 24th, 1927, the Portuguese Government imparted to the Council its desire to carry out a scheme of financial reconstruction, currency stabilisation and economic development, and asked that the Financial Committee should examine the question.

The Council decided, on December 5th 1927, to request the Financial Committee and the Secretariat to study the financial situation of Portugal.

The cost of the technical enquiry, which was thereupon undertaken, amounted to 32,833.30 francs.

(Forty-eighth session, Minute 2060.)

2. *Request of the Lithuanian Government under Article II of the Covenant; Expenses incurred by the British, French and Italian Military Attachés in carrying out their Mission in the Polish-Lithuanian Frontier Zone.*

The following resolution was adopted by the Council on March 5th, 1928.

“ The Council:

“ Endorsing the decision taken by its President on December 21st, 1927;

“ Authorises the Secretary-General to refund the travelling expenses of the military attachés who proceeded to the Polish-Lithuanian frontier zone, and to grant them in addition a daily allowance of 70 francs; and

“ Decides that these expenses shall be charged to Item 3 of the Budget for the 1927 period (Unforeseen Expenditure, subject to special vote of the Council). ”

(Forty-ninth session, Minute 2106.)

3. *Arrangement of the Council Room.*

On March 9th, 1928, the Council adopted the following resolution:

“ The Council:

“ In view of the inadequacy of the room in which its plenary meetings are held both as regards the amount of space available, the interior arrangements and ventilation;

“ Instructs the Secretary-General to undertake the necessary work of reconditioning and enlarging the room, in order that the present situation may be remedied before the next session. ”

The Council also agreed to the suggestion of the Secretary-General to the effect that the necessary expenditure, which would amount to a maximum of 50,000 francs and a minimum of 30,000 francs, should be deducted from the Building Fund, thus avoiding the necessity of asking Members of the League for additional contributions.

(Forty-ninth session, Minute 2149.)

Since the last meeting of the Council, the Secretary-General has approached the members of the Council with a view to raising the maximum expenditure to 75,000 francs.

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 on August 14th, 1928.)

“ In accordance with the decision taken by the Assembly at its fourth ordinary session, I have the honour to inform you that, since August 26th, 1927, the date on which I made a similar statement on the subject, the International Labour Organisation has not undertaken any new work involving additional expenditure on the part of the League of Nations either immediately or in the future. ”

ANNEX 7.

THE PUBLICATIONS OF THE LEAGUE.

REPORT OF THE SUPERVISORY COMMISSION TO THE ASSEMBLY.

The question of League publications has frequently engaged the attention of the Assembly in past years. The matter was brought up again in 1926 by the Supervisory Commission and by the Fourth Committee when the Assembly adopted a proposal which had been submitted to it and which requested it to take a decision in regard to the publication of the Minutes of Committees and Sub-Committees. On that occasion, the Assembly expressed the wish to receive a report in 1927 on the question of publications, including details on the question of the Minutes. The Commission was, however, of opinion that, in 1927, the question had not yet taken final shape and was therefore not sufficiently ripe to enable it to submit a definite report. This was accordingly postponed until 1928.

* * *

The questions of publications is of great importance for the League of Nations, which obviously could not do its work without printed documents. These documents also enable the public to become acquainted with the results of the League's work and to benefit thereby. They likewise serve as a means of direct and indirect propaganda for the League.

As regards the influence of publications—a second important point—it should be noted that, while good publications may be of great service, mediocre or bad publications are likely to have no influence, or even a positively harmful influence, on the League's interests. There is, further, the risk that the effect of good publications may be diminished if the mass of publications is too large.

A third important point for the League is the cost of publications. In theory, it would be expedient to consider, not merely the credits voted specially for printing, but likewise to take into account the further expenses incurred for their publication. In addition to the grants for printing—which, in 1928, were as follows: for the Secretariat, 1,300,000 francs; for the International Labour Office, 594,000 francs—there are the salaries of officials working wholly or partly on publications, the cost of distribution, etc. It is, however, so difficult to say how far economies could be made on salaries if the necessity to publish did not exist that the Commission has confined itself to: (1) emphasising the two figures mentioned above, and (2) drawing attention to the fact that these figures do not represent all the expenses due to publications.

* * *

The Secretariat and International Labour Office, either on their own initiative or at the suggestion of the Supervisory Commission, have taken a number of steps to improve the organisation of the Publications Service by reducing expenditure and increasing receipts.

As regards the reduction of expenditure, these measures have been directed towards: (1) reducing the number of authors' corrections; (2) as far as possible avoiding urgent last-minute printing, a matter in which much assistance might be rendered by Governments in all cases where they help in the preparation of documents; (3) saving on make-up (by increasing the number of lines on a page and the use of smaller type) and on paper; (4) placing printing contracts at lower prices; (5) careful checking of printers' bills, especially as regards printers' errors. A sixth measure still remains to be taken—the further centralisation of the printing services, which it is hoped to carry out in 1928.

As regards increasing receipts, efforts have been made: (1) to reorganise and centralise sales and to place them on a commercial basis; (2) to introduce a system of separate cards for all publications, on which the whole "history" of the publication, its source included, is entered, together with such details as are necessary to enable strict control to be exercised; (3) to introduce a new series of catalogues similar to those issued by publishers, and also separate leaflets; (4) to intensify propaganda by establishing more and more direct communications with the persons interested in a particular document; (5) to revise the contracts concluded with agents, avoiding as far as possible the granting of sole agencies; (6) to obviate unnecessary exchanges and to

reduce the free distribution of publications; considerable progress has already been made in this direction, as well as in others; (7) whenever desirable and possible, to improve the intrinsic value of publications by reducing their length and restricting their number; (8) as far as possible, to avoid the printing of the Minutes of Committees, etc. (see Appendix).

It may be added that, in the early part of 1927, the Secretariat created two special committees, namely: the Publications Committee and the Free Distribution Committee, set up at the same time. These two services have recently been reorganised and there is now only one Committee, known as the Publications Committee. This Committee deals with nearly all the questions mentioned in this report. The documents and other information received by the Supervisory Commission clearly show that the Committee has been most helpful. The Supervisory Commission can only encourage this Committee to continue its work on the same lines.

Although the above measures primarily concern the Secretariat, it hardly appears necessary to mention in detail the steps taken by the International Labour Office; the most essential of these have already been taken by the Labour Office, whose organisation is more conducive to centralisation than is the case with the Secretariat, a fact which makes satisfactory results easier to attain.

CONCLUSIONS.

As a result of the discussion which followed the reading of a very detailed statement by the Rapporteur on the various aspects of the question of publication, the Supervisory Commission agreed on the following points:

1. *Classification of Publications.*

After endeavouring to distinguish between "instruments of work" and "publications issued for the purpose of sale", the Commission came to the conclusion that such a distinction was difficult to make in practice, since, apart from a relatively unimportant number of publications issued for information purposes, documents were not issued unless they were in fact instruments of work. In accordance with a decision of the Assembly at its seventh ordinary session, the documents of the Secretariat are, for statistical and other purposes, classified under the following categories:

Assembly and Council documents; periodicals; Minutes; occasional publications.

2. *Control of Publications.*

The Commission considered that the following general rules should be applied in regard to the printing of documents and publications:

(a) The definite authority of the Assembly should be secured in advance for the printing of all *periodical and serial publications*, the provision in the budget being completed by notes setting out the estimated cost of publications.

(b) As regards the control of occasional publications:

(i) There is no difficulty in the case of *occasional documents to be printed at the request of one of the sections of the Secretariat*, since it is always necessary to secure the previous approval of the Publications Committee, which considers both the merits of the publications and the budgetary position. It was agreed that the Secretary-General should submit to the Supervisory Commission, at its January session as far as possible, a list of these occasional publications to be issued in the current year.

(ii) *Occasional documents to be printed at the request of a Committee* should in future be dealt with as follows:

Whenever resolutions or recommendations which might result in the printing of new publications are proposed or discussed in a Committee, the secretary of the Committee concerned will propose that no vote be taken until the Committee is in a position to consider the financial consequences of its proposed action. For this purpose, the secretary of the Committee concerned will estimate, as nearly as possible, the number of pages and tables in order that the cost of the publication may be accurately calculated.

This estimate will be submitted to the Publications Department, which will reckon the cost and give its opinion.

The Treasury will, in its turn, be called upon to state whether the credits included in the budget for publications make it possible to meet the cost of the new publication, regard being had to the publications previously authorised.

The secretary of the Committee will then be in a position to give full explanations to the Committee on the consequences of its vote.

All relevant papers will be kept by the secretariat of the Publications Committee, which will make its notes upon them before they are communicated to the Committee concerned.

It is understood that no organ of the League will have the power to deviate from these principles once they are adopted by the Assembly.

As a general principle, no documents should be reprinted unless the cost of production will be entirely covered by the sale of the new edition. The Secretary-General and the Director of the International Labour Office can, however, if circumstances make it absolutely necessary, reprint certain documents on their own responsibility.

- (iii) The Supervisory Commission requests the Assembly:

(1) To instruct the Chairmen of all these Committees to limit strictly at one meeting the amount of material which is to form the basis of their discussions at the next, quite apart from the question whether they have the money for publication or not:

- (a) By framing their requests for information in a form which will induce short replies;

- (b) By instructing either the rapporteur or the Secretariat to summarise that material, keeping the original replies merely for reference;

- (c) By emphasising the importance of conciseness in any reports requested from outside sources.

(2) To draw again the attention of the Chairmen and the Committees to the following resolution, adopted by the Assembly at its seventh ordinary session:

“ The Assembly:

.....
“ Decides to draw the attention of the Advisory Committees and the Conferences convened by the League to the heavy expense entailed by the publication of their Minutes and requests them to consider whether the publication of their discussions would not frequently be better effected by means of a detailed report giving as exactly as possible an account of their work;

- “ Decides that the Minutes of Sub-Committees will in no case be published unless a formal request, containing a statement of the reasons for such a course, is submitted to the Council through the Secretary-General. ”

3. *Measures to stop Waste.*

The Commission noted that, in the case of League documents which were printed in small quantities, by far the greater part of the expenditure was represented by the cost of setting up the type, so that the expense of printing limited quantities of additional copies was relatively small.

- The Commission was nevertheless strongly of opinion that it is necessary to do everything possible to prevent the waste occurring at sessions of the Assembly, Conferences and Committees, by the unlimited supply of documents and, to that effect, draws the attention of the Assembly to this state of affairs. The delegations at the Assembly and at Conferences and Commissions and their members individually could do much towards economy on publications by keeping carefully their copies of documents and taking them to the meetings, instead of asking for further copies on their arrival.

In regards to the general question of the number of copies of each document to which Governments consider themselves entitled, the Committee adopted the view that their contribution to the expenses of the League gave Governments the right to receive documents in the quantity which they required in order to carry out the work of the League; they should, however, be requested to pay whenever they applied for an abnormal number of any given document.

4. *Sale of League Documents.*

The League must not be considered from the standpoint of a publishing firm. In the International Labour Office and especially in the Secretariat, a large number of documents are published, at the request of Governments or for the use of the various organs of the League, for which there can never be any large sale. The sale value of a publication does not represent its real value; for instance, reports dealing with questions of first-class political importance may be total failures from the sale point of view, while documents on matters relatively unimportant sometimes strongly appeal to the public.

As a general rule, all documents, except very short ones or purely temporary ones, are placed on sale. For the purpose of fixing the number of copies to be printed, figures are given to the Publications Committee showing the number required for official distribution, Information Section distribution, free distribution and exchanges, and sales; probable future needs are also considered in order to avoid later expensive reprints.

5. *Standardisation of Statistics and Records.*

The Commission considered that the Heads of the Publications Services of the Secretariat and the International Labour Office should be instructed to follow a common method in drawing up their statistics so as to make it possible for the Supervisory Commission to compare them.

Similarly, information concerning all documents, both at the Secretariat and the International Labour Office, should be indexed on cards giving particulars, such as authority for publication, number of copies issued, cost, author's corrections, sale, etc., and these cards should regularly be submitted to the Rapporteur of the Commission to enable him to report when necessary to the Commission. Effect has already been given to these proposals.

The Commission does not think it necessary at the moment to propose further measures, since the Publications Committee deals regularly with all the above questions and its reports are periodically submitted to the Commission so as to enable it always to keep an eye on the matter.

* * *

Mention should also be made in the present report of the position of the third financially autonomous institution of the League: namely, the Permanent Court of International Justice.

The Court publishes regularly its judgments, its advisory opinions, acts and documents relating to judgments and advisory opinions, acts and documents concerning the organisation of the Court, texts governing the jurisdiction of the Court, annual reports and, finally, indexes.

These publications are divided into the following six series:

- A series: Collection of Judgments.
- B „ : Collection of Advisory Opinions.
- C „ : Acts and documents relating to Judgments and
Advisory Opinions given by the Court.
- D „ : Acts and documents concerning the organisation
of the Court.
- E „ : Annual reports.
- F „ : Indexes.

The number of volumes published on May 1st, 1928, in each of these series is as follows:

A and B series:	28 volumes 8vo with a total of	2,334 pages.
C series	: 31 „ „ „ „	15,140 „
D series	: 3 „ „ 4to „ „	1,184 „
	(Texts concerning the organisation of the Court)	
	and 1 volume 8vo with a total of	164 „
D series	: 4 „ „ „ „	1,256 „
	(Texts governing the jurisdiction of the Court)	
E series	: 6 volumes 8vo with a total of	2,488 „
F series	: 1 „ „ „ „	254 „

In addition to its publications properly so called, the Court prints the applications for Judgments and for Advisory Opinions, as well as the special agreements for arbitration submitted to it; these documents instituting proceedings are contained in 30 pamphlets in quarto totalling 368 pages; it also prints for its own use most of the dossiers submitted to it in the various cases. This has resulted in the printing of altogether 40 volumes called "Preliminary volumes", totalling 5,550 pages in quarto. The type used for these two latter classes of document is later employed for the compilation of the volumes in the C series.

The Commission considers that the publications and documents mentioned above are essential for the carrying out by the Court of the work for which it was created.

As regards printing and publication, the Registrar of the Court has adopted a system which is altogether different from that employed by the Geneva organisations, but which, having regard to the conditions under which its work is carried out, is certainly the most practical and the least costly method for the Court to apply. A contract is concluded with the largest Dutch printing and publishing firm for the printing and publication of the Court's documents. The latter merely undertakes to purchase the number of copies needed for its work and for free distribution, mainly to Governments. Prices are calculated so as to cover the publisher against any serious loss, but he must obtain his profit solely from the sales. In practice, the result is that the Court obtains its copies at a price approximately 30 per cent lower than it would have to pay under any other arrangement, either in Holland or in Switzerland. The cost is barely higher than the price which would be payable under the most favourable conditions in France, if it were a practical proposition for the Court to have its publications printed in that country, which is not the case.

At the Commission's request, the Registrar submitted a report dealing mainly with the three following questions:

- (1) Reduction of sale prices;
- (2) Increased circulation;
- (3) Reduction of expenditure.

This report shows that, as compared with Geneva publications, the selling prices of the Court's publications are quite normal, and that they have, moreover, been gradually reduced, as the result of technical simplifications. The Registrar, in conjunction with the publisher and at the latter's expense, has made and is still making considerable efforts to obtain as large a circulation as possible and, for some years past, steps have been taken to reduce the cost of production to the minimum compatible with the work of the Court.

The cost of printing amounts to 30,000 florins, and of administration and distribution, post, etc., to some 12,000 florins. The Commission has gone closely into the matter in order to see whether it would be possible to effect any considerable saving by reorganising the services of the Court, in order to make them responsible for the handling of sales, as at Geneva. It found, however, that such an arrangement, instead of reducing the League's expenditure, would increase it by 25-30 per cent; the administrative expenses, in particular, would be doubled, and would alone exceed the net profits on sales.

In these circumstances, the Commission recommends that the present system should continue, as it appears to be more suitable than any other.

Appendix.

QUESTION OF MINUTES.

On October 21st, 1926, the Secretary-General requested the Secretaries of Committees and Conferences to communicate in his name the Assembly resolution (see above, page 168), to the Chairmen of the Committees. He also requested them, on the same occasion, to suggest that this question should be placed on the agenda of the next meeting of their Committees and asked them to explain the matter to the Committees and to emphasise that the object was to reduce expenditure.

The Assembly resolution in question was discussed by the Committees during 1927 and 1928. The present position (June 1928) is as follows:

1. The following Committees publish minutes of their meetings as well as a report on the work of each session:

(a) The Preparatory Commission for the Disarmament Conference and the Security Committee.

(b) The Mandates Commission,¹

(c) The Advisory Committee on Traffic in Opium.

2. The Traffic in Women and Children Committee and the Child Welfare Committee have hitherto (April 1928) published minutes as well as reports, but have decided in future only to publish their reports.

3. The Intellectual Co-operation Committee publishes minutes as well as a report on the work of each session; one of its Sub-Committees (the Sub-Committee on Scientific Property) has recently obtained permission from the Council to publish the minutes of its recent session. Its other Sub-Committees have minutes and reports in roneo, the latter being printed as annexes to the general report of the Intellectual Co-operation Committee.

4. The Health Committee circulates its resolutions with very short commentaries to the Council and the Office international d'hygiène publique; these are published as annexes to the Council minutes. The Health Committee also publishes its minutes with annexes. Its Sub-Committees merely issue reports, which are usually printed either as annexes to the Health Committee minutes or separately.

5. The Advisory and Technical Committee on Communications and Transit publishes minutes, but no general report. Its Sub-Committees issue reports which are published as annexes to the main Committee's minutes.

6. The Financial Committee publishes a report only. Its minutes are circulated in roneo to the Committee.

7. The Economic Committee follows the same system as the Financial Committee. Sub-Committees, which only have minutes when discussions are difficult, submit reports in roneo to the main Committee. These reports are published either as annexes to the main Committee's report or separately.

8. The Committee of Experts for the Progressive Codification of International Law publishes reports and, with the special authorisation of the Council, its minutes.

¹ It should be noted that the Assembly, at its eighth ordinary session, expressed its "appreciation of the value of the minutes of the meetings of the Permanent Mandates Commission . . ."

ANNEX 8.

REPORT OF THE SUB-COMMITTEE
FOR THE STUDY OF THE AMENDMENTS TO THE FINANCIAL
REGULATIONS AND THE RULES OF PROCEDURE OF THE
ASSEMBLY, SUBMITTED BY THE SUPERVISORY COMMISSION.

The Sub-Committee for the study of the amendments to the Financial Regulations and the Rules of Procedure of the Assembly submitted by the Supervisory Commission met on September 7th, 1928, to consider the various proposals which had been made to it; as a result of this study, it had the honour to propose the following modifications to the amended text as shown in the report of the Supervisory Commission dated August 1st, 1928 (Annex 4, pages 138 to 143, right-hand column).

A. RULES OF PROCEDURE OF THE ASSEMBLY.

Article 14, paragraph 2.

Strike out the second sentence of the new second clause of the first paragraph (" The Assembly in plenary session . . . the question to a Committee ").

B. REGULATIONS FOR THE FINANCIAL ADMINISTRATION OF THE LEAGUE OF NATIONS.

Article 16.

Paragraph 8 becomes paragraph 5.

Article 16 (a), paragraph 1.

Add at the end of the paragraph the words:

" . . . unless the Assembly by a two-thirds majority otherwise decides. "

Article 16 (c).

New text:

" Proposed credits upon which a special report has been made by the Supervisory Commission under Article 16, paragraph 5, and the various estimates included in the supplementary budget, shall be dealt with by the following procedure:

" (a) Where consideration of the objects for which the proposed credit is required is referred by the Assembly to a Committee other than the Finance Committee, all the relevant documents shall be placed before such Committee, which, in so far as it reports in favour of the said objects, shall examine the estimate of expenditure and, if necessary, modify it to correspond to the recommendations which it makes. The Committee's report, if it recommends a credit, shall be passed directly to the Supervisory Commission for verification of the estimated expenditure and be then submitted to the Finance Committee with a report by the Supervisory Commission. The report of the Technical Committee must, however, be received by the Supervisory Commission within fifteen days from the opening of the session of the Assembly. If it is received later, the examination of the credit shall be adjourned to the next session of the Assembly.

" (b) In other cases, the proposed credits shall be referred to the Finance Committee with the observations of the Supervisory Commission. "

Article 16 (d).

Suppress, " In the cases dealt with in Article 16 (c) ", and read: " A decision of the Finance Committee ", etc.

ANNEX 9.

ALLOCATION OF EXPENSES OF THE LEAGUE OF NATIONS.

REPORT SUBMITTED TO THE ASSEMBLY BY THE COMMITTEE ON THE ALLOCATION OF EXPENSES.

1. The Committee on the Allocation of Expenses, in its report of May 4th, 1925 (document A.6.1925.II) to the Assembly at its sixth ordinary session stated:

“ . . . that it would be desirable to adopt the new scale (then proposed) for a period of three years. It therefore ventures to suggest that the Assembly should put this scale into force for the years 1926, 1927 and 1928. ”

The Fourth Committee of the Sixth Assembly, in its report of September 24th, 1925 (document A.125.1925.II) endorsed the proposals of the Committee on the Allocation of Expenses, and the Assembly requested the Council:

“ . . . to ask the Committee on the Allocation of Expenses to follow the economic development of the various Member States with a view to submitting a revised scale to the Assembly of 1928 ”

and approved:

“ . . . for the years 1926, 1927 and 1928, the scale for the allocation of the expenses of the League ”

annexed to the resolution (document A.142.1925).

This resolution of the Assembly at its sixth ordinary session was, however, overruled by a subsequent decision at its eighth ordinary session which is quoted below.

2. The Committee on the Allocation of Expenses had referred from time to time in its various reports to the difficulties that arose in the elaboration of a definitive scale and, in its report of July 4th, 1924 (document A.14.1924.II), laid particular stress on the exchange fluctuations as being one of the principal difficulties which not only eliminated “ all possibility of reaching a solution by 1925 ”, but threatened “ to postpone indefinitely the successful conclusion of the Committee's work. ” The report continues:

“ The budgets of countries with depreciated currencies, largely based on home prices, give, when converted into gold francs, an entirely erroneous idea of the financial position of the countries in question. All comparison is thus at once invalidated, and as, in addition, the exchanges are liable to violent oscillations, the result would be that, if the exchanges had not been stabilised and home prices for the principal commodities brought into line with world prices, the so-called permanent scale put before the Assembly, which would in any case necessarily be open to criticism, would vary every year to an incalculable extent. ”

In the Fourth Committee of the Eighth Assembly, the question of the future revision of the existing scale was discussed, and the result of the discussions was contained in the report of this Committee approved by the Assembly (September 24th, 1927, document A.113.1927.X, paragraph II f) which reads as follows:

“ 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, as pointed out by the Indian delegate, 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."

3. The Committee on the Allocation of Expenses, in compliance with its instructions to follow the economic development, met on June 7th, 1928, and devoted its attention particularly to a consideration of what budget year might be adopted as a basis for a revised allocation scale.

Its attention was drawn to the facts that, while the currencies of certain Member States are still on a *de facto* paper basis and subject to constant fluctuations, several important countries whose currencies are now *de facto* or *de jure* stabilised have effected that stabilisation too recently for domestic prices to get adjusted to the world level.

In view of these facts and of the length of time that experience has shown must be allowed for the adjustment of prices, salaries and wages to the new conditions created by currency stabilisation, the Committee came unanimously to the opinion that 1930 would be the earliest year which could be adopted as a really solid basis for a revised scale for allocating the expenses of the League of Nations.

The Committee has, for technical reasons, already reached the conclusion that certain items of budget estimates should be employed as the main criterium for the allocation scale. The estimates for 1930 (1930-31) may be expected to reach the Secretariat during that year and the spring or early summer of 1931. The Committee would then be in a position to report, after all the necessary analysis of these estimates had been made by the Secretariat, to the Assembly of 1932. In this case the new scale, if approved by the Assembly at its thirteenth ordinary session, would come into force in January 1933.

Should the Assembly consider, for any reason of a non-technical character, that it might be necessary to effect a revision at an earlier date than that suggested above, then the Committee would recommend that the budget estimates of 1929 should be employed. It does not think that data for any earlier year could afford a sufficiently stable foundation for the work and, in mentioning this alternative, it would emphasise the fact that, in its opinion, it would be preferable for technical reasons to take as base the budget estimates for 1930. This is the earliest date by which such conditions may reasonably be expected as to allow the preparation of a new scale of a permanent character.

ANNEX 10.

REPORT OF THE SUPERVISORY COMMISSION TO THE FOURTH COMMITTEE.

The Supervisory Commission held its thirtieth session at Geneva on September 18th, 19th and 20th, 1928¹, to consider the supplementary credits and the various matters which had been referred to it by the Fourth Committee.

A. SUPPLEMENTARY CREDITS ARISING OUT OF PREVIOUS DECISIONS OF THE COMMISSION.

The Supervisory Commission had decided at its twenty-eighth session (see Annex 3, page 129) that two accounts in respect of previous years, which could not be paid out of the Unpaid Liabilities Fund, since in the one case the debt did not refer to the preceding year and in the other sufficient funds were not available in the item, should be entered in the budget for 1929 as supplementary credits.

At the same time, the Supervisory Commission decided to increase " from 5,000 to 7,500 francs the unpaid liabilities appropriation in the 1929 budget".

The Supervisory Commission now formally proposes that these items be added to the 1929 budget as follows:

1. To Item 22: New sub-head 7, " Unpaid Liabilities in respect of Previous Years ",
6,553.85 francs;
2. To Item 16: 2,500 francs.

¹ The following members attended the session:
His Excellency M. Stefan OSUSKY, Chairman; Dr. J. A. NEDERBRAGT, Rapporteur; M. Jean RÉVEILLAUD; His Excellency M. C. PARRA-PÉREZ; His Excellency M. A. NEMOURS.

B. SUPPLEMENTARY CREDITS REQUESTED BY THE SECRETARY-GENERAL.

I. *Treaty Series*: Item 11(b), 25,000 francs.

The Secretary-General pointed out that the appropriation amounting to 140,000 francs provided in the budget for 1928 for the *Treaty Series* was practically exhausted at the end of August. At its last session, the Council had accordingly approved a transfer of 20,000 francs in order not unduly to delay the printing of the Treaties which would be received before the end of the year, but, notwithstanding this action, it appeared probable that, for financial reasons, at least two volumes which should have been issued in 1928 would only come out in the early months of 1929.

In the circumstances, and in view of Article 18 of the Covenant, which provides that the Secretariat shall publish as soon as possible all Treaties registered by it, the Supervisory Commission recommends the Assembly to increase from 140,000 to 165,000 francs Item 11(b) of the budget for 1929.

2. *Additional Shelving for the Library*: Item 32(d), 4,000 francs.

The lack of sufficient storage space for the library books, pamphlets, etc., has for some time been the cause of considerable difficulty and inconvenience, which, in some measure, has been abated by the increased accommodation in the Council Hall, where the basement provides the much-needed room. It is estimated that the cost of installing sufficient shelving for the requirements of 1929 will amount to 4,000 francs.

Since the postponement of the installation of this shelving until the 1930 budget comes into force would materially hinder the work of the Library and adversely affect its efficiency, the Supervisory Commission recommends the Assembly to increase from 5,000 to 9,000 francs the provision entered under Item 32(d): Library — Equipment, Shelving, etc.

3. *Miscellaneous Unpaid Liabilities in respect of Previous Years*.

The Commission recommends that the following sums be added to the budget for 1929:

(a) 75 francs under Item 23 A 5(a), "Unforeseen contingencies", of the budget for social questions to liquidate an account amounting to 24 roubles received from Dr. Nansen in respect of telegrams sent in 1927 by his Moscow representative in connection with the question of Armenian refugees.

(b) 66 francs under Item 11(f), "Cinematograph films and photographs", to pay an account of the Pathé Cinema Company for films supplied to the League in October 1927.

(c) 2,460 francs under Item 8(c), "Removal expenses to and from Geneva", to reimburse the removal expenses of an official on his joining the Secretariat in 1923. This account was overlooked at the time by the claimant, but the Secretary-General has been advised that he is still legally liable for its payment.

C. ITEMS RESERVED FOR LATER EXAMINATION BY THE FOURTH COMMITTEE AND SUPPLEMENTARY CREDITS ARISING OUT OF DECISIONS OF OTHER ASSEMBLY COMMITTEES.

I. *Item 19. — Economic and Financial Organisation*.

The Commission had before it the note on the budgetary situation of the Economic and Financial Organisation, which was approved by the Second Committee and forwarded to the Fourth Committee (Appendix 1).

The Commission noted that the decisions of the Second Committee involved a total additional expenditure of 140,000 francs, made up as follows:

	Francs
(a) Enquiry on coal and sugar	50,000
(b) Extended programme of enquiry into groups of commodities	80,000
(c) Study as to smuggling in connection with the new "alcohol" resolution	10,000
Total	140,000

As against this increase of 140,000 francs, funds could be found in the existing budget by the rearrangement and suspension of particular activities for which provision was made under subhead 3 of Section B of Item 19 of the original budget:

	Francs
(a) 40,000 francs already provided for two sessions of four industrial Sub-Committees	40,000
(b) Adjournment of Commercial Policy Conference	35,000
(c) Adjournment of Veterinary Conference	35,000
(d) Adjournment of meeting of Tariff Experts	15,000
Total	125,000

This leaves an increase of 15,000 francs.

Since then, the Supervisory Commission has again discussed the question with the Secretary-General, who agreed that the new tasks could be undertaken without an increase in the total budget as presented by means of the following minor rearrangements involving a reduction of 15,000 francs:

1. Subhead A 2 (a) (Sessions of the Financial and Economic Committees and of Sub-Committees of Experts) would be increased from 205,000 to 210,000 francs and would now cover also the execution of work relating to the new enquiries into the smuggling of alcohol, the purchasing power of gold, and the economic tendencies affecting the peace of the world.

This increase would be offset by reducing the credits demanded under subhead A 1 (General Conference and Preparatory Work) from 95,000 to 90,000 francs.

2. Subhead B 3 (Committees and Sub-Committees resulting from the decisions of the Economic Conference) would be increased from 205,000 to 210,000 francs, and would now cover also the execution of enquiries connected with coal and sugar, as well as with the eight groups of commodities indicated by the Second Committee. This increase would also be offset by reducing the subhead B 1 (Sessions of Consultative Committee and Preparatory Work) from 85,000 to 80,000 francs.

The Commission was assured that all precautions had been taken against the various questions being taken up with undue haste; thus the draft Conventions in respect of the three Conferences to be held next year have already been for some time in the hands of the Governments. It was further informed that the whole programme of the Organisation for 1929 which was practicable from the material point of view could be dealt with by the staff provided for in the budget.

In the circumstances, and having regard to the unanimous decisions of the Second Committee in the matter, the Commission decided to recommend the Fourth Committee to adopt the budget of the Economic and Financial Organisation subject to the above amendments, the totals being the same as in the original estimates, *i.e.*, 1,359,045 francs for the general work of the Economic and Financial Organisation; 375,000 francs for the consequence of the General Economic Conference.

(2) *Item 23, 3(v).* — *Conference to be summoned in accordance with Article 12 of the Agreement drawn up by the First Opium Conference, signed on February 11th, 1925.*

The Commission, having been informed that a budgetary provision had been requested by the Fifth Committee, decided to recommend the Assembly to increase this subhead from the nominal sum of 100 francs to 13,500 francs, instead of 20,000 francs, as proposed by the Fifth Committee.

In forming its opinion, the Committee was largely guided by the following considerations:

1. The First Conference had originally been convened by the League;
2. The Covenant expressly entrusted the League "with the general supervision over the execution of agreements with regard to the traffic in opium and other dangerous drugs"; and
3. The Convention drawn up after the First Conference gave the Council certain duties in the matter.

(3) *Commission to proceed to the Far East to consider the Situation as regards Prepared Opium.*

The Commission had before it a letter in which the Fifth Committee proposed that a sum not exceeding 250,000 francs be entered in the budget of the League for 1929 to cover the expenses of a Commission to proceed to the Far East to consider the situation as regards prepared opium.

The Commission was informed that no definite information was yet to hand as to the extent to which these countries would actually be prepared to give hospitality to the Commission, which would be composed of three members and a secretary. Should hospitality not be extended to the Commission, an additional sum of at least 100,000 francs would have to be provided.

The Supervisory Commission recommends the Assembly to adjourn this proposal for the following reasons:

1. The amount involved is considerable and may have to be still further increased;
2. The increase in the budget for 1929 is already very large;
3. It is not yet clear as to the extent to which the Governments concerned will be willing to contribute to the expenses of the Commission by giving it hospitality.

Notwithstanding this recommendation, the Supervisory Commission, as will be seen, has proposed that a credit should be granted for the Conference to be summoned under Article 12 of the Agreement drawn up by the First Opium Conference, though it may be that, if the suggested Commission is adjourned, the Powers concerned may equally wish to postpone the Conference.

4. *Item 23, 5 (b).* — *Conference on the Suppression of Obscene Publications.*

The Commission noted that the credit of 100 francs for a Conference for the Revision of the International Convention for the Suppression of the Circulation of, and the Traffic in, Obscene Publications could now be cancelled.

5. *Item 28.* — *Progressive Codification of International Law.*

The Commission had before it a memorandum on the financial consequences of the First Committee's proposals with regard to the Progressive Codification of International Law (Appendix 2).

The Supervisory Commission recommends the Assembly to approve the proposals of the First Committee with regard to the Committee of Experts, with a resultant saving of 36,000 francs.

With reference to the first Codification Conference, the Commission calls attention to the relevant passage of its report of May 5th (Annex 2, page 126).

6. *Item 21. — Communications and Transit Organisation.*

The Commission had before it a note on the budget of the Organisation for Communications and Transit approved by the Second Committee (Appendix 3).

As foreshadowed in the note of the Second Committee, the Commission was informed that it would be possible to reduce from 28,000 to 14,000 francs sub-head 5(b) "Printing and Documentation for the Collection and Exchange of Information on Communications and Transit". On re-examination of certain items of the budget, it was agreed to suppress one post of Senior Assistant and one post of First-class Clerk under sub-head 7(b), "Additional Permanent Staff", and to reduce from 25,000 to 24,000 francs sub-head 8, "Travelling and removal expenses of the Secretariat".

The budget of the Organisation is thus reduced by 30,000 francs from 422,941 francs to 392,941 francs.

7. *Item 25. — Intellectual Co-operation.*

The Commission had before it a letter (Appendix 4) in which it was informed that the Sixth Committee had decided to recommend to the Assembly the publication, at an annual cost of 10,500 francs, of a "Survey, primarily intended for teachers, inspired by the spirit which guided the work of the Sub-Committee of Experts for the Instruction of Youth in the Aims of the League". It was further advised that this Survey, which would be issued twice a year under the responsibility of a Committee composed of representatives of the Secretariat, of the Institute of Intellectual Co-operation and of the Committee on Intellectual Co-operation, would have as its object: (a) to acquaint the rising generations with the work of the League; (b) to inform teachers in various countries of the experiences made and the results achieved in this field.

In view of the recommendation which the Commission had made at its May session to stabilise the budget of the Section for Intellectual Co-operation at a maximum sum of 250,000 francs, it did not feel that it would be wise, in view of yearly contractual increases in the budget, further to augment the estimates at this stage.

After discussion with the Secretary-General it agreed, however, to recommend the Assembly to authorise the issue of a single number of the Survey every year on the understanding that the *Handbook on International Organisations* would in future be re-published only every three years, short supplements, to cost not more than 1,000 francs, being issued every year.

Since the *Handbook* will be published in 1928, the supplement only will be printed in 1929; in the circumstances, no supplementary credits are required.

8. *Administrative Expenses of the Settlement of Refugees in Erivan.*

The Commission was informed that the Sixth Committee had decided on September 19th to request the Fourth Committee to grant a sum of 65,000 francs to cover the administrative expenses of the work of the settlement of Armenian refugees in Erivan.

The Commission was informed that the sums which would probably be available for the settlement of Armenian Refugees in the Republic of Erivan, provided that the work was carried out under the auspices of the League of Nations, were as follows:

- A credit of £50,000 from the German Government;
- A credit of £2,000 from the Norwegian Government;
- A sum of £1,000 from the Roumanian Government.

The Greek Government had promised to pay a certain portion of the expenses of transport. The Dutch and the Luxemburg Governments had declared they might be willing to give their contributions when they knew what the other Governments were going to do.

In addition to this, Dr. Nansen had received £100,000 from the Armenians in Europe to be used as a revolving fund for the settlement of Armenian refugees in the Republic of Erivan.

The funds thus obtained would be used for the establishment of refugees on arable land in Erivan now to be irrigated by the Armenian Government in accordance with plans agreed upon two years ago.

The work to be done by the High Commission would consist of:

- (a) Securing agreement with the Armenian Government concerning the details of the loan contracts and the details of plans of establishment;
- (b) Making all purchases of materials, etc., required;
- (c) Supervising the selection of refugees to be settled;
- (d) Controlling the establishment of these refugees, and the making of contracts with them;
- (e) Supervising the system of collection of repayment moneys from the refugees established.

After discussing the various aspects of the matter, the Commission decided to recommend to the Assembly to approve the insertion in the 1929 budget of a new item of 50,000 francs for this purpose, this amount being made up as follows:

	Francs
Salary of representative in Erivan	30,000
Office expenses	5,000
Travelling expenses of representative.	8,000
Travelling expenses of High Commissioner	5,000
Telegrams and postage	2,000

In approving this supplementary credit, the Commission drew the special attention of the Secretary-General to the necessity of ensuring that the fact that the work undertaken by Dr. Nansen had been placed under the ægis of the League should not involve the League in financial liabilities beyond the actual credit included in the budget.

D. ENLARGEMENT OF THE COUNCIL HALL.

The Commission considered the part of the report by the Council on new work involving additional expenditure for the League, which had been referred to it by the Fourth Committee. The decision in question concerned the expenditure by the Council of a maximum sum of 75,000 francs on the improvement and extension of the present Council Hall. The Supervisory Commission is grateful to the Fourth Committee for having given it an opportunity of discussing the many questions of principle raised by this decision. The Commission is unanimously of opinion that the position of the Assembly as the only authority competent to take decisions in matters of expenditure must be upheld.

The Commission proposes that the sum necessary to repay into the Building Fund the amount withdrawn for the enlargement of the Council Hall should be included in the Budget for 1929 as a supplementary credit.

The Commission therefore recommends that the following item should be added to Part IV, "Buildings at Geneva", of the general budget for 1929:

"Enlargement of the Council Hall in 1928, 70,000 francs."

The proposals of the Commission may be summarised as follows:

* * *

BUDGET FOR 1929.

MODIFICATIONS PROPOSED BY THE SUPERVISORY COMMISSION. SUMMARISED STATEMENT.¹

	<i>Add.</i> Francs	<i>Subtract</i> Francs
(a) <i>Supplementary credits arising out of previous decisions of the Commission</i>	9,053.85	
(b) <i>Supplementary credits requested by the Secretary-General:</i>		
(1) <i>Treaty Series</i>	25,000.—	
(2) <i>Shelving</i>	4,000.—	
(3) <i>Miscellaneous unpaid liabilities</i>	2,601.—	
(c) <i>Items reserved for later examination by the Fourth Committee and supplementary credits arising out of decisions of the Assembly Committees:</i>		
(1) <i>Economic and Financial Organisation</i>	—	—
(2) <i>Opium Conference</i>	13,400.—	
(3) <i>Opium Commission</i>	—	
(4) <i>Conference on obscene publications</i>		100.—
(5) <i>Codification</i>		36,000.—
(6) <i>Communications and Transit Organisation</i>		30,000.—
(7) <i>Intellectual Co-operation.</i>	—	—
(8) <i>Settlement of refugees in Erivan</i>	50,000.—	
(d) <i>Enlargement of the Council Hall</i>	70,000.—	
	174,054.85	66,100.—
Net increase	107,954.85	

¹ Not counting the sum of 288,681 francs already approved by the Fourth Committee for the stabilisation of salaries.

Appendix 1.

NOTE ON THE BUDGETARY SITUATION OF THE ECONOMIC AND FINANCIAL ORGANISATION.

1. Provision requires to be made in the budget for the following work, which was not contemplated when the budget was prepared and which is now regarded as urgent and important:

- (a) Coal enquiry;
- (b) Sugar enquiry;
- (c) Extended programme of "commodity group studies".

An exact estimate is difficult, because it is only next month that the Economic Committee is considering the best method of action with regard to coal and sugar; and the extent of the work on commodity groups can only be known after it has made some progress.

In view of the fact, however, that the coal enquiry must take into account producing and consuming countries, and persons and the workers of the coal industry, it may involve considerable expense. Provisionally, having regard to the Fourth Committee's communication about economy and subject to the observations below, the Second Committee is prepared to ask for no more than a supplementary provision of 50,000 francs for coal and sugar together.

(No provision could have been included in the budget as circulated, as it was only in May that studies on these problems were suggested and in June and July, with the meetings of the Council and Economic Committee, that they were included in the programme of economic work.)

As to (c), the extended programme of "commodity group studies", which now includes eight commodities, a provision of 80,000 francs is the minimum possible provision. Against this, the sum of 40,000 francs under B 3 (e) may be considered as available, making the net addition 40,000 francs.

(An extension of this part of the Economic Committee's programme is due to the success of the Hides and Bones Conference of March and July 1928.)

These three items therefore necessitate an addition of 90,000 francs.

2. On the other hand, in view of the above urgent tasks and later views of the Economic Committee as to the priority of the different parts of its programme, the Commission considers that the following work, for which provision is included in the 1929 budget under subhead B 3, might be postponed to the following year:

	Provision Francs
(a) Conference on commercial policy	35,000
(b) Conference on veterinary regulations	35,000
(c) Two meetings of tariff experts (contemplated in connection with paragraph 1)	15,000
	85,000

This would practically offset the provision for the new work mentioned in paragraph 1 above, the total of sub-section B being increased by 5,000 francs only.

3. Two pieces of work stand in a rather different position. The question of a study on tendencies in financial and economic policies affecting peace has been referred to the Financial and Economic Committees by the Council. It is not yet certain that work involving expense will be required in 1929. Secondly, the Council has asked the Financial Committee to consider "to what extent and in what way the League of Nations could most usefully assist in the study and solution of the problem of undue fluctuations of the purchasing power of gold". The Financial Committee has not yet reported; and it is not yet certain therefore that work involving expense will be required. At the same time, it is obvious that, if the Council considers, on the advice of the Financial Committee, that, on a question of such great importance, it is desirable to take action involving, e.g., a meeting of experts, the work ought not to be delayed for a year by the absence of a small budget provision.

On the other hand, the Commission considers that postponement of some minor part of the work for which provision is made under subhead A 2 (Sessions of Committees and Sub-Committees) might be possible, e.g., the work on under-sea riches, which, while of some value, specially concerns a few countries only. With this possibility, the Commission considers that it is not necessary to ask for an addition to this section of the budget.

4. It is evident that the details of the number of meetings of each committee mentioned in the notes accompanying the budget can only be regarded as illustrative; and that, on tasks

that have been approved by the Assembly, variations in the committee arrangements must be as freely made as the current necessities of the work require. This applies particularly to subheads A 2 and B 3, where it might be convenient to vote the total only.

5. The above proposals, in effect, mean that the new tasks not provided for in the budget can be met without supplementary provision — the exact proposal above amounting to a net increase of 5,000 francs only.

6. It follows from the above that two of the five conferences prepared will be postponed, leaving two economic and one financial.

As regards conferences generally, the Commission would observe that any limitation of conferences should take into account the following considerations:

(a) The Economic and Financial Section consists rather of three than of one Section — the Financial (which is arranging the Counterfeiting of Currency Conference), the Intelligence (which is this year arranging a Statistical Conference), and the Economic (which arranges two of next year's Conferences).

(b) The economic work depends for its final results on conferences, without which previous work is wasted. The Economic Committee is responsible for seeing that they are only held when the conditions promise success, and a budget authorisation will not result in a conference being held if the conditions are not favourable. The loss and waste of an unsuccessful conference is indeed much greater than what is represented by the budget cost, and the Economic Committee is fully conscious of the responsibility involved.

(c) "Conference" as a budgetary criterion is very fallacious unless it is understood not to apply to small meetings which are technically conferences in that they consist of Government representatives, but are less expensive than an ordinary meeting of a technical committee. For example, the two very successful and valuable Hides and Skins Conferences together cost (with the relevant printing) only about 9,000 francs, or less than a single meeting of the Economic Committee.

7. Lastly, with regard to the last sentence of the Fourth Committee's letter, the Second Committee would observe that no reduction in the programme of work which it is possible to contemplate would result in a reduction of the personnel budget. In this connection, the Commission would call attention to Chapter X of the Economic Consultative Committee's report, page 20, which, *inter alia*, expresses surprise at the "value and volume of the work done by so small a staff". Incidentally, the Commission notes the economical provision for arranging for additional conference work by temporary staff, and the fact that, with the exception of the single proposal of a member of Section Class B appointment in this year's budget, no addition whatever to the higher staff (A and B Class) has been proposed in the two budgets which have followed the Economic Conference.

Note. — In the above proposals no provision has been made for any expenses which might result to the Economic and Financial Organisation in 1929 from the resolution just adopted by the Second Committee as to alcoholism. This resolution asks the Economic Organisation to consider the terms in which conventions for the prevention of smuggling might be drawn up. In the first stage it is assumed that this work will be undertaken by the Economic Committee at its ordinary sessions, involving no extra expense.

But, if the Economic Committee feels the necessity of obtaining expert advice, a provision for the resulting expense, which might be estimated at 10,000 francs, will be required.

Appendix 2.

MEMORANDUM, DATED SEPTEMBER 13TH, ON THE FINANCIAL CONSEQUENCES OF THE FIRST COMMITTEE'S PROPOSALS WITH REGARD TO THE PROGRESSIVE CODIFICATION OF INTERNATIONAL LAW.

1. After taking into consideration the letter of the Chairman of the Fourth Committee regarding reduction of expenditure to the unavoidable minimum, the Committee decided that it must strongly maintain the conclusion reached at its meeting of September 12th, to the effect that the first Codification Conference ought in all events to meet in 1929.

2. The Committee proposes the adjournment to the next session of the Assembly of the question of further meetings of the Committee of Experts for the Progressive Codification of International Law for the purpose of examining the replies to the questionnaire on domicile (the only questionnaire of that Committee now before the Governments), and for the purpose of dealing with other questions of international law.

This proposal of the Committee involves the suppression of a credit of 45,000 francs for a meeting of the Committee of Experts (Chapter III, Item 29).

3. On the other hand, the Committee proposes that the Council shall ask three jurists selected preferably among the members of the Committee of Experts:

(a) To draw up a systematic survey of the field to be covered by codification of international law, thus giving effect to the proposal made at the last Assembly by the delegation of Paraguay in the form in which it obtained the support of the Committee of Experts.

The results of this work, which is scientific in character and a work of some delicacy, are to be communicated to the Members of the League as soon as possible;

(b) To prepare a report for the next session of the Assembly on the question of publishing, as an accompaniment to the *Treaty Series* and in the form of a code, of which new editions would from time to time be produced, those Conventions which are of a general character, *i.e.*, are open to acceptance by States in general.

The Committee is in favour of the production of this publication, and the task of the experts will be to make proposals as to its form and make possible an accurate estimate as to its cost, so that the final decision may be taken at the next session of the Assembly.

Assuming that the three experts will be chosen among persons resident in Europe and will not require to hold a great many meetings, a credit of 9,000 francs would seem sufficient to cover their expenses, including any printing that may be necessary.

Appendix 3.

NOTE ON THE BUDGET OF THE ORGANISATION FOR COMMUNICATIONS AND TRANSIT.

The increase in the budget of the Organisation for Communications and Transit is almost entirely due to the organisation of a section for the collection of information. This question was exhaustively discussed at the last Assembly in pursuance of decisions arrived at by the Third General Conference for Communications and Transit, held in Geneva from August to September 1927. On the proposal of the Second Committee, the last Assembly adopted the conclusions of the Transit Conference in the following words:

“Attaching special importance to the collection and utilisation of information on communications, [the Assembly] 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, when undertaking the collection and utilisation of this information, the Advisory and Technical Committee will effect a standing 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.”

It was pointed out at the time that this was not an assumption of a new task on the part of the Transit Organisation, but merely a question of collecting, analysing and classifying the information on transport problems indispensable for the normal progress of the Organisation's work, and thus providing it with an instrument of work which it practically did not possess hitherto, but which every other technical organisation of the League already possesses.

As the result of discussions between the Second and Fourth Committees at the last Assembly, it was agreed that the necessary credits could not be entered in the budget for 1928, in view of the date on which these credits had been asked for; but that “meanwhile, and until the adoption of the budget for 1929, the Head of the Communications and Transit Section was authorised to get into touch with the States with a view to pursuing the preparation of the work asked for by the Transit Conference”. (General report submitted to the Assembly at its eighth ordinary session by the Fourth Committee, page 4. A similar text occurs in the report submitted by the Second Committee on the work of the Transit Organisation.)

On the strength of this resolution of the Assembly, the Advisory and Technical Committee for Communications and Transit adopted the following resolution at its session of March 1928:

“The Advisory and Technical Committee decides, as a preparatory measure, with a view to the collection and exchange of information on communications and transit provided for by the Third General Conference, to ask forthwith for communications concerning:

“1. Important legislative provisions and regulations concerning ports and maritime navigation, inland navigation, transport by rail and road traffic;

“2. Statistical data concerning ports and maritime navigation, inland navigation, transport by rail, road circulation and electric questions mentioned in the annexes to the Third General Conference resolution. In 1928, the following countries only shall be asked for these particulars: France, Germany, Great Britain, Italy, Kingdom of the Serbs, Croats and Slovenes, Switzerland, United States of America, Colombia, Uruguay, Japan.”

Information is already to hand from some of the countries mentioned. The Head of the Communications and Transit Section has got into touch with the Governments and has drawn up a complete programme of co-operation, notably in the course of a visit to the United States of America.

It is possible that the expenditure on printing in connection with the use of the information will be less than was at first estimated.

Appendix 4.

LETTER FROM THE CHAIRMAN OF THE SIXTH COMMITTEE, DATED SEPTEMBER 15TH, 1928.

I have the honour to inform you that the Sixth Committee, having considered the work of the Committee on Intellectual Co-operation, and approved the report submitted by Professor Gallavresi, delegate of Italy, has decided to recommend to the Assembly the publication of a Survey, primarily intended for teachers, inspired by the spirit which guided the work of the Sub-Committee of Experts for the Instruction of Youth in the Aims of the League.

For the publication of such a Survey a sum of 10,500 francs is considered necessary. This sum would be entered in the budget of the Committee on Intellectual Co-operation, subject to the approval of the Fourth Committee.

The proposed allotment of the 10,500 francs would be as follows:

- 1,250 francs for articles, dissertations, etc.
- 1,000 francs for translating these articles into English or French.
- 1,250 francs for postal expenses, etc.
- 7,000 francs for printing.

I shall be grateful if you will submit this application to the Supervisory Commission, so that the Fourth Committee may take a decision and communicate it to the Chairman of the Sixth Committee.

(Signed) MARINKOVITCH,

Chairman of the Sixth Committee.

ANNEX 11.

REPORT OF THE SUB-COMMITTEE TO CONSIDER THE CREDITS NECESSARY FOR THE FIRST CONFERENCE ON THE CODIFICATION OF INTERNATIONAL LAW.

The Sub-Committee appointed by the Fourth Committee at its twelfth meeting to consider the question of the credits necessary for the First Codification Conference met on Saturday, September 22nd, 1928, under the chairmanship of Mr. G. Locker-Lampson (Great Britain).

The Fourth Committee had been informed by the Dutch delegate that, in order to conciliate the necessity for economy with the general desire that the decision of the Assembly at its eighth ordinary session to hold the Codification Conference at The Hague should be adhered to, the Dutch Government would be disposed, subject to Parliamentary approval, to give its collaboration in order to reduce the staff and general organisation expenses of the Conference.

The Fourth Committee had, however, deemed it advisable to appoint a Sub-Committee to ascertain the precise financial consequences of the Dutch Government's offer.

At the opening of the meeting of the Sub-Committee, the Dutch representative read, on behalf of her Government, the following declaration:

“ The delegation of the Netherlands is authorised to declare that the Dutch Government is ready, subject to Parliamentary approval, to make itself responsible for the amount by which the expenses of the Conference to be held at The Hague will exceed the sum of 208,500 francs, up to a maximum of 128,500 francs. ”

The Sub-Committee feels sure that the Fourth Committee will welcome with gratitude this generous offer of the Dutch Government, which renders further discussion unnecessary.

In the stage which has now been reached, the Sub-Committee thinks that no provision of money should be inserted for the Codification Conference under Item 28, Sub-head B, of the Budget, but that a footnote should be inserted to this item in the following terms:

“ The Conference will be held at the beginning of 1930, unless the Disarmament Conference is not held in 1929; in the latter case, the credits voted for disarmament might be used for the Conference on Codification up to the amount of 208,500 francs. ”

ANNEX 12.

REPORT OF THE SUB-COMMITTEE APPOINTED TO EXAMINE THE CREDIT
REQUIRED FOR THE COMMISSION OF ENQUIRY TO PROCEED
TO THE FAR EAST TO CONSIDER THE SITUATION AS REGARDS
PREPARED OPIUM.

The Sub-Committee was composed of the following members:

Mr. R. P. C. BAILLIEU (Australia);
His Excellency Dr. Stefan OSUSKÝ (Czechoslovakia);
M. Jean RÉVEILLAUD (France);
Mme. C. A. KLUYVER (Netherlands);
M. L. PITAMIC (Kingdom of the Serbs, Croats and Slovenes).

Dame Edith Lyttelton (Great Britain), appointed to represent the views of the Fifth Committee before the Fourth Committee in this question, was also present.

M. Jean RÉVEILLAUD was elected Chairman and Rapporteur.

The Sub-Committee noted with extreme satisfaction that the British Government was prepared to offer the sum of 50,000 francs towards the expenses of the proposed enquiry in the Far East. While the Sub-Committee had not sufficient information as to the preparation made in the different countries which it was proposed to visit in order to ensure the success of the enquiry, and while there existed a certain amount of uncertainty as to the estimated cost of the scheme, it was strongly impressed by the importance and urgency of the work which was now contemplated.

The Sub-Committee proposes, therefore, to the Fourth Committee that the financial responsibility of the League in this question should be limited, and, for reasons upon which it is fully agreed, it begs to recommend that this case should be treated exceptionally, and that a credit should be voted for 1929 which will demonstrate that the League is not evading a task which devolves upon it under the terms of the Covenant. The Sub-Committee begs to suggest that the British Government should be invited to assume the responsibility of communicating with the Governments concerned in the control of opium-smoking with a view to arranging the details and methods of the enquiry envisaged, and of ascertaining what additional contributions might be expected from these Governments in order to finance the whole scheme.

The Sub-Committee has the honour to propose, therefore, that the following supplementary credit be added to Item 23 of the Budget for 1929 (Social Questions):

23, 3, VI, “ Enquiry into the control of opium-smoking in the Far East: 100,000 francs. ”

ANNEX 13.

CONSTRUCTION OF AN ASSEMBLY HALL,
OF A NEW BUILDING FOR THE SECRETARIAT AND OF A NEW LIBRARY.

DRAFT REPORT TO THE ASSEMBLY BY THE SPECIAL COMMITTEE APPOINTED
BY THE ASSEMBLY RESOLUTION OF SEPTEMBER 26TH, 1927.

The Assembly, during its eighth ordinary session, adopted on September 26th, 1927, the following resolution:

“ The Assembly:

“ Approves the report (document A.93.1927) of the Special Committee of five members in regard to the new buildings;

“ Approves, in principle, that the amount to be spent on the new buildings may be increased to approximately 19,500,000 francs. The exact amount of the supplementary credit necessary will be submitted to the Assembly at the next session;

“ Empowers a Committee composed as follows: M. ADATCI, M. OSUSKY, M. POLITIS, M. URRUTIA and Sir Edward Hilton YOUNG to study the nine plans awarded the equal prizes of 12,000 francs in the architects' competition, and to choose, with any changes that may be necessary, a plan which, in its opinion, complies most nearly with the practical and æsthetic requirements. The decision of this Committee will be submitted to the Council of the League of Nations for approval and ratification, and will be communicated to the Assembly at the next ordinary session.”

It is clear from the last sentence of the above resolution that the Assembly hoped that it would be possible to settle this difficult question long before the present session. The Committee shared this hope, but, unfortunately, unforeseen difficulties have prevented this, and have even made it necessary to ask the Assembly to authorise a change of site, the property now owned by the League on the lake-side having proved to be inadequate, for reasons set out in this report.

The Committee has held eight sessions.¹

At the session held on November 7th and 8th, 1927, the Committee, in accordance with its terms of reference, proceeded to examine the nine plans to which the equal prizes of 12,000 francs had been awarded in the architects' competition. As a result of this examination, the Committee found it necessary to call for supplementary reports:

- (a) From the Secretary-General, on the administrative needs of the Secretariat;
- (b) From two experts (nominated by the Committee itself), on certain strictly technical points.

It also, in accordance with the desire expressed by the Assembly, consulted the Swiss Cantonal and Federal Authorities. At the following session, held in December 1927, the Committee examined the reports presented by the Secretariat and by the two experts referred to above, as well as a report prepared by two Swiss experts for the Federal and Cantonal Authorities, which had been communicated to the Committee for its information.

After a careful study of these reports and a further examination of the plans, the Committee reached unanimously the following conclusions:

(1) That the Committee was bound, by its terms of reference, to choose one plan from among the nine submitted to it, but, being authorised by the Assembly resolution of September 26th, 1927, to propose any changes that might be necessary to the plan chosen, that it was empowered with a view to effecting such changes, to take advantage of certain features of other plans, and consequently to propose that the author or authors of the plan chosen should collaborate with the authors of other plans, not only in the preparation of a revised design, but also in the ultimate execution of the design as finally adopted.

¹ The first session was held in September 1927, the second on November 7th and 8th, 1927, the third from December 19th to 22nd, 1927, the fourth on January 22nd, 1928, the fifth on March 2nd and 3rd, 1928, the sixth on March 26th and 27th, 1928, the seventh on June 13th, 1928, the eighth during September 1928.

(2) That the plan which, in its opinion, was most nearly satisfactory, both from the practical and æsthetic points of view, was that bearing No. 387, submitted to the competition jointly by M. H. P. Nénot, of Paris, and M. J. Flegenheimer, of Geneva.

(3) That this plan was open, nevertheless, to a certain number of objections and must be revised. These objections related to the following points:

- Relative positions of the Assembly Hall and the Secretariat building;
- Site of the Library;
- Situation of various Secretariat services in the building containing the Assembly Hall;
- Inadequacy of storage accommodation;
- Inadequacy of garage and parking facilities for cars;
- Dimensions of certain staircases and lifts;
- Dimensions and situations of committee-rooms and Council room;
- Alterations necessary in various cloak-rooms;
- Lighting and general equipment of the great hall;
- Simplification of galleries and lobbies round the great hall;
- Inadequate dimensions of certain offices;
- Equipment of the kitchen and offices attached to the refreshment-room;
- Simplification of the external architecture, and harmonisation of the secondary façades of the Assembly Hall and the façades of the Secretariat with the main façade seen from the Lake;
- Lighting of the rooms behind the colonnade;
- Enlargement of the entrance-hall of the Secretariat;
- Lighting of various corridors, and shape of certain offices at the corners of the Secretariat building, which were irregularly and inconveniently shaped.

(4) That the authors of plan No. 387 should be invited to revise their design on the lines indicated to them by the Committee, and to do this in collaboration with the authors of three other designs as follows:

No. 117 — Messrs. Broggi, Vaccaro and Franzi, of Rome.

No. 143 — M. Camille Lefèvre, of Paris.

No. 431 — M. Joseph Vago, of Budapest.

Design No. 117 being the joint work of three architects, one of them was to be nominated as their sole representative in this collaboration, and M. Broggi was in due course chosen by his colleagues.

(5) That the architects should submit, together with the revised design for the Assembly Hall and Secretariat building, a preliminary plan for the new Library, the erection of which had been made possible by the generous gift of Mr. John D. Rockefeller, Jun. (accepted by the Assembly by its resolution of September 12th, 1927), and should state whether sufficient space could be found for the Library building on the ground at present owned by the League. No definite programme of requirements for the new Library had as yet been drawn up, this being reserved for the Library Planning Committee to which reference is made later in this report, but an approximate estimate of the superficial area required was given to the architects by the Secretariat.

(6) The Committee reserved entire liberty of judgment on the revised design before definitely accepting it and submitting it to the approval and ratification of the Council in conformity with the Assembly's instructions.

The revised plans were laid before the Committee at its fifth session (March 2nd and 3rd, 1928), together with an explanatory note by the architects describing the alterations which had been made to comply with the Committee's instructions, and others which had suggested themselves to the architects in the course of their joint study and consultations with the Secretariat. The architects proposed to place the new Library upon the ground already owned by the League, in a position adjoining the Secretariat and facing the rue de Lausanne, so as to be readily accessible to the public. As regards the cost of construction of the Assembly Hall and Secretariat, the Committee were informed that it was impossible for the architects in so short a space of time to draw up a detailed and accurate estimate for such extensive buildings; this could only be based on the final working plans and would need long and minute calculations. They therefore submitted a rough estimate based upon the cost per cubic metre, from which it appeared that the cost of construction of the Assembly Hall and Secretariat should not exceed the figure of 19,500,000 francs, which the Assembly had indicated, and that a sum of approximately 4,000,000 francs should suffice for the Library building.

The revised plan was considered by the Special Committee to be generally satisfactory, with the exception of the façade and the proposed form of the Assembly Hall itself. It therefore submitted a report to the Council (document C.93(1).1928), proposing the adoption of the revised plans, subject to the final approval by the Special Committee of new designs for the Assembly Hall and façade. It also proposed to the Council the acceptance, with certain modifications, of the arrangements proposed by the architects with regard to their fees and office expenses.

The Council, on March 6th, 1928, approved the following resolution:

“ Having noted the report (document C.93(1).1928) submitted to it by the Special Committee appointed by the Assembly resolution of September 26th, 1927, regarding the construction of new buildings for the use of the League of Nations, the Council would tender to this Committee its warmest thanks for the excellent way in which the work has been done.

“ The Council adopts and ratifies the report and the decisions which it involves. In particular, it authorises the Secretary-General to draw up the terms and to sign the text of the necessary contract between the League of Nations and the architects. ”

It was understood that the contract between the League and the architects would not be signed by the Secretary-General until the Special Committee had given its full and final approval to the revised plans, including the alterations desired to the Assembly Hall and façade.

Shortly after the close of that session of the Council, however, a further difficulty arose. The first session of the Library Planning Committee (a committee of experts appointed by the Secretary-General with the authorisation of the Assembly and in agreement with the donor, to advise on the best use of the Rockefeller Fund and to draw up specifications for the new Library building) was held on March 12th, 13th and 14th, 1928.

This Committee, after an inspection of the site and a careful study of the revised plans which had just been approved by the Special Committee and the Council, made a strong and unanimous report to the Secretary-General against the adoption of the site proposed for the Library, on the ground of its exposure to noise and dust, inadequate size and the impossibility of providing for future extensions. It was also pointed out that, if all the three buildings were crowded on to the present building site, the new Library would not have the position and character worthy of its future international use and which were very desirable in view of the nature and magnitude of the gift.

The Library Planning Committee stated in its report that it had felt bound, in view of this recommendation, to explore all possible alternative solutions, but had unanimously agreed that the architects' plan was the best that could be done on the ground at present available. The Committee had therefore come to the unanimous conclusion that, in view of the obvious necessity of the new Library being in the closest possible connection with the Secretariat building, as near as possible to the International Labour Office and to the new Assembly Hall and at the same time conveniently placed for public use and in quiet surroundings, the only way to provide a really satisfactory site was to purchase the property which lay between that now owned by the League and that of the International Labour Office. If this additional land were available, it would enable the architects to give to the new Library the superficial area which the Library Planning Committee considered essential and to provide for the possibility of future extension. It would then be possible to give the building the architectural character desired and to place it in the quiet surroundings which are so essential.

In view of the importance of this report and the decisive influence it might have upon the planning of the whole group of new buildings, the Secretary-General submitted it immediately to the Special Committee, and an emergency meeting was held in Paris on March 26th and 27th, 1928, for reconsideration of the whole question in the light of this new factor.

After a careful re-examination of the revised plans and an attentive study of the Library Planning Committee's report, the Special Committee felt bound to agree with the conclusions set forth in that report and that the acquisition of additional ground was essential if a satisfactory site were to be found for the new Library. In the event, however, of its being found possible to acquire the property in question, the Committee was of opinion that advantage should be taken of that opportunity to place the Library and the Assembly Hall, which will be used jointly by the International Labour Office and the Secretariat, as conveniently as possible between the two institutions.

The Special Committee made all possible efforts to acquire the neighbouring property, but, in face of the difficulties which were encountered, it was obliged to seek elsewhere for a solution. With this end in view, it took into consultation M. Motta and the Cantonal Authorities of Geneva, and the Committee believes that, in the course of these consultations, all possible alternatives have been examined. The only solution which appears satisfactory to the Special Committee and which it has now the honour to submit for the approval of the Assembly is the following:

It is proposed that the City of Geneva should confer on the League of Nations the “droit d'usage” (including the right to build) of all that portion of the Ariana Park situated between the railway line and the route de Pregny, with the exception of the Museum and a reasonable amount of ground for its enclosure. In exchange for this site (about 250,000 square metres), the League of Nations would confer on the City of Geneva similar rights of occupation of the three lakeside properties (Bartholoni, Perle du Lac and Moynier). These properties, being in direct continuation of the Parc de Mon-Repos, would make possible the creation of a lakeside park of such beauty and extent as would justify the local authorities in consenting, on behalf of the population of Geneva, to give up the Ariana Park, which, as the Assembly is no doubt aware, was a legacy to the people of Geneva under the will of M. Gustave Revilliod.

In the opinion of the Committee, this solution would give complete satisfaction to the needs of the League and has in addition the merit of offering equitable compensation to the people of Geneva. The Cantonal authorities have consulted the heirs and descendants of the late M. Gustave Revilliod and have obtained their consent. The proposal has also been accepted by the Conseil administratif and unanimously by the Conseil municipal of Geneva. The necessary decree will be voted by the Conseil municipal immediately if the Assembly authorises the choice of this new site. It should be mentioned that the decree will only become legally effective after the lapse of one month, during which time, in theory, a referendum may be demanded if a petition to this effect obtains the requisite number of signatures. In the case of a unanimous decision taken by the competent authorities, a demand for a referendum has, however, never occurred. Nevertheless, the Assembly may consider it necessary that the Special Committee should remain in being until the question is definitely settled and revised plans, adapted to the new site, have been prepared by the architects, approved by the Committee and ratified by the Council.

During the interval occupied by the negotiations, the architects had made the desired alterations in the plans of the Assembly Hall and the façade and had submitted these revised designs to the Special Committee with the request that, if they gave satisfaction, the necessary contract between the League and the architects should be signed without further delay in order to establish the relations between the two parties on a proper legal basis. The Special Committee examined these revised designs at its meeting in Paris on June 13th, 1928, and considered that, with the modifications which had now been effected, the plans to which the Council had given its general approval in March 1928 constituted an acceptable draft design, and reported in this sense to the Council (document C.337.1928).

The Special Committee could not close this report without taking the opportunity of expressing its warmest thanks to the Federal Authorities, and in particular to M. Motta, to the Cantonal and Municipal Authorities of Geneva, as well as to the heirs of M. Gustave Revilliod, for their invaluable assistance in solving the difficult problem with which the Committee was faced.

In the hope that the Assembly will approve the recommendations contained in this report, the Special Committee ventures to submit the following resolutions:

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“ The Assembly,

“ Approves the report (document A.79.1928) of the Special Committee of Five Members in regard to the new buildings;

“ Approves the choice of the Ariana Park as a site for the new buildings of the League of Nations;

“ Authorises the Secretary-General to sign all the necessary legal documents concerning the exchange of rights on the properties in question between the League of Nations and the Genevese authorities, as well as to draw up and sign the necessary contract between the architects and the League of Nations on the basis of the Special Committee's report to the Council (document C.93 (1). 1928), approved by the Council on March 6th, 1928;

“ Authorises the Special Committee of Five Members (M. ADATCI, M. OSUSKÝ, M. POLITIS, M. URRUTIA and Sir Edward Hilton YOUNG), as soon as the legal formalities for the transfer of the land have been completed, to give final approval to revised plans adapted to the new site, such approval to be submitted to the Council of the League of Nations for ratification. The final plans thus approved will then be carried into execution without delay by the Secretary-General and the Building Committee already appointed in accordance with the Assembly resolution of September 25th, 1924.”

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In order to ensure that five members of the Special Committee shall always be available, the Committee suggests that the Assembly should nominate two substitute members.

ANNEX 14.

GENERAL REPORT SUBMITTED BY THE FOURTH COMMITTEE
TO THE ASSEMBLY.

Rapporteur : His Excellency M. Vladimir MOLLOFF (Bulgaria).

The present report deals with all financial and administrative questions on the agenda of the Fourth Committee, except that of contributions in arrears which forms the subject of a separate documents.

I. AUDITED ACCOUNTS FOR 1927.

The Committee unanimously recommends that the Assembly should approve the accounts of the Secretariat and autonomous organisations of the League in the form in which they have been submitted. It also agrees with those of the auditor's recommendations which have been adopted by the Supervisory Commission.

II. 1929 BUDGET.

1. SECRETARIAT AND SPECIAL ORGANISATIONS.

(a) *General Discussion.*

This year a very important general discussion took place before the budget itself was examined.

The Secretary-General explained that the League's budget differed from national budgets in two essential points — before being submitted to the Assembly it was considered in every detail by the Secretariat and then by the Supervisory Commission. Any credit which the Secretary-General could not justify in whole or in part was ruthlessly reduced or suppressed by the Supervisory Commission. Secondly, as the Assembly met only once a year, the Secretary-General was not, like national Governments, able, if necessary, to apply to Parliament in the course of the financial year for additional credits. The total funds voted at one session of the Assembly had to suffice for the continuation of the League's work until the following session.

Apart from a small sum of 50,000 francs, the increase in the budget for 1929 over that of 1928 was entirely due to four items :

1. 300,000 francs added to the Economic and Financial Organisation's budget to cover fresh work decided upon by the Consultative Committee and the Economic Conference, whose resolutions were approved by the last Assembly ;
2. 80,000 francs in the budget of the Transit Organisation for the collection and exchange of information regarding communications and transit. When last year it was decided to refuse this credit, the Assembly had, in a sense, given a moral undertaking to grant this credit as soon as the financial situation of the League allowed ;
3. 330,000 francs for a Conference on the Codification of International Law ;
4. 126,000 francs for the Central Opium Board.

After pointing out that the best method of effecting economies in this year's and future budgets would be to persuade the technical committees to reduce their programme of work, the Secretary-General concluded by saying that, if they set the total figure of the Secretariat's budget against the multiplicity of its tasks, and remembered that the budget of the League of Nations was the only budget in the world for the organisation of peace, they might, far from regarding the sum of 14,500,000 francs as exaggerated, even be surprised at its modest proportions.

From the observations made by the various delegates who took part in the general discussion on the budget, the following principles emerged :

Certain delegates asked that the budget should be reduced by a sum of one million francs, arguing that the increase in the 1929 budget, as compared with the 1928 budget, was 6 per cent, and, taking into account certain probable additional credits, would

amount to 7 per cent, the greatest increase since 1922. Although the task of pressing for economies was a thankless one, and those who undertook it were immediately accused of unfriendliness towards the League, they thought that the League's prestige would diminish if they permitted its expenditure to grow out of all proportion. Another member of the Committee, referring to the Supervisory Commission's report and to previous discussions in the Assembly, said he thought that it would be desirable to define the League's field of activity in the form of a very clear programme of work to be undertaken gradually; the League's budget might be stabilised at about 25 million francs, the advantage of this being that countries would know in advance the exact amount of their contribution to the League. After emphasising the importance of several principles inseparable from good administration, the speaker congratulated the Secretary-General, the Under-Secretary-General in charge of Internal Services, and the Treasurer, on the excellent results they had obtained.

Generally speaking, the Committee held that it would be well to stabilise progressively the budgets of the various technical organisations of the League, but expressed a doubt as to the possibility of fixing a rigid maximum for the whole budget of so young an institution as the League. Certain members thought that in some cases stabilisation would connote stagnation. That does not mean that the budget figures should not be reduced to the lowest possible figure, or that any credits which do not directly contribute to the work of the League, as defined in the Covenant and the resolutions of the various Assemblies, should not be ruthlessly refused; indeed, the members of the Assembly and members of Parliament are experiencing some anxiety in view of the recent tendency to increase the budget. The importance of the League is not to be measured by the number of conferences held and questions dealt with, and any conference which does not seem to be strictly necessary should be excluded from its programme of work. One member of the Committee explained his fears on this subject: conferences usually lead, he said, to the preparation of a convention, but conventions are useless until they have been signed, ratified and, above all, applied. Certain Governments feel very strongly that the number of conventions still waiting to come into force indicates that some of the friends of the League have been proceeding too rapidly in international matters.

The League's task is complicated by two other difficulties of a financial nature. On the one hand, certain Members of the League consider that their assessment under the present scale is too high. On the other, the burden falling on countries which regularly pay their contributions is increased by the non-payment of certain contributions in arrears and by the fact that it is impossible, in actual practice, to count on the payment of current contributions by certain States.

In the vast majority of cases, the contributions to the League do not constitute a heavy burden for the States, as will immediately be realised if they are compared with the sums provided in budgets for national defence, for instance. Nevertheless, the sums voted by the various Governments, which, of course, could have been used in undertaking or developing necessary and even urgent national work, might give rise to awkward criticism, if these same Governments had not every confidence in the financial administration of the League, and were not perfectly sure that the different sums included in the budget were to be expended on really necessary work.

Two tendencies became apparent from the very outset of the general discussion on the budget:

Some members were of opinion that, before it was examined by the Fourth Committee, the budget should be sent to the Supervisory Commission, which, by reason of the special qualifications and limited number of its members, was in a better position than the Fourth Committee to undertake, with a reasonable prospect of success, the task of cutting down the budget estimates.

Other members, referring to the report in which the Supervisory Commission asked the Assembly to give a ruling in advance on the financial policy to be followed in the circumstances, considered that the Fourth Committee should shoulder its own responsibilities, after consulting the competent Committees of the Assembly.

The Chairman of the Supervisory Commission pointed out that the main function of the Fourth Committee was to organise and co-ordinate the separate efforts of the other Committees. The duty of the Supervisory Commission was to assist the Fourth Committee in its work by giving technical advice. The Supervisory Commission had, at its May session, reduced the ordinary budget of the League to a minimum; the only further economies that could be effected concerned points which the Assembly must itself decide. In these circumstances, the Supervisory Commission would not be able to achieve any useful results until the Fourth Committee had stated its opinion regarding the political desirability of the new expenditure mentioned in the Supervisory Commission's report.

As most of the delegates shared the view of the Chairman of the Supervisory Commission, the following resolution was unanimously adopted:

"The Fourth Committee, having examined the draft Budget for 1929 and noted the rapid increase in the credits demanded, which at present represents about 6 per cent as compared with the 1928 Budget, draws the special attention of the other Assembly

Committees to this position at the moment when they are about to consider the work contemplated for the League, and asks them to bear in mind the necessity for a reasonable limitation of the expenditure of the League.

“ Similarly, the Fourth Committee requests the other Committees to revise the programme of Conferences for which provision is made for 1929 and to limit them to those which cannot be postponed until 1930 and, more generally, to examine especially the budgets of the Economic Organisation and the Transit Organisation, of the opium and humanitarian activities and of codification of international law, and to make proposals for restricting expenditure, and to suggest any other direction in which economy can be effected, taking account particularly of the effect that the new tasks may have on the increase of the permanent staff. ”

(b) *Detailed Examination of the Budget.*

Chapter I. Assembly and Council.

In adopting the credits for the session of the Assembly, the Committee requested the Secretary-General to submit to it, together with the draft budget for 1930, a statement showing the sum which would be necessary to cover the travelling expenses of three delegates from the capital of their country to Geneva and back. The possible inclusion in the Assembly budget of a credit to cover the travelling expenses of delegates would be in keeping with the precedents set by certain Commissions, and would eliminate one of the obstacles in the way of the participation of representatives from certain very distant countries.

As regarded the unforeseen expenditure, subject to a special vote of the Council, it remained understood that this credit was intended solely to cover expenditure of a political nature that the Council may be obliged to incur during the year.

Chapter II. General Services of the Secretariat. Item 4 : Salaries, Wages and Allowances of the Secretariat.

A general, and at times very animated, discussion took place in the Fourth Committee in connection with the adoption of the item for salaries.

Certain members, referring to articles which had recently appeared in the Press, expressed doubt whether the atmosphere of the Secretariat was as firmly international as it had been in the beginning. While declaring their absolute confidence in the Secretary-General, they expressed a fear that there was a danger of the principles laid down in the report concerning the organisation of the Secretariat, adopted by the Council in 1920 on Lord Balfour's proposal, being forgotten. Whereas certain States — fewer and fewer every year, it is true — were not yet “represented” in the Secretariat, nationals of a certain group of Powers filled a large number of posts; there was a growing tendency for the higher officials to be members of the diplomatic service of their respective countries, and certain States laid a permanent claim to high posts.

In reply, the Secretary-General pointed out that he had himself been largely responsible for the drafting of the report adopted by the Council on Lord Balfour's proposal, and that he had always kept closely to the principles enunciated therein. He had always followed the rule that officials of the Secretariat were the servants of all the nations who together formed the League, and had taken care that this principle should always be applied. As Secretary-General, he had always refused to ask the Council to approve the appointment of any person whose qualifications did not seem to him to be entirely satisfactory. Though it might be true that the highest posts in the Secretariat were held by nationals of a certain group of Powers, that was due to the instructions he had received in 1919, in Paris, from the Organising Committee of the Secretariat and, in one case, to a decision of the Fourth Committee itself. He had been faithful to the undertaking he had given to the Fourth Committee several years previously. The number of officials of British and French nationality of and above the rank of Member of Section had not increased for several years. He would, moreover, be prepared, if the Committee so desired, to undertake not to increase the number of German or Italian officials of the same standing. He had had the honour to occupy his post for a long period of years; he did not know how much longer he would be able to carry out his duties. But, in his case, two factors would always be decisive — he would immediately resign if the British Government endeavoured in any way to influence him in the exercise of his duties (he might say that it never had done so); and, secondly, he would not remain Secretary-General if he were not absolutely certain that he enjoyed the confidence of all the Members of the League.

After this long and important discussion the following resolution was unanimously adopted :

“ The Assembly endorses and would recall the principles concerning the staff of the Secretariat contained in the report which Lord Balfour submitted to the Council, in agreement with a memorandum drawn up by the Secretary-General, and which was

adopted by the Council on May 19th, 1920. In the words of this report, the Secretary-General, in making appointments to posts on the Secretariat, 'had primarily to secure the best available men and women for the particular duties which had to be performed. But in doing so, it was necessary to have regard to the great importance of selecting officials from various nations. Evidently no one nation or group of nations ought to have a monopoly in providing the material for this international institution'. Lord Balfour emphasised the word 'international' because the members of the Secretariat, once appointed, are no longer the servants of the country of which they are citizens, but become for the time being servants only of the League of Nations. Their duties are not national, but international.

"The Assembly believes that the observance of these principles constitutes an essential factor in the confidence which the Members of the League of Nations repose in the Secretariat.

"The Assembly relies on the Secretary-General and on the Council, which, in virtue of Article 6 of the Covenant, is responsible for approving the nominations made by the Secretary-General, to uphold in their entirety the principles stated above.

"The Assembly requests the Council to submit to the Members of the League of Nations in good time before the tenth ordinary session of the Assembly a list of the appointments, promotions and resignations of officials of the rank of Member of Section and above that have taken place since this Assembly and of the salaries allotted in each case."

The Italian representative pointed out that sufficient time had elapsed since the establishment of the Secretariat at Geneva to enable them to form an opinion as to the efficacy of the system of staff organisation approved by the 1921 Assembly. He thought that the time had now come to consider, in view of the experience gained, the present situation and the improvement which might be made in order to ensure in the future as in the past, the best possible administrative results. He therefore proposed that the Fourth Committee should adopt a resolution which was approved in the following form :

"The Assembly :

"Whereas the Staff Regulations were drawn up shortly after the organisation of the Secretariat and whereas it would be advisable for the League to avail itself of the experience acquired since 1922 ;

"Considering that, although the regulations have, on the whole, proved satisfactory, certain modifications would appear desirable to remedy certain disadvantages to which attention had been drawn ;

"Instructs the competent officials of the autonomous organisations of the League, after examining the present situation and the improvements which might be made, to consider what steps — in particular, amendments to the Staff Regulations — could be taken to ensure, in the future as in the past, the best possible administrative results, and to submit the results of this enquiry to the Supervisory Commission, in order that a report on the question may be communicated to the Assembly at its next ordinary session."

Chapter II. Items 5 to 17.

In answer to a request by one of the members of the Committee, the Chairman of the Supervisory Commission stated that the Commission would consider before the next ordinary session of the Assembly whether it was absolutely necessary to provide so large a credit as the one included in the 1929 budget for travelling expenses and subsistence allowances for the general services.

The Committee noted with satisfaction that, as a result of the reorganisation of the Publications Service, the receipts derived from the sale of publications had increased considerably.

Several members of the Committee said they agreed with the proposal contained in the Supervisory Commission's report to the effect that the cost of postage should be reimbursed by persons to whom publications were sent by the League free of charge.

Chapter III.

The Norwegian delegate drew the Committee's attention to the Supervisory Commission's observations concerning the salary of the new Director of the *Administrative Commissions and Minorities Questions Section*. He expressed his opinion that officials ought, as a general rule, to be engaged at the lowest salary for their category. As this new official had been appointed after the preparation of the budget, the Secretary-General agreed to a reduction of 2,000 francs on this item.

In reply to a question, the Secretary-General stated that the suppression of a post in the Administrative Commissions and Minorities Questions Section did not in any way mean that the Secretariat under-estimated the importance of that Section's work.

After a prolonged discussion, the Committee reduced by 100 francs the credit opened for the publications of the *Mandates Section* in order clearly to mark its desire that the mandatory Powers should in future increase the number of copies of their annual reports sent free of charge to the League of Nations.

The Committee recognised that it was essential that persons interested should be able to apply to the Secretariat when they wished to obtain these reports, the reprinting of which by the League of Nations had been discontinued several years ago on grounds of economy. Moreover, these reports were the very best propaganda for the mandatory Powers, so that the latter might possibly be willing to make this slight sacrifice.

The Indian delegate's proposal to bracket under one subhead the appropriations for investigations, the Disarmament Conference and the International Conference for the Supervision of the Private Manufacture of Arms gave rise to an interesting discussion.

The Chairman of the Supervisory Commission explained that the appropriation made for the unforeseen expenditure of the Council was only intended to meet totally unforeseen expenditure of a political character. If, as was probable, the sums provided for the three above-mentioned purposes were not expended in 1929, they would be used to constitute the surplus for the financial year and would thus be returned to the States Members. Moreover, the Assembly had always insisted that these items, which referred to entirely distinct purposes, should remain separate.

The Secretary-General having emphasised the exceptional character of the grant to the Director of the Section for the Reduction of Armaments, this item was adopted without modification.

Although, for political reasons, the proposal of the representative of India to charge the cost of printing connected with the slavery question to the budget of the Mandates Section was not accepted, the Secretary-General agreed to a reduction of 500 francs in connection with item 20, the *International Slavery Convention*.

Chapter III : Items re-submitted to the Supervisory Commission or the Assembly Committees concerned.

The Committee recommends the Assembly to fix the budget of the *Economic and Financial Organisation* at the figure entered in the budget submitted to the Assembly, namely, 1,359,045 francs for the general work of the Organisation, and 375,000 francs for the consequences of the Economic Conference. It should be pointed out, however, that, as a result of various recommendations of the Second Committee, the Organisation will have to undertake in 1929 certain studies and enquiries which were not provided for in the original budget. But this new expenditure is compensated by the postponement to another year of certain work originally contemplated, and by certain reductions proposed by the Supervisory Commission.

The Supervisory Commission's report on this question gave rise to an exchange of views on the tasks which will have to be undertaken next year. In the first place, it was understood that studies on "groups of commodities" will be confined to the articles mentioned in the Second Committee's report. Secondly, after a discussion, during which the Italian delegate referred to the observations made by the British delegate on the occasion of the general discussion on the budget, the Committee decided that a reference should be made in its report to the necessity of avoiding any overlapping between the Economic and Financial Organisation and other international organisations.

The Committee approved the reductions, amounting to 30,000 francs, proposed by the Supervisory Commission in the budget of the *Communications and Transit Organisation*. It voted a credit for the conference, the convocation of which is provided for in Article 12 of the agreement concluded by the first Opium Conference; it agreed, on the other hand, to suppress the sum of 100 francs provided for in the original budget *ad memoriam* for a possible conference on the revision of the International Convention for the Suppression of the Circulation of Obscene Publications. The Committee also associated itself with a proposal made by the Supervisory Commission which will permit the League of Nations, without increasing its budget, to publish annually a survey with the object of keeping the younger generation informed of the work of the League, and of making known to the members of the teaching profession in the different countries the experience acquired and the results obtained in this sphere.

The Committee approved a new item of 50,900 francs: "Administrative Expenses for the Settlement of Refugees in Erivan". As a result of the appeal made by the Council, promises of contributions, or of loans on favourable terms, amounting to about £155,000 have been received, subject to the condition that the work of settling Armenian refugees on arable land in the Republic of Erivan should be placed under the patronage of the League of Nations, which should bear the administrative expenses.

The Fourth Committee has learnt with interest that, under certain decisions of the First Committee, the credit included in the budget for the Committee of Experts for the Codification of International Law could be reduced from 45,000 to 9,000 francs.

Having been informed that the preparatory work for the Disarmament Conference and the Codification Conference may not be completed before the next Assembly, and that it would be scarcely practicable for the two Conferences to be held simultaneously next

autumn, the Fourth Committee has decided to strike out of the 1929 budget the proposed credit for the Codification Conference, and to add the following note at the end of Schedule "S" of the budget:

"The Conference will be held at the beginning of 1930, unless the Disarmament Conference is not held in 1929; in the latter case, the credits voted for disarmament can be used for the Conference on Codification up to the amount of 208,500 francs."

This operation, the reasons for which are purely administrative, has made possible a saving of 337,000 francs on the 1929 budget. If the Disarmament Conference takes place in 1929, the Codification Conference will be postponed till 1930; but if the Disarmament Conference is not held in 1929, the Codification Conference will be convened for that year.

The Fourth Committee takes this opportunity of offering its heartiest thanks to the Netherlands Government, which has stated that, subject to parliamentary approval, it is ready to make itself responsible, up to a maximum of 128,500 francs, for the difference between the total expenses entailed by the holding of the Conference at The Hague and the sum of 208,500 francs, representing the budget of the Conference if it had been decided to hold it at Geneva.

The Fourth Committee has before it a report in which the Supervisory Commission proposed the rejection of the Fifth Committee's proposal that an item of 250,000 francs should be included in the budget to cover the expenses of a Commission to be sent to the Far East to enquire into the position as regards prepared opium. After discussing the matter, the Committee appointed a Sub-Committee to make a further examination of the question.

The Sub-Committee noted with extreme satisfaction that the British Government was prepared to offer the sum of 50,000 francs towards the expenses of the enquiry. While the Sub-Committee had not sufficient information as to the preparation made to ensure the success of the enquiry in the different countries which it is proposed to visit, and while there exists a certain amount of uncertainty as to the estimated cost of the scheme, the Sub-Committee was strongly impressed by the importance and urgency of the work now contemplated.

The Fourth Committee has therefore decided to limit the financial responsibilities of the League in connection with this enquiry, to recommend that the question should be treated exceptionally, and to vote for 1929 a credit of 100,000 francs, which will demonstrate that the League is not evading the task which devolves upon it under the terms of the Covenant. It is, however, understood that the British Government will communicate with the Governments concerned in the control of opium-smoking, with a view to arranging the details and methods of the enquiry envisaged and ascertaining what additional contributions might be expected from these Governments in order to finance the whole scheme.

The British Government's report will be sent to the Secretary-General for examination by the Supervisory Commission, which will submit its observations to the Council in sufficient time before the latter's fifty-third session; a final decision in the matter will be taken by the Council.

* * *

Lastly, the Committee accepted the Supervisory Commission's proposal to enter in the fourth part of the budget, "Buildings at Geneva", the sum of 70,000 francs to pay back into the Building Fund the sum used for the enlargement of the Council hall. It also associated itself with the observation of principle made by the Supervisory Commission in this connection.

2. INTERNATIONAL LABOUR ORGANISATION.

(a) *General Discussion.*

The general discussion on the budget of the International Labour Organisation was of unusual length this year. In addition to those budgetary questions strictly so called which arise annually in connection with the examination of the budget, "the constitutional problem", *i.e.*, the problem of the rights and powers of the Fourth Committee in regard to that budget, was a subject of lengthy consideration.

The discussion began with a statement by M. Albert Thomas on the essential features of his budget for 1929. This involves a net increase of about 528,000 francs, the larger part of which, some 395,000 francs, is of an obligatory — and in some cases exceptional — character. This part represents increases necessitated by the fulfilment of existing contracts (salary increments, Provident Fund, travelling expenses), amounting to 172,000 francs, and by increases, totalling 229,000 francs, resulting from decisions of the directing bodies of the Organisation (double conference, increase in the number of commissions, etc.). The Governing Body, on whose behalf M. Albert Thomas submitted the budget to the Fourth Committee, did more, however, than merely ask for funds to meet this necessary increase; it thought it essential to meet the most urgent new needs relating to the development of scientific work, the extension of relations and the diffusion of publications.

Having regard to all these considerations, the Governing Body decided to allocate a number of development credits, the most important of which by far, representing 219,000 francs, relates to new posts.

Of the seventeen new appointments in question, special reference should be made to that of a Chief of Division, the Governing Body having decided on the creation of a fourth division. This new department will co-ordinate the activities of the Administrative Section and that of the Publishing Section. The Chief of the new division will have the general control over the administration of the Office and this will enable the Director and the Deputy-Director to devote themselves more completely than it is possible for them to do at present to the political and general supervision of the Office.

On the other hand, the Governing Body has effected economies amounting to about 120,000 francs.

In the course of the discussion following this statement, a number of speakers expressed dissatisfaction with the large net increase in the 1929 budget as compared with that of 1928. They emphasised the necessity of stabilising this budget in the same way as the budgets of the other organisations of the League, since they did not regard the arguments put forward in justification of the increased expenditure as being entirely convincing. A feeling was growing up in certain countries that the International Labour Organisation was passing too many Conventions and that the International Labour Office was issuing too many publications. It would be desirable to moderate these activities slightly.

Other speakers pointed out that the representation of nationalities on the staff had not been very satisfactory in the International Labour Office, and that in this case also it appeared as if the larger nations, particularly France and England, were unduly "represented".

The Director of the International Labour Office replied to these various general criticisms. He pointed out, as regards the conventions, that their number depended on the intensity of modern social conditions, which year by year were raising problems affecting new categories of workers. Even a convention which had not been ratified had a high moral value as an example and model. The legislation of new countries or countries which had been reconstituted was very largely based on the work of the International Labour Conference.

The growing appreciation with which the publications of the Office were regarded was shown by the increased sales, the estimated receipts having risen from 45,000 francs in 1924 to 170,000 francs in 1929. If this figure was compared with the amount of the credits for printing, and if it was remembered that the Office had to make a large gratuitous distribution, they would admit that the result might be regarded as satisfactory.

In reply to the observations regarding the "representation" of nationalities, the Director stated that he had followed three rules in appointing his staff. The first was that, having regard to Article 393 of the Treaty of Peace, he had refused and would continue to refuse to provide for a strictly proportional "representation" as between States. The second rule was, as far as possible, not to stereotype the "representation" of nationalities on the staff of the Office, as the years went on, and not to consider that certain States had a traditional right to certain appointments. The third rule was that the Office could not tolerate interference from any State which might desire to press the claims of an official candidate.

M. Albert Thomas had hitherto attempted, and would continue to attempt, to reconcile, as far as lay in his power, the three essential requirements — to ensure an equitable representation of nationalities; to guarantee a large output of good work by appointing the ablest candidates; and to give the present staff adequate opportunities of promotion. If these conditions were fulfilled, the Director could not give any undertaking not to appoint new candidates of French or British nationality in future.

The Director agreed in principle as to the necessary stabilisation of the budget of the Office. But at the same time he asked the Committee to bear in mind that any such stabilisation could only be relative, for the International Labour Office, like the other organisations of the League, was a young body, and moreover, this stabilisation had been effected, since, for the past eight years, the budget of the Office had varied between some seven million and eight and a-half million francs.

The constitutional problem was the second important point to be raised during the general discussion. What were the respective rights and powers of the authorities constituting the International Labour Organisation on the one hand, and the Assembly on the other hand, as regards the budget of the International Labour Office? Several speakers laid stress on the difficulty of giving a definite reply to this question, while others referred to Article 6 of the Financial Regulations, which, in their opinion, made the legal position clear.

The Director of the International Labour Office, referring to the decision taken by the Council of the League at San Sebastian, pointed out that it was for each Government to give precise instructions to its delegates on the Governing Body regarding the budget of the Office. It was desirable, further, that those instructions should be definitive, and that the delegates of the same Governments on the Fourth Committee should receive instructions identical with those given to the delegates on the Governing Body.

As regards the particular point of identity of instructions, several speakers observed that this applied only to Governments which were represented on the Governing Body, *i.e.*, to a minority of Governments; delegates of the majority of the Governments, which were not so privileged, would have to be able to express their views freely in the Fourth Committee regarding the budget of the International Labour Organisation.

In closing his statement on this constitutional problem, M. Albert Thomas observed that, though the principles seemed to be somewhat vague, the present arrangement had so far worked satisfactorily in practice and it would be advisable to keep to it.

Undoubtedly it was only the Assembly that had the right to accept or refuse the budget of the International Labour Office, but it was just as certain that the International Labour Organisation possessed a certain financial independence, which was exercised through the Governing Body and the Conference. Having regard to this independence, the Assembly ought, therefore, in exercising its right, which was disputed by no one, to show a certain measure of moderation.

(b) CONSIDERATION OF THE ITEMS.

Item 1 : Sessions of the Conference, 432,000 francs.

The proposal for holding two conferences, a General and a Maritime Conference, in 1929, gave rise to an animated discussion.

First of all, doubt was expressed as to the actual necessity of holding two conferences and, alternatively, if the conferences were proved to be necessary, as to the impossibility of holding them consecutively.

Several speakers urged that if the two conferences could be convened one after the other, this would mean not only a reduction of 27,000 francs in the budget of the Organisation, but also a fairly considerable saving for distant countries, which would thus have to pay travelling expenses once only and not twice.

M. Albert Thomas said that the Governing Body had decided to hold a double conference on political grounds, and after consulting all the Governments and all the groups concerned. To have a break between the conferences was an administrative as well as a political necessity.

In the first place, only the maritime countries proper, and the countries attaching special importance to maritime questions, should be represented at the conference, and, in the second place, it was impossible to expect the staff to stand the heavy strain of a conference for seven weeks on end.

The credit demanded for Item 1 was put to the vote and passed by the Committee. At the same time, however, the Committee unanimously adopted the following resolution :

“ The Fourth Committee hopes that, if in future it is decided that the International Labour Organisation shall hold two conferences in the same year, the dates shall be so chosen that these conferences shall take place consecutively, for reasons of economy.”

Item 2 : Sessions of the Governing Body, 95,000 francs.

Item 2b : Unforeseen Expenditure of the Governing Body and the Conference, 8,000 francs.

The credits demanded were passed by the Fourth Committee.

Item 3 : Salaries, 5,291,655 francs.

After three consecutive votes, the Fourth Committee approved the creation of the seventeen new posts requested, on the understanding that the appointments should be subject to the holders agreeing to such changes as the next Assembly might make in the Staff Regulations. The creation of the new post of Chief of Division was approved by 16 votes to 10. One delegation, however, reserved the right to bring the question of the new posts before the Assembly.

All the remaining items of the budget of the International Labour Office were then passed by the Committee without discussion.

3. PERMANENT COURT OF INTERNATIONAL JUSTICE.

The Committee approved the budget of the Permanent Court of International Justice without modifying it in any way. It noted the explanations for the increase in the budget given by the Registrar and mentioned in the Supervisory Commission's Report.

III. REPORTS OF THE SUPERVISORY COMMISSION.

The Committee examined the work accomplished by the Supervisory Commission since the last ordinary session of the Assembly, the results of which are embodied in the four important reports submitted to the Assembly.

(a) The Fourth Committee approved the Supervisory Commission's solution of the problem of the adjustment of salaries; it hopes that all the officials of the three organisations will accept stabilisation at the 1921 rate (the 1922 rate in the case of the Permanent Court of International Justice).

(b) Subject to a few slight alterations, the Fourth Committee approved the amendments to the Financial Regulations proposed by the Supervisory Commission to settle the question of supplementary credits and of any disagreements which might arise between the Fourth Committee and another Assembly Committee on the subject of budgetary credits. The Assembly will doubtless remember that, as the result of certain difficulties which had arisen last year, the Supervisory Commission had been asked to consider what amendments might be made in the present procedure.

The object of the three slight amendments approved by the Fourth Committee was :

1. To establish clearly that the Assembly's financial regulations could only be suspended in the case provided for in the Rules of Procedure and subject to a two-thirds majority of the Assembly. The Committee had, in fact, feared that the draft amendment to the Assembly Rules of Procedure proposed by the Supervisory Commission might leave a loop-hole for abuse;

2. To condense the text of Article 16 (c);

3. To enable a second decision to be taken by the Fourth Committee in all cases where a second reading might be demanded by one-quarter of the members of the Fourth Committee.

It was clearly understood that proposals entailing an increase in the budget as contemplated by Article 16 (a) might be made even by telegram, provided that the telegram contained a full statement or was followed immediately by a full statement.

(c) In adopting the conclusions of the report submitted by the Supervisory Commission on the question of publications, the Fourth Committee noted the views of one of its members on the subject of the inferior quality of the paper used and the poor appearance of certain League publications. The delegate in question considered that receipts from sales would increase if the publications were made more attractive. The Chairman of the Secretariat Publications Committee pointed out that the paper was carefully selected and its quality depended on the degree of permanence of the publications in question. The Publications Committee, which was closely studying the question, would act on the suggestions made, in so far as they could be reconciled with the need of cutting down expenditure to what was strictly necessary.

In order to emphasise its desire to reduce the high cost of publishing the minutes of Committees, the Fourth Committee, in agreement with a proposal adopted two years ago by the Assembly, approved the following draft resolution :

“ The Assembly decides that, excepting in the case of the Mandates Commission and Committees of the Assembly where special considerations apply, the Minutes of Committees and Sub-Committees will in no case be published unless a formal request, containing a statement of the reasons for such a course, is submitted to the Council through the Secretary-General. ”

IV. ALLOCATION OF LEAGUE EXPENDITURE.

The Fourth Committee approved the report submitted by the Committee for the Allocation of the Expenses of the League, under the terms of which the budgets for the financial year 1930 would be adopted as a basis of the revised scale for the allocation of League expenditure.

While accepting the proposals made by the Allocation Committee in the matter, the Indian delegate asked the Chairman of the Committee for the Allocation of Expenses whether the results of this investigation might not be submitted to the 1931 Assembly. The Chairman of that Committee having pointed out that this suggestion could not be adopted owing to technical considerations, the Indian representative declared himself satisfied.

V. MISCELLANEOUS QUESTIONS AND CONCLUSIONS.

(a) When the Secretariat's report on the financial position of the League of Nations was discussed, two speakers observed that it might be desirable for the competent authorities of the League to consider whether it would not be possible to give a discount to States who paid their contribution before it was due.

(b) Replying to a point raised in the debate on the amendments to the Financial Regulations, the Under-Secretary-General in charge of Internal Administration assured the representative of South Africa that the Secretariat would give its most careful attention to the point he had raised as to the need for despatching the League's communications to distant countries in sufficient time.

The Fourth Committee desired to express its appreciation of the authority, tact and impartiality with which its able President, M. de Vasconcellos, had presided over the proceedings. The Committee also wished to thank the honourable representative of Poland, M. de Modzelewski, who had acted as Vice-Chairman.

In conclusion, the Fourth Committee proposed the following draft resolutions for adoption by the Assembly :

“(1) The Assembly, in virtue of Article 38 of the Regulations for the Financial Administration of the League of Nations, finally passes the audited accounts of the League of Nations for the ninth financial period, ending on December 31st, 1927.

“(2) The Assembly :

“In virtue of Article 17 of the Regulations for the Financial Administration of the League of Nations, passes, for the financial period 1929, the general budget of the League of Nations, of the Secretariat and special organisations of the League, of the International Labour Organisation, and of the Permanent Court of International Justice, amounting, including supplementary credits, to the total sum of 27,026,280 gold francs.

“And decides that the aforesaid budgets shall be published in the *Official Journal*.

“(3) The Assembly adopts the conclusions of the various reports submitted for its consideration by the Supervisory Commission, except in regard to the Commission of Enquiry to the Far East.

“(4) The Assembly adopts the conclusions of the report of the Fourth Committee.

“(5) The Assembly :

“I. Requests the Council to ask the Allocation Committee to submit a revised scale to the 1932 Assembly ;

“II. Approves for the years 1929, 1930, 1931 and 1932, the scale for the allocation of the expenses of the League in force during the year 1928.”

Appendix 1.

MODIFICATIONS IN THE BUDGET MADE BY THE FOURTH COMMITTEE.

Item	Title	Add Gold francs	Subtract Gold francs
8	<i>Travelling expenses of officials of the League :</i>		
	(c) Removal expenses to and from Geneva .	2,460	
11	<i>Publications Department :</i>		
	(b) <i>Treaty Series</i>	25,000	
	(f) Cinematographic films and photographs .	66	
16	<i>Unpaid Liabilities Fund</i>	2,500	
18	<i>Administrative Commissions and Minorities questions :</i>		
	(1) Salaries		2,000
20	<i>Mandates :</i>		
	(4) Printing and documentation		100
21	<i>Communications and Transit Organisation :</i>		
	5 (b) Printing and documentation for the collection and exchange of information on communications and transit		14,000
	7 (b) Salaries : additional permanent staff for the collection and exchange of information on communications and transit		15,000
	8 Travelling and removal expenses of the Secretariat		1,000

Item	Title	Add Gold francs	Subtract Gold francs
22	<i>International Health Organisation :</i>		
	1.7 Unpaid liabilities in respect of previous years	6,554	
23	<i>Social questions :</i>		
	3. v. Control of traffic in opium and other dangerous drugs :		
	Conference	13,400	
	vi. Commission of Enquiry to the Far East on the control of prepared opium	100,000	
	5 (a) Other social questions and Unforeseen contingencies	75	
	5 (b) Conference for the Revision of the International Convention for the Suppression of the Circulation of and Traffic in Obscene Publications		100
28	<i>Progressive Codification of International Law :</i>		
	(a) Committee of Experts for the Progressive Codification of International Law		36,000
	(b) First Codification Conference		337,000
26	<i>International Convention on Slavery</i>		500
New 30	<i>Settlement of Armenian Refugees in Erivan</i>	50,000	
32	<i>(d) Library : Equipment, shelving etc.</i>	4,000	
Part IV.	<i>Buildings at Geneva :</i>		
	(b) Enlargement of the Council Hall	70,000	
	<i>Stabilisation of salaries of Secretariat and International Labour Organisation (for details, see Appendix 2)</i>	288,681	
		562,736	405,700
	Net addition	157,036	
	Original Budget ¹	26,869,244	
	Budget as approved by the Fourth Committee	27,026,280	

Appendix 2.

DRAFT BUDGET FOR 1929. — COST-OF-LIVING REDUCTIONS.

Item	Amount Gold Francs
(a) <i>Secretariat.</i>	
4 (a) Secretariat	106,654
6 Liaison with Latin America	1,035
18 Administrative Commissions and Minorities Questions	7,720
19 Economic and Financial Organisation	16,340
20 Mandates	3,277
21 Transit	3,611 1,077 234
22 Health ²	7,550
23 Social Questions	4,611
24 Reduction of Armaments	6,641
25 Intellectual Co-operation	2,571
Total Secretariat.	161,321
(b) <i>International Labour Office</i>	127,360
(c) <i>Permanent Court of International Justice</i> (Nothing shown)	—
Grand Total	288,681

¹ The total is shown in the Budget as 26,871,244 gold francs; as pointed out in the report on the Twenty-eighth Session of the Supervisory Commission, this amount was reduced by 2,000 Swiss francs owing to the reduction of 2,000 Swiss francs made in the Refugees Budget of the International Labour Organisation.

² Not including the reduction of the salaries of the officials paid out of the Rockefeller Foundation grants.

ANNEX 15.

CONSTRUCTION OF AN ASSEMBLY HALL, OF NEW BUILDINGS
FOR THE SECRETARIAT AND OF A NEW LIBRARY.

NOTE BY THE FOURTH COMMITTEE ON THE REPORT SUBMITTED TO THE
ASSEMBLY BY THE SPECIAL COMMITTEE.

The Fourth Committee, having, in the course of two meetings on Saturday, September 22nd, studied the report of the Special Committee appointed by the Assembly to consider the question of the new buildings (Annex 13), decided to recommend to the Assembly the adoption of this report with a slight amendment, proposed by the Special Committee itself, to the fourth paragraph of the draft resolution with which the Special Committee's report concludes. This amendment, which consisted in the insertion of the words: "and after having obtained all the expert advice necessary from the technical point of view", is already incorporated in the printed edition of the Special Committee's report which was circulated to the delegates to the Assembly on Monday, September 24th.

If the Assembly approves the report, it will be called upon to appoint two substitute members of the Special Committee, and the Fourth Committee ventures to propose that, in accordance with precedent, the Bureau of the Assembly might suggest candidates for the approval of the Assembly.

ANNEX 16.

AMENDMENT TO THE REGULATIONS FOR THE FINANCIAL
ADMINISTRATION OF THE LEAGUE OF NATIONS.

PROPOSAL SUBMITTED TO THE ASSEMBLY BY THE FOURTH COMMITTEE.

Rapporteur : His Excellency M. Vladimir MOLLOFF (Bulgaria).

According to Article 51 of the Regulations for the Financial Administration of the League of Nations, "these Regulations shall not be amended except by the Assembly acting upon the advice of its Finance Committee".

After considering, from the constitutional point of view, the question of the appointment of the members of the Supervisory Commission, and while reiterating its full confidence in the members of the Supervisory Commission as at present constituted, the Committee pronounced in favour of the following proposal:

Article 1. — That paragraph 2 be amended as follows:¹

"The Commission shall be composed of five members, of whom one at least shall be a financial expert. The members shall be appointed by the Assembly, which, in selecting members, shall include among them persons belonging to countries Members of the League which are not represented on the Council. The Assembly shall also appoint two substitutes to replace, if need be, members unable to attend a meeting."

The Fourth Committee proposes that this amendment should come into force as from January 1st, 1929, in order to give the Council an opportunity of submitting proposals to the Assembly at its next ordinary session as to the best procedure for the election of members, and considering the possibility of a small nominating Committee being set up by the Assembly.

¹ This paragraph is at present worded as follows:

"The Commission shall be composed of five members, of whom one at least shall be a financial expert. The members shall be appointed by the Council, which, in selecting members, shall include among them persons belonging to countries Members of the League which are not represented on the Council. The Council shall also appoint two substitutes to replace, if need be, members unable to attend a meeting."

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Abbreviations : Comm. = Commission — Cttee. = Committee — Int. = International
Perm. = Permanent — Resol. = Resolution — Sec. Gen. = Secretary-General.

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