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OF THE

SEVENTH ORDINARY SESSION OF THE ASSEMBLY

5

MEETINGS OF THE COMMITTEES

MINUTES

OF THE

FOURTH COMMITTEE

(BUDGET AND FINANCIAL QUESTIONS)

GENEVA 1926

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LIST OF MEMBERS OF THE FOURTH COMMITTEE.

Chairman: His Excellency M. Nicolas TITULESCO (Roumania).

Vice-Chairman: M. Charles VERMAIRE (Luxemburg).

Members.

- Abyssinia:* His Excellency M. LAGARDE, Duc d'ENTOTTO.
M. Ato TASFAE (substitute).
- Australia:* The Right Honourable Sir Joseph COOK, P.C., G.C.M.G.
Sir Arthur RICKARD, K.B.E., F.R.G.S. (substitute).
- Austria:* His Excellency M. Emeric PFLÜGL.
- Belgium:* M. Fr. VAN CAUWELAERT.
M. O. LOUWERS (substitute).
- British Empire:* The Right Honourable Commander E. Hilton YOUNG, D.S.O.,
D.S.C., M.P.
- Bulgaria:* His Excellency M. Vladimir MOLLOFF.
- Canada:* Sir Herbert BROWN AMES, Kt., LL.D.
- Chile:* His Excellency M. Armando QUEZADA.
His Excellency M. Jorge VALDES-MENDEVILLE (substitute).
- China:* His Excellency M. WANG KING-KY.
M. LOHOAI (substitute).
- Colombia:* His Excellency Dr. Esteban JARAMILLO.
- Cuba:* His Excellency M. Aristides DE AGÜERO Y BETHANCOURT.
His Excellency M. Guillermo DE BLANCK (substitute).
- Czechoslovakia:* His Excellency Dr. Stefan OSUSKY.
- Denmark:* His Excellency M. Andreas OLDENBURG.
- Dominican Republic:* Dr. Tulio Franco FRANCO.
M. S. E. PARADAS (substitute).
- Estonia:* M. Auguste J. SCHMIDT.
M. Oskar ÖPIK (substitute).
- Finland:* M. Hugo VALVANNE.
- France:* M. François LABROUSSE.
M. Jean RÉVEILLAUD (substitute).
- Germany:* Professor Dr. KAAS.
M. KARLOWA.
- Greece:* His Excellency M. S. POLYCHRONIADIS.
M. MANTZAVINOS (substitute).
- Guatemala:* M. Rafael Pinéda de MONT.
- Haiti:* His Excellency M. Alfred NEMOURS.
- Hungary:* General Gabriel TANCZOS.
M. Zoltan BARANYAI (substitute).
- India:* Khan Bahadur Shaikh ABDUL QADIR.
Sir C. P. Ramaswami AYYAR, K.C.I.E.
- Irish Free State:* Mr. Ernest BLYTHE.
Mr. Michael MACWHITE.
- Italy:* His Excellency M. Stefano CAVAZZONI.
The Hon. Ernesto BELLONI (substitute).

- Japan:* His Excellency M. Minéitcirô ADATCI.
M. Isaburo YOSHIDA (substitute).
- Latvia:* M. Charles DUZMANS.
M. Peters WELPS (substitute).
- Liberia:* His Excellency Baron Rodolphe Auguste LEHMANN.
M. Nicolas OOMS.
- Lithuania:* M. Bronius K. BALUTIS.
- Netherlands:* Jonkheer W. J. M. VAN EYSINGA.
Madame C. A. KLUYVER (substitute).
- New Zealand:* The Right Honourable Sir Francis BELL, G.C.M.G., K.C.
Mr. J. S. HUNTER (substitute).
- Nicaragua:* His Excellency M. Tomas Francisco MEDINA.
Dr. Antoine SOTTILE (substitute).
- Norway:* M. Carl Joachim HAMBRO.
- Panama:* His Excellency Dr. Eusebio A. MORALES.
- Paraguay:* Dr. Ramon V. CABALLERO.
- Persia:* M. Mohamed Khan CHAYESTEH.
- Poland:* His Excellency M. Jean DE MODZELEWSKI.
M. Eustache RUDZINSKI (substitute).
- Portugal:* His Excellency Dr. Augusto DE VASCONCELLOS.
Dr. R. Y. RODRIGUES (substitute).
- Roumania:* His Excellency M. Nicolas Petresco COMNÈNE (substitute).
M. B. CATARGI (substitute).
M. Alexandre ZEUCEANO (substitute).
- Salvador:* His Excellency Dr. J. Gustavo GUERRERO.
- Kingdom of the Serbs,
Croats and Slovenes:* His Excellency Dr. Miloutine YOVANOVITCH.
His Excellency Dr. Georges DJOURITCH.
- Siam:* His Highness Prince CHAROON.
Khun PRASIRT MAITRI (substitute).
- South Africa:* Mr. Seymour JACKLIN.
- Sweden:* Dr. J. L. WIDELL.
- Switzerland:* M. Emile-Louis GAUDARD.
M. Walther BURCKHARDT (substitute).
- Uruguay:* His Excellency M. Benjamin FERNANDEZ Y MEDINA.
His Excellency M. Enrique BUERO.
- Venezuela:* His Excellency M. Cesar ZUMETA.
M. S. Gonzales RINCONES (substitute).
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FOURTH COMMITTEE OF THE SEVENTH ASSEMBLY.

BUDGET AND FINANCIAL QUESTIONS.

AGENDA.

1. ELECTION OF VICE-CHAIRMAN.
 2. PUBLICITY OF MEETINGS.
 3. ADOPTION OF THE AGENDA.
 4. APPOINTMENT OF A SUB-COMMITTEE ON CONTRIBUTIONS IN ARREARS.
 5. CONSIDERATION OF THE REPORT OF THE SUPERVISORY COMMISSION ON THE WORK OF ITS EIGHTEENTH AND NINETEENTH SESSIONS.
 6. AUDITED ACCOUNTS FOR THE SEVENTH FINANCIAL PERIOD (1925).
 7. REPORTS OF THE COUNCIL AND OF THE GOVERNING BODY OF THE INTERNATIONAL LABOUR ORGANISATION ON NEW WORK INVOLVING NEW EXPENDITURE ON THE PART OF THE LEAGUE.
 8. REPORT ON THE FINANCIAL SITUATION OF THE LEAGUE ON AUGUST 31st, 1926.
 9. SPECIAL ALLOWANCES TO THE MEMBERS OF THE PERMANENT MANDATES COMMISSION.
 10. LEAGUE BUILDING FUND: PROPORTIONAL SHARE OF THE MEMBERS OF THE LEAGUE.
 11. BUDGET OF THE LEAGUE FOR 1927:
 - (a) Secretariat;
 - (b) International Labour Organisation;
 - (c) Permanent Court of International Justice.
 12. APPOINTMENT OF A RAPPORTEUR.
 13. AMENDMENT TO ARTICLE 6 OF THE REGULATIONS OF THE STAFF PROVIDENT FUND.
 14. CONSIDERATION OF THE REPORT OF THE SUB-COMMITTEE ON CONTRIBUTIONS IN ARREARS.
 15. SUPPLEMENTARY CREDITS.
 16. MISCELLANEOUS QUESTIONS.
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FIRST MEETING

Held on Tuesday, September 7th, 1926, at 6 p.m.

M. Nicolas TITULESCO (Roumania) in the Chair.

1. Opening of the Session.

The CHAIRMAN wished to express to his colleagues his deep gratitude for the honour they had done him as well as his country in electing him Chairman of the Committee. He also thanked the delegates who had so kindly supported his nomination, especially M. Adatci, who had said about him things by which he had been very deeply touched.

It would be the Committee's duty to work well and to work swiftly. As to working well, it was hardly for him to give any advice to men of such evident capacity as the members of the Fourth Committee, but on the subject of working swiftly there might perhaps be room for some suggestions from him. Leading the way in submission to the rule of brevity which he proposed his colleagues should adopt, he would there and then bring his speech to a close.

2. Election of Vice-Chairman.

On the proposal of M. RÉVEILAUD (France), supported by many of the delegations, M. VERMAIRE (Luxemburg) was, by acclamation, elected Vice-Chairman.

3. Publicity of the Meetings.

The Committee decided to hold its meetings in public, subject to the reservation of its liberty to exclude the public when it should think necessary.

4. Adoption of the Agenda.

The provisional agenda submitted by the Secretariat was adopted (Annex 1). The Committee at the same time reserved its right, whenever it should think proper, either to add new items or to vary the order of taking the questions.

5. Composition of the Sub-Committee on Contributions in Arrears.

On the proposal of the CHAIRMAN, *the officers of the Committee were instructed to prepare a draft list of members for the Sub-Committee on Contributions in Arrears*, to be submitted to the Committee at its next meeting.

It was understood that the Chairman of the Fourth Committee would attend the meetings of the Sub-Committee for the purpose of maintaining touch between the two bodies.

SECOND MEETING

Held on Thursday, September 9th, 1926, at 4 p.m.

M. Nicolas TITULESCO (Roumania) in the Chair.

6. Composition of the Sub-Committee on Contributions in Arrears (Continuation).

The Committee adopted the suggestions submitted by the officers of the Committee in compliance with the decision taken at the first meeting. The Sub-Committee on Contributions in Arrears was accordingly composed as follows:

M. Minéitcirô ADATCI (Japan),
Sir Herbert AMES (Canada);
M. FERNANDEZ Y MEDINA (Uruguay),
M. Jean RÉVEILAUD (France).
M. Auguste DE VASCONCELLOS (Portugal).

7. Consideration of the Report of the Supervisory Commission on the Work of its Eighteenth and Nineteenth Sessions.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, at the invitation of the Chairman, briefly outlined the substance of the Supervisory Commission's report (Annex 2). Though ready at any time to answer enquiries on any point, he suggested that it might be better to hold over for the moment those matters — such as the audited accounts for 1925 — which would in any case come up again later as separate items on the Committee's agenda. He recalled how the Sixth Assembly had established a special new account known as the "League Building Fund"; how in the said account it had placed that part of the 1924 surplus not voted towards the erection of the International Labour Office, as well as the contributions received from the Argentine Republic in respect of the fourth and fifth financial periods; and how, having recommended that the Argentine contribution for the sixth period and any surplus resulting from the seventh period be similarly treated, it had gone on to request that the Seventh Assembly be furnished with a statement of the proportional interest of each Member in the fund. The Supervisory Commission was now recommending, on the one hand, that the whole and not merely a part of the cost of the International Labour Office building be charged against the League Building Fund, and, on the other, that there be credited to that fund the sum of 4 million francs, guaranteed by the Federal Government as the price of the Hotel National.

He explained carefully the nature of the two distinct accounts involved in the administration of the Building Fund — the one to be concerned with the sums expended therefrom and appropriated thereto in successive budgets, the other with the various sums to be reimbursed or credited year by year to most of the Member States in respect of their proportional interests therein.

For 1927, it would be noticed, the estimates amounted to the figure of 24,615,097 francs — a total larger by some one and a-half millions than that for the current year. If justification were sought for this increase, he need only point to the normal development of the League during the period and to the reasonable grounds there had existed for reckoning upon Germany's early admission as an additional contributory.

Under "Miscellaneous Questions" on page 78 would be found the Supervisory Commission's opinion, asked for by the Sixth Assembly, on the advisability of reintroducing, in the case of the chiefs of division of the International Labour Office, the system of indemnities which had been superseded as regarded the generality of the staff by the institution of the Staff Provident Fund — an opinion to the effect that the conclusion arrived at on that point by the Fifth Assembly had been in accordance alike with law, with justice, and with equity.

In that context, he would observe that the Supervisory Commission had been very carefully studying a suggestion to set up an administrative tribunal for the adjustment of any differences arising between the heads of the League organisations and their subordinates with regard to the execution of contracts of employment. It was a delicate question: regard must be had not merely to the security of the employee but to the authority of the chief and the discipline and smooth working of the institution. As the matter was still under examination, he mentioned it merely in passing in the belief that the Fourth Committee would be content to await the Supervisory Commission's considered conclusions.

If his present observations were brief and simple, that was the best proof of the satisfactory state of the financial administration of the League. They had covered a long stage since those animated discussions in the early days when, there being no sort of organisation, they had had to set to work to create one. He need hardly remind them to whose loyal efforts this remarkable progress had in a very large measure been due. He referred to the League's first financial director: Sir Herbert Ames. Sir Herbert had now laid down his task, and the Fourth Committee would, without doubt, wish to join with the Supervisory Commission in acknowledging their debt of gratitude to one who had rendered such splendid service, and incidentally to welcome his reappearance amongst them in his new capacity as the delegate of Canada. To have the benefit in their present work of his intelligence, experience and devotion was good fortune indeed.

The CHAIRMAN agreed that the brevity of the Supervisory Commission's report was a healthy sign, especially as it had involved no sacrifice of clarity or precision. M. Osusky was entitled to the thanks and the admiration of the Committee. Its thanks were likewise due to the financial administration of the League and, above all, to Sir Herbert Ames, whose return to their presence that day so happily reminded them that the League of Nations was a spring of which those who had tasted once could not but return to drink again.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, reverting to his report, proposed that the Committee should now examine in turn the three recommendations contained under its last head, "Miscellaneous Questions". He proceeded to read paragraphs 54 and 55, setting forth the grounds of the Supervisory Commission's advice that the Assembly should hold to its original attitude in regard to the chiefs of division.

Mr. BUTLER, Deputy-Director of the International Labour Office, intimated that so far as the Directorate of the Office was concerned they were perfectly satisfied to accept that solution. The three individuals concerned, however, were known to be still not altogether convinced as to its equity. When the matter was under discussion with the Supervisory Commission, it had been understood that, if and when the proposed administrative tribunal came to be set up, those three individuals would be recognised as still free to take the matter before that tribunal. As it

now appeared that the institution of that tribunal was still in abeyance, he would be glad to know if the possibility of such an appeal would continue open.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, was sure his colleague M. Réveillaud would bear him out in assuring Mr. Butler that that was precisely the Supervisory Commission's intention.

It was agreed to adopt the opinion of the Supervisory Commission in the matter of the chiefs of division of the International Labour Office.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, then drew attention to the two further recommendations contained respectively in paragraphs 56 and 57, the first relating to the proposed annual publication of a bibliographical bulletin, the second to the proposed granting to the Assistant Auditor of an annual fee and a subsistence allowance.

The Committee took note of the Supervisory Commission's finding as to the cost of the proposed bulletin and adopted its conclusion in favour of the granting of a fee and subsistence allowance to the Assistant Auditor.

8. Audited Accounts for the Seventh Financial Period (1925).

On the proposal of the CHAIRMAN, the Committee agreed to recommend the Seventh Assembly finally to pass the audited accounts of the League of Nations for the seventh financial period ending December 31st, 1925 (Annex 3).

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

The Committee took formal note of the report on new work involving new expenditure on the part of the League (Annex 4).

10. Memorandum on the Financial Position of the League on August 31st, 1926.

The Committee took note of the memorandum by the Secretary-General on the financial position on August 31st, 1926 (Annex 12).

11. Special Allowances to Members of the Permanent Mandates Commission.

The CHAIRMAN called attention to the document (Annex 5) setting forth the Council's decision to recommend to the Assembly for favourable consideration the report of the Supervisory Commission on the question of special allowances to members of the Permanent Mandates Commission.

Commander Hilton YOUNG (British Empire) observed that this proposal was not on the whole viewed with any great measure of enthusiasm by the British delegation. The granting of new and special allowances to Committees was a matter which undoubtedly required careful control. In the present instance, however, as so clearly set forth by the Supervisory Commission, there was a very substantial difference between the circumstances of the Mandates Commission and that of other League Committees. Moreover, they were bound to attach great weight to any recommendation supported by the Supervisory Commission. His purpose in rising, therefore, had not been to make objection to the present proposal but merely to emphasise very particularly that this case could in no sense be regarded as a precedent. He quoted the language of the Supervisory Commission: "The above considerations apply only to the Mandates Commission, and the Supervisory Commission is therefore of opinion that no precedent would be created if the Mandates Commission were treated a little more liberally than the other Commissions of the League".

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, was able to assure the British delegation that the Supervisory Commission, conscious that its function was primarily to reduce and not to increase expenditure, had taken up the present proposal with an equal absence of enthusiasm. Having been called upon, however, by the Council to submit a report, it had ascertained that, alone among the Committees of the League, membership of the Mandates Commission, carrying with it a disqualification from the holding of any office which could put a member into any relation of dependence upon his Government, set serious limits to his choice of activities when at home.

It would be noticed that the Supervisory Commission had hedged about its assent with every possible precaution, not merely specifying that no precedent was being created but expressly reserving the right of the Assembly to revise the arrangement at any future time.

Could there have been better evidence of the hesitation with which they had approved the step?

Sir Joseph COOK (Australia), speaking as one to whom it had fallen year by year to attend and observe the Mandates Commission at work and to realise how great was the sacrifice of time as well as of financial interests involved in service on that Commission, had the greatest possible satisfaction in supporting a proposal for a "grant in aid" so badly needed and, in his view, so abundantly justified.

The Committee approved the report of the Supervisory Commission concerning the special allowance to be granted to the members of the Permanent Mandates Commission.

12. League Building Fund and Surplus for the Financial Period 1925.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, explained that the question of the League Building Fund and the surplus for the financial period 1925 was dealt with in Section II of the Supervisory Commission's report on the work of its eighteenth and nineteenth sessions (Annex 2). It comprised two parts: the first relating to the administration of the funds, the second to the distribution amongst the States which had contributed thereto the sums reimbursable each year.

As to the first part, the Fourth Committee would see, in paragraph 18 of the Supervisory Commission's report, the account of expenditure incurred and yet to be incurred, as well as of moneys received in respect of the Building Fund.

He went on to draw the Committee's attention to, and to comment upon, paragraphs 19 and 20 of the report.

Paragraphs 16 to 20 of the Supervisory Commission's report were approved.

Sir Joseph COOK (Australia) wished to know if the Fourth Committee were being apprised of a proposal for new expenditure; also whether expenditure had already been incurred, whether a fund existed, and, if so, where. In countries with a parliamentary system of government the usual practice was that when there was building to be done a scheme would first be drawn up and its carrying-out spread in sections over a number of years.

In this case, however, it appeared that appropriations had been, or were about to be, accumulated until there existed a sum sufficient for the undertaking of the work. What were the Assembly's means of control over the moneys so collected? He might also point out that in the ordinary way an appropriation or a part of an appropriation unexpended at the end of a period was considered as cancelled, so that the question of its control did not arise.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, explained that, in virtue of Article 38 (a) of the Financial Regulations, the surplus for a period required to be used in reduction of the total contributions for the period next but one. The surplus for 1924, however, had not been treated in the normal way and was incidentally very much larger than the usual surplus: it was the result of special contributions paid by certain States to make up for the default or the unpunctuality of certain others. The Supervisory Commission had accordingly considered that a surplus of that kind ought not to be reimbursed except to those States which had in fact supplied it, and this had excluded the literal application of Article 38 (a). The system adopted by the Supervisory Commission had been that to every State that had contributed to producing the surplus remaining at the end of 1925 there should each year be reimbursed a fraction of that surplus.

As regarded the Building Fund proper, this was treated, as required by paragraph (b) of the resolution of the Sixth Assembly, in a special bank account. All these explanations might, as a matter of fact, be found in Annex 2.

He ought further to add that the Assembly, in the aforementioned decision, had specified precisely what sums should go into the League Building Fund.

Sir Joseph COOK (Australia) remarked that the rate of interest allowed on the one hand by banks and, on the other hand, that exacted by money lenders were not the same. How was it proposed to indemnify the States for the loss they incurred through the League's retention in the form of a building fund of money which were their property and for the raising of which it might have been necessary for them to resort to borrowing?

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, replied that the League's financial administration had been so far successful in investing the money of the League Building Fund as to have secured interest at an average rate of 5 per cent. It would therefore seem that the States to which the League was in debt might well pronounce themselves satisfied.

In reply to a question from Commander Hilton Young (British Empire), M. Osusky went on to specify that, according to the Supervisory Commission's proposals, the first sums would begin to be repayable as from January 1st, 1927.

M. RÉVEILLAUD (France), as Rapporteur to the Fourth Committee of the sixth Assembly on the subject of the buildings, wished to congratulate the Secretary-General of the League on his having decided, instead of resorting to the erection of a temporary structure, to acquire as annexe to the League of Nations a building situated in the immediate neighbourhood. Thus, instead of spending 328,000 francs putting up a building which it would ultimately have been necessary to demolish, the ownership had for the same figure been acquired of an apartment-house of which there would be a possibility of effecting a re-sale.

He went on to observe that under the head "Expenditure yet to be incurred" (Report of the Supervisory Commission, paragraph 18), there appeared an item (a): "Purchase of Perle du Lac (650,000 francs)". Was it to be inferred from this that the Secretary-General had not as yet been able to acquire the holding in question? If so, he would like to ask the Secretary-General to say what steps he had taken or was proposing to take for giving effect to the resolution of the sixth Assembly.

The SECRETARY-GENERAL expressed the Secretariat's pleasure that their enterprise, in buying an existing building rather than erecting a temporary annex, should have met with the Committee's approval. He ought, however, to add a word of caution: if, after three years, they were to succeed in selling the building for as much as they had now given for it, it would represent a rather better bargain than it would be wise in the meantime to count upon.

As to the property known as "Perle du Lac", for the purchase of which the Sixth Assembly had authorised him to open negotiations, he was sorry to have to say that all attempts to bring the owner to an amicable agreement had thus far failed. He recalled the courtesy of the Federal Government in lending the services of experts to advise as to what figure should be offered as a reasonable price. A figure having in that way been duly fixed, however, the owner had proved unwilling to sell for less than a considerably larger sum. The Federal Government had accordingly been informed, and the position was now that the Cantonal Authorities were in actual process of arranging for an expropriation. Though the legal formalities might perhaps take a little time, it had not seemed to him possible to do more.

M. RÉVEILLAUD (France) was much gratified to learn of this development, as it seemed to him wholly inadmissible that the League should be pressed to exceed the figure determined by the experts for the property in question.

The Committee adopted paragraph 20 of the report.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, drew attention to paragraph 21, in which the Supervisory Commission recommended the reimbursement during 1927 of a sum of 1,400,000 francs, to be followed by equivalent reimbursements in succeeding years until the entire operation should have been liquidated. The effect of that recommendation was, he pointed out, that Great Britain, for instance, whose proportionate share in the Building Fund represented about 8½ per cent of the total, would during 1927 have reimbursed to her that percentage of 1,400,000 francs.

The SECRETARY-GENERAL thought it well to remark that in those cases where it was the practice of a State to pay its contribution not in one lump sum but in half-yearly or quarterly instalments, it would, of course, not be proper, on the occasion of any such payment, to reimburse more than the like fraction of that State's proportionate share.

M. RÉVEILLAUD (France) drew attention to the difficulties which might be caused for certain Governments by showing separately the amount of the State's contribution and that of the sum due to be received in reduction of such contribution by way of a partial reimbursement of the Building Fund. For instance, if that method were followed, the French Parliament would first be called upon to pass an appropriation for the payment of its entire contribution to the League; and the money meant for the reduction of their payment would at the time of its receipt be entered in the accounts of some earlier period. In consequence, the budget for the period in which the contribution in question fell to be made would not come in for any alleviation at all. He therefore wished to ask the Secretary-General to be so good as to show in the scale of the contributions owing by the States the amounts payable as arrived at by deducting the shares coming to them out of the sum representing the partial repayment of the Building Fund.

The SECRETARY-GENERAL said he saw no objection to this being done. The scale drawn up by the Secretariat would accordingly show the net amounts to be paid by the States.

M. RÉVEILLAUD (France) thanked the Secretary-General.

M. DE MODZELEWSKI (Poland) referred to the following passage from the report of the Supervisory Commission (paragraph 21): "Meanwhile the Commission recommends that a sum of 1,400,000 francs be refunded in the year 1927, and that a similar sum be refunded in each succeeding year, etc." Why, he asked, was it desired to fix definitively at a figure of 1,400,000 francs the amount to be divided amongst the States each year? Would it never be better to distribute either more or less than 1,400,000 francs?

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, replied that the Supervisory Commission had wished merely to indicate the approximate figure of the sum to

be reimbursed each year. It was, of course, understood that any Assembly would be free to adopt whatever amount it thought fit.

M. DE MODZELEWSKI (Poland) said he was perfectly satisfied with this explanation.

Paragraph 21 of the Supervisory Commission's report was approved.

Sir Herbert AMES (Canada), fearing that there might be some misunderstanding, drew the Committee's attention to the fact that the provisional scale contained in Annex 2 was to be considered as cancelled and replaced by the scale given in Annex 6.

Paragraph 22 of the Supervisory Commission's report was approved, together with the report by the Secretary-General on the proportional share of the Members of the League in the Building Fund (Annex 6) and the scale given therein.

THIRD MEETING

Held on Monday, September 13th, 1926, at 10.40 a.m.

M. Nicolas TITULESCO (Roumania) in the Chair.

13. Necessity for limiting the Expenditure of the League: Draft Resolution submitted by Indian Delegation.

Sir C. P. Ramaswami AYYAR (India) asked leave to move the following resolution:

" That the Fourth Committee, noting the tendency of the budget of the League to increase, and considering that in the present financial state of most countries of the world every effort should be made to resist this tendency, is of opinion that, as a preliminary to the discussion of the details of the budget and as a general guide to their consideration, it is desirable to keep in view a maximum limit of expenditure with the object of securing that the contributions of individual States shall not normally in future exceed their contributions for the current year; that the maximum expenditure to be kept in view should in effect approximate to the total expenditure for 1926 with such adjustments as may be necessitated by additions to or withdrawals from the number of contributory States Members; and that copies of this resolution should be communicated to other Committees concerned with measures involving expenditure."

This resolution had been drafted in consultation with other members more experienced than he in the affairs and the procedure of the League. Its purpose was not the introduction of any hard-and-fast limit but rather to provide a basis for discussion with a view to reaching agreement on the principles in the light of which the Committee's detailed examination of the budget should proceed.

He knew he expressed the feelings of all delegations in thanking the Secretary-General and the Auditor for their informative and lucid presentation of the budget. The history of the Building Fund was but one amongst many proofs of the prudence and circumspection with which the League's affairs were administered. Nor did he forget the labours of the Supervisory Commission; the most cursory study of its report would demonstrate its desire for the utmost stringency in every department of expenditure. It emphasised certain aspects of the budget — he would mention only the expenditure on printing and publishing — the increase in which was specifically referred to in the report of the Commission.

The duty of the present Committee extended beyond the bare details of accountancy; in the absence of any specific authority charged to co-ordinate the various branches of the League's activities and to assign priorities as between its various schemes, it was for that Committee to lay down and communicate to all the others such a guiding principle as might serve to focus the efforts of them all and maintain the truly international character of programmes.

Both in language and in spirit his resolution was essentially recommendatory. It sought in no sense to impose a check on legitimate expenditure or to set limits to normal development; indeed, India looked to see in the future even an increase in those really international activities by which the enthusiastic co-operation of distant countries was being enlisted.

In the interests of thoroughness and efficiency, it was important that the League should conserve its energies. Subject to no control from without, it must establish its own restraints. If commitments already undertaken were to be discharged, as they rightly ought to be, in full, new enterprises, however intrinsically valuable, must, if necessary, be deferred. Thus, while avoiding any arbitrary curtailment of what past Assemblies had already expressly approved, their approach as concerned other matters should be made in the light of a maximum limit previously agreed upon. The total estimates for 1927 showed an increase of over 7 per cent. For the Secretariat 32, and for the International Labour Office 17, new posts were in prospect. As the fifth largest contributor to the budget, India felt naturally a special interest in this matter of finance. It was true that the very welcome entry of Germany must have its effects on the budget, which must also provide for inevitable increases in salaries and in the contributions to the Staff Provident Fund.

Nor did he criticise the proposed additions to the Staff; but budgets — in no matter what country — had a well-known natural tendency to increase. Many of the Member States were now of necessity practising the most rigid economies at home. It would be well if the public might in this direction be given a good example by the League. If Germany's accession were financially a gain, it was necessary to bear in mind the possibility that another contribution measuring 29 units might lapse after two years.

In his proposal that a maximum limit should be "kept in view" and that the total budget should not "normally" exceed that for the current year, he had been careful to choose expressions that would safeguard any clearly legitimate extension in the future. His main object was to see to it that the various national contributions were not enhanced, and in this connection he did not forget the possible readjustments in the Building Fund. He would quote from the report of the Supervisory Commission in 1925:

"The Secretary-General informed the Commission that, barring unforeseen political events, the League budget had now attained practical stability, and subsequent variations would be relatively small".

That was the ideal which inspired the policy he was advocating and in which all the Committees ought, he thought, to co-operate, and that was why he was proposing that his resolution, if adopted, should be "communicated to other Committees concerned with measures involving expenditure". While perfectly open to the suggestion that as the standard budget the Committee should alternatively take that finally agreed upon for 1927, he pointed out that his resolution actually referred to 1926.

M. HAMBRO (Norway) wondered whether it might not be better that members, before being called upon to vote on that resolution, should be furnished with its exact text and allowed time for reflection. Moreover, if the Committee first worked its way through the budget in detail it would be better able to appreciate just how far the resolution would carry it.

M. ADATCI (Japan), while warmly endorsing the principle and the spirit of the resolution of the Indian delegation, could not but agree with the delegate of Norway in his desire, before continuing its discussion, to have time to study seriously its exact text. It might be that amendments would suggest themselves.

M. DE VASCONCELLOS (Portugal) was of the same opinion: before voting on so important a resolution the Committee ought certainly to consult the Secretary-General and the Supervisory Commission.

M. DE MODZELEWSKI (Poland) would go even further. The resolution was perhaps a little too general in its terms. Let the Committee examine the budget figure by figure, always conscious that its aim should be to effect savings. It would then know what its answer ought to be. If it accepted the resolution forthwith there would be no point in its examining the budget now before them. He was particularly glad that the Indian delegate should be willing to consider a possible substitution of 1927 for 1926.

Sir Joseph COOK (Australia) observed that this seemed to him a strangely novel procedure — first to approve the budget item by item and then afterwards to consider cutting down the total. He thought the only practical proposal was that of the delegate of India.

The CHAIRMAN, faced with two extreme views, suggested a compromise. By all means let the members of the Committee take time for reflection, but not too much time. They could examine that resolution at the opening of the next meeting; in the meantime he proposed that they should begin to consider some of the items in the budget.

Commander Hilton YOUNG (British Empire) desired to support this proposal as being most eminently practical. There were two separate questions for consideration. On the one hand, that of the detailed recommendations for 1927; on the other, the most interesting question whether, as a matter of principle, not only to-day but for all future years, some maximum figure for the League budget should not be established. On this second subject he was content to reserve his observations till the next meeting.

With regard, however, to the general budget of 1927, he had one or two observations which he thought might with advantage be made there and then. He could associate himself warmly with all that the delegate of India had said as to the efforts of all the League Organisations; it was indeed encouraging to observe year by year the growth of such a spirit of economy; but, in their capacity as an Assembly Committee, it was their solemn duty, by example and precept, to do all they could to strengthen the hands of those who, throughout the year, were struggling to limit expenditure. To insist upon this indicated no spirit of narrowness, for it was his profound conviction that it was in the due observance of principles of economy that the best guarantee of efficiency could be found. They could not ignore the fact that, in the aggregate, the increases proposed in the various branches of the budget amounted to 1,600,000 gold francs. A large amount of this might, no doubt, be accounted for by the accession of Germany, but it was plain that, even so, the proposed expenditure did represent a certain "letting-out of the stitches". Let them read the writing on the wall and realise the necessity for ceaseless vigilance if economy was to be achieved. He hoped, therefore, that, as each item was discussed, the members of the Committee would be ready with every practicable suggestion so that, if it were possible without detriment to the work of the League, a substantial reduction would in the end be found to have resulted.

M. HAMBRO (Norway) was sorry to have to say that the Chairman's proposal seemed to him a reversal of all parliamentary practice. The Committee could not, while still ignorant of the reasons adduced for the increases proposed, bind itself in advance to keep within a stated maximum. He disagreed with the British delegate; to practise every possible economy was, indeed, an excellent principle, but to resolve to remain within an entirely arbitrary total was not a matter of principle at all. It might be that, when the time came, he might go further than the delegate of India, but it might be that he would not go so far. As yet, he could not judge the full significance of that far-reaching proposal; and, while in hearty sympathy with the spirit of everything that had been said about the necessity for strict economy, he saw nothing but danger in proceeding at that stage to establish such a resolution as a law to govern all the work of the Assembly.

The CHAIRMAN observed that it was necessary somehow to reconcile the respect they all felt for the Indian resolution and the desire they equally felt for a period of delay. He was sorry his suggested compromise had not found favour with the delegate of Norway and hoped the latter would put forward some practical alternative.

M. HAMBRO (Norway) said that, to his mind, the best possible course would be, while not putting out of their minds the Indian resolution, to postpone its discussion until the budget was passed. His practical suggestion, however, would be that the question of the desirability of such a postponement should be put to the vote at the beginning of the next meeting. For the moment, let the Committee proceed with the first items in the budget.

The CHAIRMAN was delighted that so great a measure of agreement should have been reached. His difficulty, however, was to see in what way the Norwegian delegate's proposal could be compatible with the terms of the resolution itself, since the latter envisaged an early communication being made to the other Committees of the Assembly.

M. de MODZELEWSKI (Poland) was also in favour of an early beginning being made with the budget. Would there not be ample time first to spend the two or three meetings necessary on examining the budget and then to discuss, and possibly circulate, the resolution?

Sir Herbert AMES (Canada), having himself participated in the preparation of that budget, was hardly in a position, as a representative of his country, either to criticise or to defend it. He hoped, however, that he might, by adding explanations, be of help to some of the younger members. The Indian resolution, even if not in so many words, did, in fact, intimate the desirability of fixing a limit. To this he could not, at that early stage, assent. Members would surely desire an opportunity to judge whether, for what it was proposed to spend, there was a likelihood of their getting full value in the shape of world co-operation. With a certainty of that, no limit would seem to be justified.

He would point out that the increase this year occurred in roughly equal proportions in the budgets of the three separate Organisations: the Secretariat, the International Labour Office and the Permanent Court of International Justice. In the budget of the Secretariat, under Chapters I and II, it would be noticed that the items for the salaries, etc. of the Secretariat and house staff at Geneva and the contribution to the Staff Provident Fund more than accounted for the whole of the increase complained of; in other words, the appropriations under other Chapters actually showed a diminution. Annual increments were an inevitable charge with a statutory basis. The additional house staff was necessary in consequence of additional housing requirements. For the rest, there was the admission of Germany.

It was, of course, in order for any member of the Committee to put the Secretariat on the defence as to any item in the budget; but that was a different thing from fixing a maximum beforehand. Would not the Indian delegate be willing to substitute in his resolution the words "sums voted for 1927" for "budget for 1926"? Now that a new and powerful State had joined, it might be that the League would undertake new work, and it seemed to him that 1927 was rather more likely than 1926 to be established as the standard budget.

Sir Joseph COOK (Australia) was afraid that, if the course proposed by Sir Herbert Ames were followed, it would bring about no reductions at all. Nor was it, so far as he knew, in accordance with the procedure of any responsible Parliament. The proper method would obviously be to give instructions to the competent authorities; namely, the Secretary-General and the Supervisory Commission, who alone had the necessary detailed knowledge as to where the cuts could be applied. He did not at all subscribe to the doctrine of Sir Herbert Ames whereby every justifiable expenditure should be approved — up to no matter what limit. He hoped something would be done — and soon — to bring about a stabilisation. He might observe that the ratio of the Australian contribution had been practically doubled during the last two or three years.

It appeared that several alternative suggestions were before the meeting, and he desired to know if there were no rules of procedure to determine their next step. He did not think such an issue should rest with the caprice of the Committee.

The CHAIRMAN emphasised that the only point immediately at issue was concerned with the stage at which the Indian resolution should be discussed.

An enquiry had been made as to the rules of procedure, and the word "caprice" had been used. Two texts were involved; in the application of which it was, of course, necessary to employ commonsense. He would quote from the Assembly Rules of Procedure:

"Rule 17. — (1) Resolutions, amendments and motions must be introduced in writing and handed to the President. The President shall cause copies to be distributed to the representatives. (2) As a general rule, no proposal shall be discussed or put to vote at any meeting of the Assembly unless copies of it have been circulated to all representatives not later than the day preceding the meeting."

"Rule 27. — These Rules of Procedure shall apply to the proceedings of Committees of the Assembly."

It was this latter point which governed the present situation and which had inspired his proposal to defer — though not for longer than necessary — the discussion of that important resolution. Meanwhile, as practical men, he thought they might begin with those items which were unlikely to give rise to difficulties.

Sir C. P. Ramaswami AYYAR (India) had hoped he had made it perfectly obvious that it was not his object to seek to stereotype any particular budget. In particular, he had not sought to confine the Committee to the figures for 1926. What he had urged had been that, with a view to stabilisation, the Fourth Committee should always "keep in mind" what had been done in 1926 or might be decided upon for 1927. He would be willing to accept any amendment, provided that sight were not lost of his primary purpose, namely: stabilisation. To vote details first and discuss principles afterwards seemed to him, to say the least, illogical; the Committee ought, before setting about the examination of the budget, to agree upon general principles.

M. DE VASCONCELLOS (Portugal) considered that, if the Indian delegate was not seeking to bind the Committee to the figures either of 1926 or 1927, there was no reason why the discussion of his resolution should take precedence of the budget.

The SECRETARY-GENERAL expressed the hope, since the discussion of the resolution of the Indian delegation was being deferred, that in the meantime the members of the Committee would be willing to dismiss it entirely from their minds. He anxiously pleaded that the estimates for 1927 should be examined on their merits. Those for 1926 would naturally serve as a standard of comparison, but he hoped they would not be regarded as anything more.

Replying in particular to the British delegate, he would recall through what stages the budget for 1927 had already been taken. Its detailed proposals under the various heads had originated in the several sections concerned; a small committee including the Financial Director and himself had then scrutinised and compressed it; thereafter, at the hands of the Supervisory Commission, it had been still further — perhaps even too far — reduced. Finally it was to be observed that this particular budget came before the Committee with an exceptional degree of authority in that it was the result of the incorporation in the ordinary budget of a special budget passed after the most thorough examination by a special committee of the extraordinary session of the Assembly. As to "letting out the stitches" — that phrase was hardly, he thought, a happy choice: the child could never grow up and put forth its hoped-for vigour if it was forever to be kept in swaddling clothes.

The Australian delegate had spoken of a doubling of his country's ratio. To be precise, the contribution of Australia in 1926 had been 600,000 francs, as against more than a million in 1922.

When all was said and done, the fault, if any, when the League, by deciding upon new work, committed itself to new expenditure, lay not with the Secretariat but with the League itself. Let that Committee, if it desired to reduce the budget, set about reducing the work: there was no other way.

Sir Joseph COOK (Australia) was not altogether satisfied. The story of Australia's contribution dated as far back as the Peace Treaty, when, in common with others of the less wealthy

States, she had been allotted an altogether disproportionate burden. The League had subsequently modified that original scale, but if things continued for long upon their present course Australia would be finding herself back where she had started from. He could not agree that undertakings justified from other standpoints were therefore financially justifiable. Any Parliament knew what it was to have the responsible minister report that for this or that purpose he could not find the money. Between these two extreme positions a middle course must be steered.

In the meantime, however, he had to agree that they could but go ahead, consider the individual items, hear the explanations of the Secretariat, and put them to the vote.

14. Detailed Examination of the Budgetary Estimates of the Secretariat and Special Organizations: Chapter I, Item 1, "Session of the Assembly" (400,000 gold francs).

Commander Hilton YOUNG (British Empire) noticed that the budgetary estimate relating to the session of the 1927 Assembly was established on the basis of a session lasting four weeks (Annex 7). It was more than probable that the present Assembly would end its work in three weeks. It was worth enquiring whether in these circumstances it might not be possible to reduce the credit for the session in 1927. He did not propose that it should be reduced by 100,000 francs, representing a week of session, but he thought that if under Item 1 a sum of 350,000 francs were placed it would perhaps be enough.

The SECRETARY-GENERAL was quite ready to accept the British delegate's suggestion provided the Committee could give him an assurance that the 1927 Assembly would not last more than three weeks or three weeks and a-half; he ought, however, to remind the Committee that in 1924 the Assembly session had lasted for five weeks, and no one knew exactly when the present Assembly would finish its work. To estimate for a session of three weeks in 1927 hardly seemed sufficient. No one could tell what business the Assembly might have to deal with next year.

M. DE VASCONCELLOS (Portugal) observed that a certain tendency was showing itself to hustle the Assembly so as to cause it to bring its work hurriedly to an end; this was prejudicial not only to the good progress of the work but even more to the authority of the Assembly, and to that extent also to the League of Nations as a whole.

• For himself he thought it intolerable that pressure should in this way be sought to be put upon the Assembly.

M. DE MODZELEWSKI (Poland) said it was further to be noticed that the Secretariat was itself capable of taking what opportunities there were for effecting economies. In 1925, though the appropriation voted for the Assembly session had been 424,500 francs, only 308,798 francs had been spent. Since it was plainly impossible to foresee how long the next Assembly would last it would be unsafe to change the basis on which the estimates had been founded.

All the same he did not think it was impossible to contemplate some reduction of the credit under Item 1. A reference to Schedule A (page 165) would show that 12,000 francs had been estimated under rubric 8, "Automobile and Cyclist Service", whereas in 1925, under that same rubric, only 3,016 francs had been expended.

If the Secretary-General agreed, he would propose that a credit merely of 6,000 francs should be voted under that head.

The SECRETARY-GENERAL was certain that the figure of 3,016 francs for the expenditure on the automobile and cyclist service in 1925 was due to a mistake; in 1924 the expenditure had been in the neighbourhood of 11,800 francs. Even so, he was prepared to agree to a reduction of 2,000 francs under that rubric.

The appropriation under Item 1, rubric 8, "Automobile and Cyclist Service," was reduced by 2,000 francs.

Commander Hilton YOUNG (British Empire) intimated that, in view of the considerations urged by the Secretary-General and the impossibility of foreseeing how long the 1927 session of the Assembly would last, he would withdraw his motion, even though there was a big difference between the reduction of 2,000 francs which had just been effected and that of 50,000 francs for which he had asked.

The Committee adopted Item 1 with the above-mentioned modification.

15. Chapter I, Item 2, "Sessions of the Council" (80,000 gold francs).

Commander Hilton YOUNG (British Empire) said he understood that the credit under that item had been established in contemplation of the holding of five normal sessions, three of them away from Geneva. Might it not be enough if the appropriation were calculated as for two sessions away from Geneva — one an ordinary and the other an extraordinary session? It would perhaps be possible to meet the expense of a second ordinary session away from Geneva by drawing on the item for unforeseen expenditure. He therefore suggested that that item be reduced by 5,000 francs

The SECRETARY-GENERAL replied that the budgetary estimates had been calculated on the basis of four ordinary sessions, one of them to be held away from Geneva, and two extraordinary sessions which might neither of them be held at Geneva. Possibly that basis might be altered; and as the Council was unlikely to hold three extraordinary sessions away from Geneva he thought he could agree to the reduction of 5,000 francs proposed by Commander Hilton Young. But he would not like the funds required for the expenses of a Council session to be taken from the item "Unforeseen Expenditure", as that fund was to be used only for political purposes and in serious cases. It would be dangerous to use them for the purpose of meeting expenses which might be regarded as ordinary current expenses.

The credit under Item 2, "Sessions of the Council", was reduced by 5,000 francs.

16. Chapter I, Item 3, "Unforeseen Expenditure, subject to a Special Vote of the Council".
(500,000 gold francs).

M. HAMBRO (Norway) observed that the sums expended last year under that item had amounted only to 364,262 francs. Ought not the Committee at that point to recall the principles on which the resolution submitted by the Indian delegate had been based?

The SECRETARY-GENERAL very much hoped M. Hambro would not insist upon a reduction in the figure of the credit for "Unforeseen Expenditure, subject to a Special Vote of the Council". It was perhaps the most important item in the budget. The funds asked for under that head allowed of the Council taking action in special cases: it was the only reserve at its disposal for use for political purposes. It was impossible to tell what the Council would be called upon to do; and even if the expenditure had never exceeded that recorded in 1925 he earnestly begged the Committee to leave untouched the credit of 500,000 francs asked for under Article 3.

Commander Hilton YOUNG (British Empire) considered that the Norwegian delegate had made a highly useful suggestion in that it would allow of a clear answer being given to the following question: Had it been adopted as a principle that the only expenditure ever to be referred to Item 3, "Unforeseen Expenditure, subject to a Special Vote of the Council", was expenditure on headings or items which had not been foreseen at the time of voting the appropriations, to the exclusion of any expenditure referable to any item or heading specified in the budget?

Sir Joseph COOK (Australia) said that the credit asked for under Item 3 was in his opinion one of those the necessity of which was least open to discussion. He himself had always regarded it as a kind of "advance credit" available to the Council, and it was the only credit in regard to which there was an assurance that any unexpended balance would with absolute certainty come back to the treasury and not be used to make up the deficiency under any other item in the budget.

M. HAMBRO (Norway) explained that he had not intended to oppose the adoption of a credit of 500,000 francs for "Unforeseen Expenditure, subject to a Special Vote of the Council"; he had merely enquired whether a sum of 350,000 francs might not have been big enough. After what the Secretary-General had just said he could only express the hope that the funds voted under Item 3 would be used as seldom as possible, thereby affording evidence of the ever-increasing effectiveness of the work the League was doing in the promotion of peace.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, declared that even if in a given year not a single centime of the fund placed at the Council's disposal had not been spent, the item ought none the less to be renewed for the following year. In view of the variety of events that might take place, it was impossible to compare the expenditure in one year under that head with that in another year. The idea was to give the Council the means of undertaking political action in sudden contingencies. As the Secretary-General had stated, that fund was the only one available to the Council for action in such a case.

In reply to a remark made by Commander Hilton Young, he explained that there was no year when the Supervisory Committee did not recall that the credits adopted under Item 3 could only be used for the execution of unforeseen political tasks undertaken by the Council; that none of it could be drawn out except for meeting new expenditure; and that no sort of confusion could be permitted between the type of expenditure coming under Item 3 and ordinary unforeseen expenditure.

The SECRETARY-GENERAL regarded the general principle as being indeed such as the British delegate had propounded. There was only one case on record which looked like an exception, namely: that where the Council had decided to take from the fund placed at its disposal the sums necessary to provide for the supplementary expenditure occasioned by an enlargement it had just decided upon in the terms of reference and the number of the members of the Committee for the Progressive Codification of International Law.

The Committee adopted Item 3 without modification.

17. Appointment of a Rapporteur.

On the proposal of the CHAIRMAN, the Committee instructed its officers to submit at the next meeting suggestions with regard to the appointment of a Rapporteur-General in order that the latter might be able in that capacity to follow the discussions from the beginning.

FOURTH MEETING

Held on Friday, September 17th, 1926, at 3.40 p.m.

M. Nicolas TITULESCO (Roumania) in the Chair.

18. **Appointment of a Rapporteur** (*Continuation*).

The CHAIRMAN announced that, in accordance with the instructions of the Committee at its last meeting, the officers had considered the question of choosing a Rapporteur; and they now had pleasure in proposing the election to that office of the Danish delegate, M. Oldenburg, one of their most senior and most experienced members.

M. Oldenburg was unanimously elected Rapporteur.

M. OLDENBURG (Denmark), while thanking the Committee, admitted considerable hesitation in presuming to follow a line of such distinguished predecessors and trusted that his colleagues would freely afford him all that assistance of which he would most certainly stand in need.

19. **Necessity for limiting the Expenditure of the League: Draft Resolution submitted by the Indian Delegation** (*Continuation*).

The CHAIRMAN believed, from the previous discussion of the Indian resolution, that everyone would agree in pronouncing on the principle it contained as, in a moral sense, altogether excellent. Though such a resolution could in no way legally debar future sessions of the Assembly from pursuing any policy they might feel to be right, it would always possess great value as an admonitory fingerpost well fitted to influence the thinking of everyone concerned. With that idea he would propose that the words "that the maximum expenditure to be kept in view should in effect approximate to the total expenditure for 1926 with such adjustments as may be necessitated by additions to or withdrawals from the number of contributory States Members" should be suppressed, and that, after the word "desirable", the words "unless and until circumstances changed" should be added.

Sir Ramaswami AYYAR (India) said the Indian delegation could accept the first part of the Chairman's proposal, but he hesitated as to the second. It had indeed been implicit in his remarks at the previous meeting that his delegation was in no sense pledged to the figures for 1926; but it went, he thought, without saying that some "change of circumstances" was presupposed in any suggestion to modify the budget. He had spared no pains in his choice of language to exclude any thought of fettering the Assembly with a legal limit; but such a whittling-down of his text, if not amounting to a flat negation, might certainly seem to render it somewhat futile. He must accordingly state his inability to accept the addition of those words.

The CHAIRMAN proposed the alternative wording: "without putting obstacles in the way of the development of the League of Nations". No principle which the Committee might enunciate for the guidance of other Committees could well take precedence of that highest requirement of all, namely: the normal progress of the League of Nations in accordance with its Covenant.

Sir Joseph COOK (Australia) was glad that the Chairman's first emendation should have found acceptance, as he was himself in doubt as to the precise significance of the words deleted.

At the same time, the whole trend of the debate went to show that it was not the intention of anyone to cripple the League in its legitimate activities; and he therefore doubted the necessity for inserting any such moderating phrase as the Chairman had suggested.

M. HAMBRO (Norway) was content with either form; neither for the other Committees this year nor for the Fourth Committee itself in future years could such a resolution have any sort of legally disabling force. If the hearts of delegates should indeed prove to have been, as it were, economically reformed, the resolution would have its effects upon the budget, but not otherwise. He deprecated the further continuance of what appeared to him a somewhat irrelevant debate.

With the expressed assent of the Indian delegate, *the Committee agreed to insert the words "without putting obstacles in the way of the development of the League of Nations" after the word "desirable" in the text of the Indian resolution.*

The CHAIRMAN observed that it would be important, in the interpretation of that resolution, to bear in mind the speeches to which it had given rise.

20. Scale of the Contribution of Germany to the Budget of the League.

At the invitation of the Chairman, M. RÉVEILAUD (France) conveyed to the Committee the opinion of the Committee on the Allocation of Expenses with respect to the scale at which the contribution of Germany ought properly to be fixed. At the extraordinary session of the Assembly in March 1926, when it had been generally anticipated that Germany would shortly join the League, the Committee on the Allocation of Expenses, meeting semi-officially, had considered, in the light of all the appropriate factors, what number of units Germany should be invited to pay. It had been purely a matter of applying the well-established principles of which that Committee had in the past on more than one occasion expressed its approval. It had reached the conclusion that 79 units would be a just assessment; it had communicated that opinion to one of the representatives of Germany; in reply, he had accepted it without any reservation — and the matter did not seem to call for any further discussion.

The Committee took note of the conclusion of the Committee on the Allocation of Expenses.

In reply to a question from Sir Joseph Cook (Australia), the SECRETARY-GENERAL explained that the formal resignation of a Member State could not affect its obligation to contribute annually its share to the League budget until after the expiry of the two years' period provided for in the Covenant.

21. Detailed Examination of the Budgetary Estimates of the Secretariat and Special Organisations (Continuation): Chapter II, Item 4, "Salaries, Wages and Allowances".

The SECRETARY-GENERAL recalled how, at the previous meeting, the figure of 12,000 francs estimated for the automobile and cyclist service (Schedule A, Item 8, page 165) had been reduced by 2,000 francs, on the ground that in 1925 the actual expenditure under that heading had apparently amounted only to 3,016 francs. While not asking that the Committee should go back on that decision, he would like now to be allowed to explain that in 1925 the salaries of the automobile and cyclist staff had totalled 8,926 francs — and that for a three-weeks Assembly. The confusion had been due to a change in accounting methods, the salaries having been charged to a different account.

While he thought it would be possible to make up the necessary 2,000 francs by savings spread over the whole chapter, he was glad to have been able to show the Committee that in calculating the 12,000 francs originally asked for the Secretariat had not been proceeding without a basis of fact.

M. HAMBRO (Norway) noticed that Item (a), "Secretariat at Geneva", under which the expenditure in 1925 was given at barely 4 millions, was estimated for 1927 at more than 4,800,000 francs. He desired to know whether this increase were due to the creation in the Secretariat of posts for German nationals or whether the creation of such posts — wholly reasonable in itself — might be expected to give rise in the near future to the submission of supplementary estimates.

The SECRETARY-GENERAL replied that the effects of Germany's admission had been fully provided for; indeed, with the exception of items amounting, in all, to only 50,000 francs, the whole of that budget had been examined and approved by a Committee of the extraordinary Assembly in March 1926.

M. HAMBRO (Norway) was sorry if he had re-opened questions which had already been settled. So far, however, as he could gather from the printed reports of the extraordinary session of the Assembly and of the last two ordinary sessions, there were one or two points on which it might still be pertinent to ask for light. It was provided in Article 15 of the Staff Regulations that as far as possible all Members of the League should be represented on the staff.

Now it appeared from the pay-roll that there were in all 844 men and women employed by the various organisations of the League. It was natural enough that of these no fewer than 219 should be nationals of Switzerland. Of the rest, however, after allowing for 216 British and 118 French, there were found only 229 as representatives of all other States Members of the League. And then, on the financial side, it was to be noticed that while Switzerland, so to speak, got back in the form of salaries to her nationals 363 per cent of her contribution, the proportions similarly recovered by other States were: France 135 per cent, Great Britain 126 per cent, Norway 60 per cent (of which he could certainly not complain), Belgium 56 per cent, Denmark 50 per cent, down to Australia 8 per cent and India 2½ per cent. He did not, however, attach very special importance to these figures.

But then, again, there were seventeen States Members of the League without a single national in the Secretariat, and in the International Labour Office twenty-three. Surely it was reasonable that every State Member should have at least one of its nationals in the employment of the League? Yet South Africa, it seemed, was wholly without a representative in any of the three organisations. And of several States in Europe, not to mention thirteen States in South America,

this was equally true — a fact which might have had its influence upon public opinion, or the lack of a public opinion, in some of those countries.

It was stated in Article 15 that “as between candidates possessing equal qualifications, preference should be given to a candidate whose nationality is not adequately represented in the staff”.

It could hardly be said of a State without any representation whatever that it was “adequately represented”.

All power in these matters was, he understood, in the hands of the Secretary-General; with him alone it lay to choose the members of the two appointments committees in the Secretariat, and by whom — with the approval of the Council — all the higher posts were filled. This was perfectly right. He had no complaint to make, no proposal to submit. He would merely ask that the Secretary-General, despite all the practical difficulties in the way, would bear in mind how much better it would be in the long run if room were found for nationals of all States Members — particularly as both at the International Labour Office and in the Secretariat there were actually a number of instances of officials whose countries were not even Members of the League. Would it not be possible as vacancies occurred and a competition was in prospect for the Secretary-General to notify Member States with a view to their putting forward candidates?

The SECRETARY-GENERAL was very sorry to find himself under the necessity of making once again the same speech as at the last ordinary session of the Assembly — a speech which might be found rather fully reported in the minutes of the Fourth Committee. He would quote from the report of that Committee to the Assembly:

“Without wishing in any way to encroach upon the provisions of Article 6 of the Covenant, which made the Secretary-General entirely responsible, subject to the necessary approval of the Council, for the recruitment of the staff of the Secretariat, the Committee noted with satisfaction the assurance given by the Secretary-General that States ‘represented’ inadequately or not at all should, presupposing equal qualifications in their candidates, have priority when new posts were to be filled.”

The delegate of Norway had quoted the total numbers of the staff. Now, it had often been recognised in that Committee that the staff were to be divided into two grades, and that in what was called the administrative grade, comprising all but eighty or ninety of the members, considerations of nationality were vastly less important than a thorough knowledge of one or other of the two official languages. With regard to those eighty or ninety in what, for want of a better term, he would call the higher class, he had always appreciated the very great importance of including amongst them nationals from as many as possible of the Member States. A principal difficulty lay in the fact that the occupants of most of these positions held contracts for periods of seven, fourteen, or twenty-one years, so that vacancies were not very common. He had absolutely adhered to his promise that where qualifications were equal the national of a hitherto “unrepresented” State should have preference, as and when appointments had to be made to new posts. Thus he hoped full satisfaction would ultimately be given to all. Then, again, the Secretariat dated back to a time when Members of the League were few, and several long-term contracts had in those early days been given to extremely valuable officials who were nationals of the country whose expected acceptance of the Covenant had not, after all, materialised.

This nationality question was a staple topic in the Appointments Committee of the Secretariat. The only speedy solution — and he did not recommend it — would be for the Assembly to take the economically dubious step of suddenly voting a large sum for the creation of sufficient new posts to give satisfaction to all concerned.

M. HAMBRO (Norway) pointed out that where examinations were held in French and English it was hardly sufficient to concede that certain candidates would be preferred provided that their qualifications were “equal” to those of other competitors. It was evident that English and French-speaking candidates enjoyed a great advantage. From a political point of view it would be better not to insist too strongly on this equality.

It was difficult for mere members of the Committee to brave the universal knowledge and the great experience of the Secretary-General. Perhaps it would be possible in future years to diminish the number of unnecessary speeches if each member of that Committee were supplied in advance with a copy of the Staff Regulations and a list of all the appointments made since the preceding Assembly. That would enable them to satisfy themselves as to which way things were tending. The precise numbers of the different nationalities could be given as well as the salaries—though these latter, he agreed, were of less consequence.

He had a further point to raise. He understood that the members of the Secretariat, in retaining their distinct nationality, might be regarded in a certain sense as diplomats on foreign soil. Many of them came from the Foreign Offices of their respective countries and would in due time return to resume their places in those Foreign Offices. In cases of conflict each had his distinctive national standpoint. M. Hambro wished it could be brought about that these officials whilst employed by the League might come to be looked upon as, so to speak, citizens of all the States

Members of the League. While nothing more than a formal innovation, that would, he thought, tend to strengthen public confidence in the institution as a whole.

The SECRETARY-GENERAL thought there would be no difficulty in circulating the kind of statement asked for by the Norwegian delegate.

As to the last part of his remarks he was afraid he could not help thinking that the Norwegian delegate was labouring under a fundamental delusion on a matter which went to the very root of all that was most vital to the whole atmosphere and spirit of the Secretariat. No member of the Secretariat was in any sense a representative, either salaried or otherwise, of his Government. It would be intolerable if any member were to accept instructions from home. For himself, if he were to receive any such instructions, he would there and then hand in his resignation. That kind of thing would be wholly inconsistent with the principles on which the Secretariat was founded.

When a new candidate was being considered for a post in the Secretariat, one of the first things on which he (the Secretary-General) was careful to satisfy himself was that the newcomer cared genuinely for the ideals of the League and had that true international spirit which was the most essential characteristic of the institution. If he spoke strongly he must be forgiven; it was because his feelings were strong.

He ought to explain that in filling vacancies among the eighty or ninety higher posts, he well recognised that the principle of nationality ought, in many instances, to outweigh the language qualification. A Norwegian-speaking candidate for one of these posts, for instance, would naturally not be expected to show such a knowledge of French or English as one seeking employment as a translator.

In conclusion, during the past year in three cases posts had been given to candidates who were, in each case, the first of their nationality in the Secretariat. Thus there had been an appreciable advance.

M. HAMBRO (Norway) was sorry if his imperfect command of English had betrayed him into a seemingly censorious choice of phrase. His attitude had been influenced by the old Parliamentary prejudice that as a member of a committee one should make some pretence of preserving at least a remnant — even though it were a rather superficial remnant — of control. He felt, as indeed everyone felt, that the spirit of the Secretariat was neither more nor less than the very spirit of the League. He rejoiced to hear of the three new nationalities, and he hoped that if he had left a disagreeable impression in the mind of the Secretary-General it might serve to keep alive during the months to come the memory of the Fourth Committee and of the principles for which it stood.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, thought it might be useful if he were to explain that the Supervisory Commission, in the months between one Assembly and the next, never relaxed its vigilance in securing that effect be given to the desires and admonitions of the Fourth Committee. That Committee had never wavered in its recognition that the obligations assumed by the League in the form of seven, fourteen and twenty-one-year contracts must in all circumstances be strictly observed.

The Supervisory Commission could testify to the earnest endeavours of the Secretary-General, whenever a vacancy occurred, to find a suitable candidate from one of the countries hitherto not provided for. The organisation of competitions in distant countries had for the past two years been a recognised method of working towards this end — for it was evident that a candidate could not be expected to come from, say, South America to Geneva for the mere purpose of submitting himself for the consideration of the Secretary-General.

These discussions year by year were not to be regretted, for they were a proof of the interest that was felt in the League by the Governments whose delegates took part; but he would be falling short of his duty if he allowed any suspicion to remain that the Secretary-General had ever for a moment neglected the considerations which that Committee allowed him no opportunity to forget.

Sir Joseph COOK (Australia) thought it worth while pointing out that, to judge by the experience of delegates to the Assembly, it was unlikely that any great part of the salary of the members of the Secretariat would survive to be spent elsewhere than in Geneva. He was at a loss to know just what could be meant by a State Member "getting back" in the form of salaries a proportion of its contribution.

It was gratifying to hear from the Chairman of the Supervisory Commission such a tribute to the loyalty of the Secretary-General.

Examinations in distant countries must indeed be difficult to arrange. On the other hand, in Geneva itself there were almost at all times great numbers of students passing through from every part of the world, and it would be easy to test their qualifications. Many of them from the dominions were "Rhodes scholars" and had the very highest scholastic honours. For himself, he was one of those who put efficiency before every other factor, even to the sacrifice of those political considerations which others were accustomed to stress. He believed the servant of the League should be "100 per cent fit for his job". When this had been secured, then their other considerations mentioned could usefully be considered.

Sir Herbert AMES (Canada) desired to emphasise the extent and difficulty of the Secretary-General's task as well as the considerable measure of success he had already achieved. Nominally there were fifty-six — or he should now say fifty-seven — countries in the League. Of these, only fourteen were not already "represented" in the Secretariat. Vacancies were rare and special qualifications in some instances essential. In not a few cases, Governments to which the Secretary-General had notified the existence of a vacancy had replied that they were unable to suggest a candidate. Let members notice the actual list of the States for whose nationals no room had yet been found; in practically every instance those States were situated at such a distance that to get in touch with suitable candidates would be no easy matter, and there were, of course, three Member States which were not for the time being urging any claim for posts in the Secretariat.

Mr. MACWHITE (Irish Free State), reverting to the detailed budgetary estimates, called attention to the steady increase there recorded in the budget of the Information Section (page 168). While not questioning the necessity of such an expansion, he wondered whether that Section might not conform to the practice of other branches of the Secretariat by furnishing the Fourth Committee with fuller particulars of the activities in which it was, in point of fact, engaged.

Commander Hilton YOUNG (British Empire), referring to the same item, observed that of the more recent appointments in the Information Section no fewer than four had been made in Class A, the better-paid category of Members of Section. Would not the Secretary-General and the Supervisory Commission consider the possibility of reducing some of these new members to Class B? It would be difficult to suppose that the duties of that Section any longer called for quite so high a degree of organising ability as in those earlier days when means of publicity for the League had had for the first time to be established in the various countries.

The SECRETARY-GENERAL asked for time in which to consult the Chief of the Information Section on the point raised by Mr. MacWhite.

Replying to the British delegate, he pointed out that of the ten Members of Section, Class A, mentioned on page 168, nine represented already existing contracts. As to the tenth, he thought it would be agreed that there was ground, at the moment, for making one new Class A appointment. The other two new appointments in that section were to be Members of Section, Class B. Incidentally, it was to be remarked that the work of the Information Section was such as to require, to a greater extent than most other sections, a certain seniority and maturity of experience in its members. It was not merely concerned with the organisation of publicity but, being responsible for keeping in close touch with the representatives of the Press, it was necessarily dependent on men who had themselves achieved a certain standing in newspaper work.

Commander Hilton YOUNG (British Empire) desired to put a few questions and to make some suggestions on points of detail. On page 169 would be found a Sub-Schedule 2 to Schedule B dealing with the Internal Services of the Secretariat. He would be interested to know if the Secretariat had adopted the practice of having output records kept by the superintendent of the lower grades of the clerical staff. This system had elsewhere been found to have a salutary effect upon the general standard of work accomplished.

Then, a little farther on, it appeared that a member of the Intermediate Class in the Accounting Branch, whose salary would normally increase by 300 francs per year, was, in 1927, to receive an increment of 500 francs. He would suggest that, at any rate as a rule, departures should be made from the regular scale of increments only on very exceptional grounds.

He would next draw attention to the figures of the typing staff given on page 171; including superintendents, there would, in 1927, be a total of sixty-six persons employed as typists, shorthand-typists, etc., in the Central Services; whereas in the various other branches there were, all told, no fewer than forty-seven bilingual shorthand-typists and twenty-nine other staff. That appeared to him a very large proportion scattered about in the Secretariat as compared with the relatively small number in the Pool; would it not be better economy if a larger proportion were concentrated in the Pool? He also noted that the proportion of shorthand-typists to copyists employed by the League was as large as 130 to 17. To anyone accustomed to office organisation that was a very startling proportion: he would have thought that at the very most the number of shorthand-typists would not have needed to exceed the number of copyists.

Finally, on page 173 a provision of 15,000 francs was sought for "overtime, temporary engagements and replacements"; he enquired what arrangements had been made as between the Secretariat and the International Labour Office for each, in a time of pressure, to draw for assistance upon the other, and in that way to extend the principle of pooling so as to embrace the two institutions.

The SECRETARY-GENERAL replied to the various questions *seriatim*. He said the matter of output records had often been considered, and a general record was, in fact, kept of the work of each individual in the internal services. The principle had not, however, as yet been applied in the Distribution, Roneo and Registry services to the same extent as in the Pool, and he would be grateful if the British delegate could assist him with information on the possibilities of its further application.

Then there was the member of the Intermediate Class on page 169; that was the case of an official who, during the coming year, would, on confirmation of his appointment, have to be

graded definitely either in the higher or in the lower category of the Intermediate Class. The provision of 500 francs was being made to meet the possibility of his being confirmed in the higher grade.

The "startling" proportion of shorthand-typists was to be explained by the special conditions of an international Secretariat. It was by no means uncommon for the typists in the various sections to be required not merely to copy the French or English of members of higher grades but also to concern themselves with editing their grammar and vocabulary; moreover, it was a matter of considerable importance in such an institution to avoid as far as possible employing in too large numbers the class of person whose qualifications did not include shorthand; lastly, as to pooling with the International Labour Office, he was able to say that this principle had at all times been applied by both institutions at every reasonable opportunity.

Item 4 was adopted without modification.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, said that the Supervisory Commission would like time to reconsider the new organisation of the Legal Section of the Secretariat, and he therefore hoped that the Fourth Committee would allow the adoption of the sub-section of Item 4 dealing with that department to stand over.

The CHAIRMAN said that, without cancelling its decision, the Fourth Committee could regard itself as having only taken that decision provisionally and would remain free to make changes in Item 4 if it thought fit.

Agreed.

22. Chapter II, Item 5, "Contribution to the Staff Provident Fund" (250,000 gold francs).

Sir Joseph COOK (Australia) asked the reason for the increase in the appropriation under this head.

The SECRETARY-GENERAL explained that the League contribution to the Staff Provident Fund represented 5 per cent of the salary of each official, and consequently the contribution increased automatically in proportion to salaries.

Item 5 was adopted without amendment.

23. Chapter II, Item 6, "Latin-American Liaison Bureau" (75,535 gold francs).

M. ZUMETA (Venezuela), addressing the Secretary-General, said that the latter, before taking any decision affecting the Latin-American Bureau, had always consulted the delegates of the Latin-American countries, and he asked him to retain the Latin-American Liaison Bureau until he had had an opportunity of talking matters over with M. Guerrero, M. Urrutia and M. Villegas, who were the authorised spokesmen of eleven of the Latin-American delegations, in order to consider how the arrangements for this service could be adapted to the requirements of liaison between the Secretariat and each of these countries individually. This request, he added, was in no way intended to forestall the arrangements eventually to be made for the service, the responsibility for which must be left entirely in the Secretary-General's discretion.

M. FERNANDEZ Y MEDINA (Uruguay) regretted that a question of this kind should have been raised in an Assembly Committee instead of at the private meetings which the Latin-American delegates had held from time to time. In his view the League could contain no group or organisation calling itself "Latin-American Group". Any such group could never, in any case, be recognised by the League. The States Members were sovereign States, and no group or *entente* could be formed except by a formal agreement among the Governments concerned. Such conversations as took place between delegates when they met at Geneva were friendly interviews which did not confer on anyone the right to speak on behalf of others on questions affecting the organisation of the budget of the League. It was the representatives of the individual States who must be consulted. That was a constitutional principle which could not be ignored. He repeated that no organisation calling itself "Latin-American Group" could be recognised. The League was composed solely of the sovereign States Members with their respective representatives.

With reference to the Latin-American Liaison Bureau, a verbal agreement had been made among the representatives of the Latin-American countries in order to acquaint the Secretary-General with their views. M. Zumeta, M. Ferrara, M. Jaramillo and M. Franco, representing Venezuela, Cuba, Colombia, and the Dominican Republic respectively, as also the representative of Uruguay himself, had explained to the Secretary-General, in the presence of M. Avenol and Professor Attolico, the views which they shared in common and which were identical to those held by the Secretary-General. M. Fernandez y Medina was surprised that the question of the continuance of the Bureau had been raised subsequent to this step. He could not agree that any resolution presented by a group of representatives could alter the unanimous opinion expressed by all the Latin-American delegates when consulted on the point.

M. Fernandez y Medina went on to say that his Government, like the others, had repeatedly stated that it had no desire to interfere in questions concerning the organisation of the Secretariat.

The Government of Uruguay considered that the existence of a Latin-American Bureau was incompatible with the conception of a Secretariat of the League and, further, with the status of the Latin-American countries. If the Bureau was retained, it should be noted that Uruguay was opposed thereto. The Secretary-General was empowered to appoint the officials of the Secretariat at his own discretion, while having regard to their qualifications. It would be improper for any delegation to assert that the Secretary-General ought to wait for a hint from certain Members of the Council before exercising the powers conferred upon him by the Assembly. The Members of the Council were appointed by the Assembly, but they could not entertain hard-and-fast instructions from a Committee or even from the Assembly itself to interfere as individuals in the working of the Secretariat organisation.

M. Fernandez y Medina then reminded the Committee that Uruguay had been a Member of the Council for four years. At the time of her election there was one solitary Uruguayan official on the Secretariat, and he had been appointed as early as 1920. Upon Uruguay ceasing to be a Member of the Council, this official was still the only national of Uruguay on the Secretariat, and he still belonged to the class to which he had originally been appointed. Uruguay had thus set an example by refraining from canvassing for posts for her nationals. Every time that he (M. Fernandez y Medina) had spoken on behalf of the Latin-American countries, he had never failed to respect the right of the Secretary-General to select the staff of the Secretariat.

M. ZUMETA (Venezuela) believed that he had already said that in his opinion the Secretary-General was alone responsible for the staff appointments to the Secretariat. In this connection, he had only alluded to a conversation between Sir Eric Drummond and certain South American delegates. He had made no further mention of the Latin-American group of countries. He had mentioned certain relations which might be established between the individual Latin-American Republics and the Secretariat; however, as eleven delegations had the same suggestion to offer on this point, they had thought that it would suffice if the matter were developed once, and had asked M. Zumeta to do so. He had, moreover, made no reference to the Members of the Council in his remarks. He had merely explained that M. Urrutia, M. Guerrero and M. Villegas, who were to remain at Geneva, had been requested to place themselves in touch with the Secretary-General.

In conclusion, M. Zumeta, while respecting the opinion of M. Fernandez y Medina, considered that the arguments put forward by the delegate for Uruguay did not come within the competence of the Fourth Committee.

The CHAIRMAN pointed out that only the credit appropriated under Item 6 was within the competence of the Committee. Further, he was glad to note that the delegates of Uruguay and Venezuela were agreed that the Secretary-General was free to use the credit of the Latin-American Liaison Bureau in the manner he thought best. The Chairman was certain that the Secretary-General would not make any appointment without consulting the delegates of the Latin-American Republics.

M. FERNANDEZ Y MEDINA (Uruguay) repeated that in his view the Secretary-General had the right to make appointments to posts in the Secretariat at his own discretion, and that he would not be required to consult a delegation as to the appointment of officials, who should be selected first and foremost on the score of capability. He could not agree to the retention of the Latin-American Bureau. He therefore formally moved its suppression.

M. ZUMETA (Venezuela) proposed that the Secretary-General should suppress the Bureau at such time as he thought right.

In answer to Sir Joseph Cook (Australia), the SECRETARY-GENERAL drew the attention of the Committee to the fact that no economy would result from the adoption of either M. Fernandez y Medina's motion or of M. Zumeta's, because, according to the statements made by them, if the credit entered under Item 6 were not appropriated to the Latin-American Bureau, it was to be distributed among other items to the best advantage of Latin-America.

M. FERNANDEZ Y MEDINA (Uruguay) explained that M. Zumeta had proposed the retention of the Latin-American Bureau until the Secretary-General recommended its suppression, and that, before proceeding to do so, Sir Eric Drummond should discuss the matter with the representatives of the States concerned. He did not agree to the last point. He did not think this suggestion compatible with a commonsense view of the duties of delegates in Geneva.

He explained that his own proposal was that the credit entered under Item 6 should not be used for the continuance of the Latin-American Liaison Bureau but should be distributed among various items in the Secretariat budget in a manner best calculated to further the interests of the Latin-American countries.

M. ADATCI (Japan) proposed that if the Secretary-General agreed that Item 6 should be entitled "Latin-American Liaison Service", it would be for the Secretary-General to determine the form which this service should take.

M. ZUMETA (Venezuela) agreed.

The SECRETARY-GENERAL was prepared to accept the heading "Liaison with the Latin-American Countries". The credit appropriated under Sub-Item II of Item 6, "Other Expenses", would continue to appear in 1927 under the heading "Liaison", and might then be distributed among other items.

The Committee adopted the credits appropriated under Item 6 without amendment, Item 6 to be entitled "Liaison with the Latin-American Countries".

24. Chapter II, Item 7, "Branch Offices" (136,764 gold francs).

Item 7 was adopted without amendment.

25. Chapter II, Item 8, "Travelling Expenses of Officials of the League".

Commander Hilton YOUNG (British Empire) thought it desirable to revise the scale of subsistence allowances, which had been established at a time when prices were considerably higher than at present. The amount of 70 francs a day provided for a certain class of officials was equal to twice the average allowance granted to British officials.

The SECRETARY-GENERAL stated that the allowance of 70 francs a day applied solely to members of committees. No member of the Secretariat — not even the Secretary-General — received so high a sum.

The Secretary-General read out the scale of subsistence allowances for members of the Secretariat. Officials were divided according to grade into three classes, and received, according to the class to which they belonged, 60, 40 or 30 francs for the first ten days, after which the amounts were reduced to 45, 30 and 25 francs respectively.

Commander Hilton YOUNG (British Empire) pointed out that it was after comparing the allowances for British officials and those granted to League officials, class by class, that he had arrived at the conclusion that the subsistence allowances adopted by the League required revision.

The SECRETARY-GENERAL thought that there could be no objection to the granting of a subsistence allowance of 70 francs a day to members of committees, who, in the great majority of cases, received no other remuneration from the League.

It should be noted, further, that the scale of allowances in force in Great Britain was one of the lowest in existence. The Secretariat had adopted average figures.

M. HAMBRO (Norway) supported the suggestion submitted by the British delegate. He had no desire to reduce the allowances of members of the Secretariat but thought it essential that the members of the different Parliaments who would be asked to vote the contributions of their States should see that questions had been asked on the subject. He could not say whether the allowances paid in Norway were higher than those paid in Great Britain.

The SECRETARY-GENERAL pointed out that the scale of subsistence allowances, which had, moreover, been established with the assistance of a British official, had been adopted by the 1920 Assembly. He did not think that there had been any general fall in the cost of living expressed in terms of gold francs. The allowances paid to members of the Secretariat, while too high for certain countries, were inadequate in many others.

The Secretary-General, who had been obliged to travel frequently, had had occasion to note this fact. Moreover, he did not think it fair to send officials on a mission unless they could be guaranteed a refund of their travelling expenses. He was quite prepared to go into the question with the Supervisory Commission, but he begged the Fourth Committee to make no change, at all events, in the appropriation in the 1927 budget.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, understood that the British delegate was not proposing an immediate change but was simply urging that the scale should be reconsidered. This the Commission was quite prepared to do.

Commander Hilton YOUNG (British Empire) agreed. *A priori*, the allowances paid by the Secretariat appeared to be sufficient to enable officials to meet their entire expenses when travelling on duty.

The SECRETARY-GENERAL regretted that he had at first not quite understood the real sense of Commander Hilton Young's remarks. He was quite prepared to go into the question of a new scale of allowances; such an examination might, he thought, lead to conclusions rather different from those expected.

Item 8 was adopted without amendment.

26. Chapter II, Item 9, "Frais de Représentation" (162,500 gold francs).

Item 9 was adopted without amendment.

27. Chapter II, Item 10, "Establishment Expenses" (229,225 gold francs).

Item 10 was adopted without amendment.

28. Chapter II, Item 11, "Publications Department" (365,500 gold francs).

Mme. KLUYVER (Netherlands) wished to pay a tribute to the Publications Department, which had made substantial progress, but she complained of the slowness in publishing certain documents, in particular the minutes of Council meetings, which only reached the States which were not Members of the Council after considerable delay. Moreover, the indexes and lists compiled by the Publications Department were very highly appreciated by all readers of League documents. It would be highly desirable that the compilation of the *Index to the Official Journal* and to the *Treaties Series* should be expedited so far as possible. The *Index to the Official Journal* for 1925 had not been received till September 1926. She laid stress on the fact that the foregoing remarks were in no way to be regarded as a criticism of the Service concerned, the work of which, she wished to repeat, was greatly appreciated by readers of League publications.

The SECRETARY-GENERAL stated that he would do his utmost to satisfy Mme. Kluyver on this question. He wished to point out that, so far as the *Official Journal* was concerned, the principles of "economy and rapidity" were mutually incompatible. The despatch of the *Official Journal* had been delayed until other documents were ready so as to make a single consignment.

The preparation of the various indexes would be expedited so far as possible.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, read paragraph 32 of the Supervisory Commission's report (Annex 2). He pointed out that the Supervisory Commission had on various occasions discussed the question of publications with the Secretary-General. The latter had invariably replied that it was impossible for him to oblige Committees to limit their publications. M. Osusky thought, nevertheless, that some measure of co-ordination was necessary in regard to the publications for which the Secretariat was responsible. They should be centralised, and it should not be left to each Committee or Sub-Committee to decide which documents should be printed. With this object in view, the Chairman of the Supervisory Commission, in conjunction with the Secretary-General, asked the Fourth Committee to grant him its formal support in the action which it was proposed to take. The Supervisory Commission proposed to submit to the Fourth Committee a draft resolution to be laid before the Assembly. The draft resolution might be considered at the same time as the Supervisory Commission's report.

The CHAIRMAN said that the Fourth Committee had much pleasure in accepting the proposal of the Chairman of the Supervisory Commission.

Commander Hilton YOUNG (British Empire) approved the suggestion of the Chairman of the Supervisory Commission and, further, congratulated the Secretary-General on the reduction in the 1927 budget estimates for League publications in comparison with the 1926 estimates.

Nevertheless, the total of these estimates still exceeded that of the expenditure in 1924 and 1925.

He hoped that the resolution to be submitted by the Chairman of the Supervisory Commission would be very firm in tone.

The items relating to the League's publications were amongst the most formidable in the budget. He would make no secret of the fact that he had decided to submit to the Fourth Committee a proposal to reduce this expenditure and that it was only because the Chairman of the Supervisory Commission had taken the initiative that he would now refrain from doing so.

Item 11 was adopted without amendment.

29. Chapter II, Item 12, "General Office Expenses" (388,000 gold francs).

Item 12 was adopted without amendment.

30. Chapter II, Item 13, "Special Staff Charges" (119,040 gold francs).

Commander Hilton YOUNG (British Empire), referring to Sub-Item (d) of Schedule J (page 178), "Fidelity Guarantee", was of opinion that a saving might be effected as regarded this credit in view of the fact that the League held as guarantee the contributions of the officials to the Staff Provident Fund.

The SECRETARY-GENERAL replied that this question would be considered.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, associated himself with the British delegate's remarks.

Item 13 was adopted without amendment.

31. Chapter II, Item 14, "Interest Charges; Bank Account" (1,000 gold francs).

Item 14 was adopted without amendment.

32. Chapter II, Item 15, "Unforeseen Expenses of the Secretariat" (50,000 gold francs).

Sir Joseph COOK (Australia) pointed out that this was the second item which the Committee was asked to vote in the Secretariat budget alone with reference to unforeseen expenses. It would seem that a single fund for unforeseen expenses should be sufficient.

The SECRETARY-GENERAL did not think that the fusion of the items "Unforeseen Expenditure, subject to Special Vote of Council" and "Unforeseen Expenses of the Secretariat" would be a happy innovation from the financial point of view. It was only possible to make use of the funds appropriated under the first item for a specified object with the authorisation of the Council in virtue of a special vote. Strict supervision should be exercised over the fund for unforeseen expenditure placed at the disposal of the Council, and the assurances given to the British delegate at a previous meeting would amount to nothing if the Secretariat could draw upon this fund.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, explained that the credit of 500,000 gold francs under Item 3 was placed at the disposal of the Council with the proviso that it could not be drawn upon unless the Council had passed a special vote to that effect. This had been done with the object of precluding the administration from drawing upon it for its own use. This appropriation of 500,000 francs could, in point of fact, only be used for political purposes.

Sir Joseph COOK (Australia) declared that in his opinion it none the less remained a fact that from the financial point of view it was a mistake to have two different items for unforeseen expenses in one and the same budget.

He had great experience in matters of public finance, and he had always observed that the funds appropriated for unforeseen expenses were nearly always spent. The rule in an ordinary parliamentary estimate was to estimate fully and then at the end to deduct a substantial amount from the total representing the estimated amount that would not and could not be properly spent. Here the opposite was the case. He could not help thinking that if sums were entered in the budget they would be spent.

The SECRETARY-GENERAL explained that the League could not follow the same system as parliamentary Governments. A budget voted by the Assembly could not be completed during the current financial year. It was impossible for him to ask for supplementary credits, and it was for this reason that the item covering unforeseen expenses appeared in the Secretariat budget.

He pointed out also that it would not be correct to say that the Secretariat spent the whole amount placed at its disposal, since it had already realised a total surplus of 7 or 8 millions.

Sir Joseph COOK (Australia) pointed out that this surplus arose from supplementary contributions from certain States in order to compensate for non-payment or delay in payment by other States and had little to do with the matter he was discussing. When the States which were in arrears or which had as yet made no payments duly paid up their debts, the League treasury naturally found itself with a surplus. The inflation of the estimates in the way now adopted was wrong in principle and fatal to economy.

M. FERNANDEZ Y MEDINA (Uruguay) thought that the adoption of Sir Joseph Cook's proposal would have an opposite effect to that which the Australian delegate desired. According to the present system, the Council could draw upon the sum of 500,000 gold francs appropriated under Item 3, whereas, if the method advocated by Sir Joseph Cook were adopted, the Secretary-General would, unless a special system of control was instituted, have a much larger sum at his disposal for unforeseen expenses. He was therefore in favour of retaining the two items.

The CHAIRMAN hoped that Sir Joseph Cook would not insist upon his point of view. In view of his great responsibilities, it was indispensable that the Secretary-General should have a credit to enable him to meet the unforeseen expenses of the Secretariat.

Item 15 was adopted without amendment.

33. Chapter II, Item 16, "Unpaid Liabilities" (5,000 gold francs).

Item 16 was adopted without amendment.

34. Chapter II, Item 17, "Supervision of Revenue and Expenditure".

Item 17 was adopted without amendment.

FIFTH MEETING

Held on Saturday, September 18th, 1926, at 10.50 a.m.

M. Nicolas TITULESCO (Roumania) in the Chair.

35. Liaison with Latin-American Countries: Communication from the Delegation of Paraguay.

Dr. CABALLERO (Paraguay), on behalf of his delegation, read the following statement:

"In view of the fact that the technical organisations of the League of Nations will probably be called upon in the coming year to take action in Latin-American countries, it is desirable that a credit for that purpose be included in the budget. As it is not yet possible to know to which technical organisation such action will fall, I would propose that the provision in question appear in the form of an additional credit under the item 'Liaison with Latin-American Countries', with the following indication as to the method of its employment: Contact in technical matters with the countries of Latin America.

"For the moment, as it is not possible as yet to state precisely what form the action referred to will take, it is of no use seeking to determine the exact amount of the necessary expenditure. I would therefore propose to fix a maximum of 30,000 gold francs, on the understanding that very precise details will later be given in regard to the application of the credit in question."

On the proposal of the CHAIRMAN, *this communication was referred for study to the Supervisory Commission.*

36. Work of the Information Section of the Secretariat.

The SECRETARY-GENERAL recalled that, at the previous meeting, the delegate of the Irish Free State had asked that the Committee might be furnished with fuller details as to the work of the Information Section. After consultation with the director of that Section, he was now able to say that they would be delighted to comply with that request; and he invited Mr. MacWhite to put himself in touch with the director, with a view to the statement being drawn up in the form most agreeable to him.

37. Detailed Examination of the Budgetary Estimates of the Secretariat and Special Organisations (*Continuation*): Chapter III, Item 18, "Administrative Commissions and Minorities Questions" (352,739 gold francs).

The Committee adopted Item 18 without modification.

38. Chapter III, Item 19, "Economic and Financial Organisation" (1,178,346 gold francs).

Commander Hilton YOUNG (British Empire), drawing attention on page 180, to Schedule L, Item 3 (c), "Printing and Publishing" (120,000 francs), observed that this sum was slightly larger than the corresponding figure for 1926. Might it not have been expected that with the cessation of the monthly reports on Austria and Hungary a smaller rather than a larger provision under that head would have sufficed? There would indeed be Bulgarian reports, but presumably these would be published not more than once a quarter. He proposed to reduce the item by 30,000 francs.

Sir Arthur SALTER, Director of the Economic and Financial Section of the League of Nations, observed that the discontinuance of the Austrian and Hungarian reports was relevant not to Item 3 (c) but to Item 2 (b), "Printing and Publications for the Committees" (40,000 francs). And if this latter total in turn were questioned, the answer lay in sundry new tasks to be undertaken in the coming year; as, for example, under the decision to publish periodical progress reports on the effect given to the important Convention on Customs Formalities — an object the utility of which was felt very strongly by the Economic Committee.

To give a further instance, there was to be an important enquiry into the best method of dealing with the problem of the suppression of note forgeries; there, too, heavy printing would be involved.

Then, again, over and above the Bulgarian reports, there would be printing incidental to the work on double taxation and on bills of exchange as well as in a less degree to that on false Customs declarations.

The Supervisory Commission, after the most jealous scrutiny, had agreed that the figure asked for was the lowest possible in the circumstances.

If criticisms were directed to Item 3 (c), he would reply that the publications of the Intelligence Section had steadily developed both in circulation and in contents; this year, in addition, both the Economic Committee and the Preparatory Committee for the Economic Conference had

attached great importance, in view of the varied range of statistics now compiled from day to day by the Secretariat, to their annual re-appearance in the collated and compendious form of a small statistical yearbook.

If all the volumes now in contemplation should actually be found ready for publication within the year, 145,000 francs, at the very least, would be needed. The lower figure had been agreed to only on the somewhat risky assumption that some part of the work might remain a little in arrears.

He would also point out that that item was in two respects unlike most others in the budget; it was not in fact a net charge, since against it there were to be sent the receipts from sales, which would be entered in a different account; and, altogether aside from their immediate usefulness to the League organisations, those volumes would also be of service in the general departmental work of the various Governments, which would, of course, receive copies rather in the manner of the members of a club. Of the *Monthly Bulletin of Statistics*, for instance, 1,500 copies would be published, at a cost of 20,000 Swiss francs. Of this there would be sold 800 copies at twenty francs apiece, making a gross return of 16,000 francs. The remaining 700 copies of that valuable publication would, as he had explained, be placed at the disposal of the Governments of the Member States.

Commander Hilton YOUNG (British Empire) was much obliged for this explanation. As a mark of the confidence that he and everyone felt in the joint work of the Secretary-General and the Supervisory Commission, he was happy to withdraw his proposition.

39. Chapter III, Item 20, "General Economic Conference" (320,000 gold francs).

The Committee adopted Item 20 without modification.

40. Chapter III, Item 21, "Mandates" (261,380 gold francs).

The Committee adopted Item 21 without modification.

41. Chapter III, Item 22, "Transit Organisation" (370,283 gold francs).

The Committee adopted Item 22 without modification.

42. Chapter III, Item 23, "International Health Organisation" (991,115 gold francs).

M. DE VASCONCELLOS (Portugal), adverting to Schedule O on page 185, said he understood that a sum of 25,000 francs was being asked for by the Second Committee in connection with the Bureau at Singapore. He had no desire to oppose the development of that Bureau, which was doing excellent service, but he recalled that the Fourth Committee had last year decided that, by way of stabilising the budget of the Health Organisation, a maximum of 1,000,000 francs should be established within which it must normally remain.

With a view, therefore, to furnishing the 25,000 francs required, he proposed that Item 3 (2), "Conferences and Technical Commissions", be reduced from 100,000 to 80,000 francs, and Item 4, "Interchange of Public Health Personnel, Expenses in Connection with a System of Liaison between the Various National Public Health Services", from 150,000 to 145,000 francs.

The CHAIRMAN suggested that, as the question of the Singapore Bureau was at that moment in the hands of the Supervisory Commission, Item 23 might be reserved for further consideration in the light of their report.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, read the following passage from the report of the Supervisory Commission on the work of its eighteenth and nineteenth sessions (Annex 2):

"Paragraph 38. — The Sixth Assembly decided that a maximum figure of 1,000,000 francs should be allowed for the budget of the Health Organisation, and accordingly the Supervisory Commission did not consider it necessary to reduce the estimates submitted to it below 991,115 francs. It should be noted that this figure includes the appropriation for a new post of Member of Section, Class A, which was approved at the time of the Special Assembly."

The limit of 1,000,000 francs, fixed last year, had been the result of prolonged discussions, and it was certainly not the intention of the Supervisory Commission to see it overstepped. The Fourth Committee was now of course free to take what decision it would, but he earnestly hoped they would find it possible, on the present point, to adopt the view of the Supervisory Commission.

M. ADATCI (Japan) said the utility of the Singapore Bureau was a matter of universal recognition. M. Benes, as President of the Council, had alluded to it in his opening speech at the Assembly, and both the plenary meeting and a sub-committee of the Second Committee had testified to its value. But, while all countries were interested, his own (Japan) was interested in a special degree.

No one was more anxious than he to safeguard the financial well-being of the League. He would therefore be glad to know what the Secretariat thought of the solution suggested by M. de Vasconcelles, for it was evidently desirable, if it could be done without hurt to the Health Organisation, to satisfy all needs within the limit agreed upon last year.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, said it was just this problem that the Supervisory Commission were exploring. If the Fourth Committee were disposed to receive sympathetically the request of the Second Committee for 25,000 francs towards the Singapore Bureau, it would surely be best to defer examination of the Health Organisation budget until the Supervisory Commission had reported.

M. ADATCI (Japan) observed that this would be a wise and a practical course.

Sir Ramaswami AYYAR (India) said that in his country, no less than in Japan, great significance was attached to the work of the Singapore Bureau, and he too was anxious if possible to avoid injury to any other side of the Health Organisation's activities.

The delegate of Portugal had made particularised proposals. Would he not agree, in the event of pruning being at some point necessary, to leave the Supervisory Commission to decide at what point it should be applied? India was especially interested in the interchange of public health personnel.

No one would rejoice more than the Indian delegation if it were found unnecessary to depart from the principle established last year.

M. DE VASCONCELLOS (Portugal) did not at all insist that the economies should be effected at the particular points he had singled out.

The Committee agreed to reserve Item 23 pending the report of the Supervisory Commission on the request of the Second Committee.

43. Chapter III, Item 24, "Social Questions; Suppression of Traffic in Women; Protection of Children; Supervision of Opium Traffic, etc." (278,181 gold francs).

The Committee adopted Item 24 without modification.

44. Chapter III, Item 25, "Reduction of Armaments" (1,052,572 gold francs).

Commander Hilton YOUNG (British Empire), referring to Schedule Q, Section III, Investigations (200,000 francs), on page 191, believed that, as a matter of history, the tendency was for that item to be renewed year by year without being spent. If that were so, might it not now be suppressed?

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, quoted from paragraph 40 of the Supervisory Commission's report (Annex 2):

"The estimates for the Section for the Reduction of Armaments include several items which appear in the League's budget every year without any corresponding expenditure being shown in the accounts. The Supervisory Commission considered that it could not at the present moment suppress the items "Investigations" and "International Disarmament Conference", but it reduced the appropriations for these heads from 250,000 to 200,000 francs, and from 400,000 to 300,000 francs respectively. Although the Conference will probably be on the same scale as a session of the Assembly, it is expected that the expenses, particularly the printing expenses, will not be as great."

Commander Hilton YOUNG (British Empire) was grateful for the explanation but not altogether satisfied with the situation that it revealed. The inclusion year by year of those sums did in fact produce an unnecessary swelling of the budget, and therefore of the contributions of the Member States. From the point of view of sound finance this was clearly an undesirable result.

The SECRETARY-GENERAL replied that that item, recurring year by year, was due to the fact that under the terms of the Peace Treaties the League might find itself called upon, when the present system came to an end, to make investigations from time to time in certain countries as to the state of their armaments. It was impossible to say when and in what form, if at all, the League would have to assume that task. It seemed very likely that it would occur — in theory if not in practice — during the coming year. He hoped it might never occur in practice, but it was clearly his duty, under the existing texts, to make the necessary budgetary provision.

M. RÉVEILLAUD (France) was glad that attention had been drawn to that chapter, as it threw into strong relief one of the special difficulties involved in preparing the budget of such an institution as the League.

Here was an item under various heads, for which a total of 1,200,000 gold francs — *viz.* one-twentieth part of the entire budget — was to be provided, enabling critics of the League, comparing its present total expenditure with that of three years ago, to draw pessimistic conclusions.

Yet not one of that Committee — least of all the British delegate — would insist for the suppression of that item, relating as it did to what was perhaps the League's most essential function.

In a national Parliament the present situation would not have arisen. The item would have been held over to form the subject of a supplementary estimate if and when the occasion arose. In the League, with the Assembly meeting once only each year, this could clearly not be done, and the Supervisory Commission had therefore been obliged reluctantly to assent to a departure from what were generally regarded as strict budgetary principles, contenting itself by stipulating in the most absolute form that not so much as a single penny from that fund should ever be transferred to any other item.

Furthermore, it was not to be forgotten that, should the year after all elapse without any of the investigations under that item being made, the sum would automatically become available for re-distribution, as a sort of bonus, to the Member States in proportion to their contributions.

Sir Joseph COOK (Australia) confessed his continued inability to understand the need for such a credit. They had already seen sums amounting to 550,000 francs provided for emergent and unforeseen expenditure. If ever there was an item which was political in purpose, and therefore within the control of the Council, these investigations answered that description. Clearly and justifiably, therefore, the Council might be left to draw for those purposes from the sums appropriated towards unforeseen expenditure.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, said that, as might have been gathered from its report, the feelings of the Supervisory Commission on first examining that item had been precisely those of the British delegate. If it had not adopted the solution now suggested by Sir Joseph Cook, it was for the simple and sufficient reason that the credit for "unforeseen expenditure" was intended for expenditure which was in fact, in the strictest sense, unforeseen. These investigations had in fact been foreseen, in one way and another, in formal resolutions both of the Council and of the Assembly. In view of the impossibility of resorting to supplementary credits, the Supervisory Commission had been obliged to agree to this inconvenient item, disagreeable though they found it.

Commander Hilton YOUNG (British Empire) observed that they were evidently here in contact with what was perhaps the biggest difficulty in the way of putting the League's financial system on a really sound footing. To do what orthodox principles would seem, at first sight, to require would entail a disregard of binding decisions and even a risk of wrecking the finances of the year. He warmly subscribed to the doctrine of the French delegate as to the inadmissibility of transfers. It was a matter of essential morality that such an item should not serve as a cow to be milked for the support of other portions of the budget. The problem evidently was of the very greatest importance, and if any of them could suggest a remedy it was his duty to do so.

Higher and more experienced authorities than he should set themselves to seeking a way out. They had been told it was necessary to call at the beginning of the year for larger sums than were really likely to be needed. It was not strictly true to say that at the end of a year the individual State would "get back" the excess, for, at best, what it got was merely a credit for an equivalent amount. It was clearly not sound finance to deprive the States, even if only for twelve months, of the use of what was theirs. His own suggestion — which he advanced with all reserve and all deference — was that a separation should be made between those credits which were contingent and those which were certain, and that the contributions should at the outset be based upon items only in the latter category. Then, when from the unwilling pockets of the hard-pressed Member States there were being extracted the smaller contributions resulting from this new method, a notification could be circulated that it might at a later stage become necessary to make a further call towards the expenses of that year to meet the contingent items.

Even if that suggestion proved impracticable, he sincerely hoped the experts might before long find some better solution.

Sir Herbert AMES (Canada) thought that, in order to give practical effect to the very valuable suggestions of the British delegate, the best course would be for the Supervisory Commission to be asked to give serious study to the possibility of arranging for a supplementary budget to be submitted annually during the month of September.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, said the Supervisory Commission had already examined, though with no favourable result, various other suggested solutions, and they would certainly take into account the ideas of the British delegate.

The SECRETARY-GENERAL entirely agreed that the present system was from the financial point of view unsatisfactory. He said he would be very grateful if some workable solution could

be found. The great difficulty about the attractive plan just suggested was that, with different Parliaments holding their sessions at different times, it was altogether unlikely that any of the money asked for in a supplementary budget submitted in September would ever be collected before the end of the year. Even if it were not true as regarded the British contribution, it was in most countries certainly very much easier if it were known from the start just what total would have to be paid — whether in a single lump sum or in equal half-yearly or quarterly instalments.

In his position it was essential to view the problem from a strictly practical point of view, and, while fully admitting how theoretically objectionable was the present practice, he hoped that Governments would be willing to continue to submit to the inconvenience of a system whereby a certain sum — not a very large sum — was tied up for the space of a year.

Sir Joseph COOK (Australia) was not convinced that the difficulty was quite so serious as had been contended. Why should the Council not be trusted to play the part of a treasurer in respect of the administration of "advance accounts"? There seemed to be plenty of funds floating about ready to be poured into the annual surplus of the League. With a Supervisory Commission and a Council working only by unanimity, they surely had adequate means of control. As Sir Herbert Ames well knew, there was such a thing even in the history of the League as an overdraft at the bank. To vote money beforehand in view of necessities which were not likely to arise was to place a standing temptation in the way of those to whom it was entrusted. They could certainly do worse — while studying to set the matter on a scientific foundation — than to trust the Supervisory Commission and the Council to "raise the wind" in the unlikely event of an investigation having actually to be set on foot.

It was agreed that the Supervisory Commission should be requested to make a thorough study of the existing budgetary system with the view to the possible avoidance of the recurrent inclusion in successive budgets of items which, though definitely not "unforeseen", were nevertheless not very likely to be needed.

The Committee adopted Item 25 without modification.

45. Chapter III, Item 27, "Intellectual Co-operation, International Bureau, etc." (208,132 gold francs).

The Committee adopted Item 27 without modification.

46. Chapter III, Item 28, "Armenian Refugee Settlement Scheme" (100 gold francs).

The Committee adopted Item 28 without modification.

47. Chapter III, Item 30, "Experts' Committee for the Progressive Codification of International Law" (75,000 gold francs).

M. HAMBRO (Norway) took the opportunity of asking the Secretary-General to submit to the consideration of the Council the question whether, in the appointing of committees, it might not in future be wise to provide for a stronger representation of States not actually Members of the Council.

The SECRETARY-GENERAL said he would be very glad if and when an opportunity arose to draw the Council's attention to that point.

The Committee adopted Item 30 without modification.

48. Chapter III, Item 31, "Conference, if any, on the Preparatory Work on the Scheme for an International Federation for Mutual Assistance in the Relief of Peoples overtaken by Disaster" (30,000 gold francs).

Sir Joseph COOK (Australia) understood that there had been a draft convention on that subject. He would be glad to know what views the various States had expressed upon that draft convention; whether it had been ratified; if so, by how many States; and if not, what was the necessity for that vote. In any case he did not imagine that much relief could be provided for 30,000 francs.

The SECRETARY-GENERAL explained that a special committee had indeed met to draw up a convention, which had been distributed for their views to all States, whether or not Members of the League. A vast majority of the replies had been favourable to the institution of some such plan, and it was now for the Council to decide whether there should not actually be called the further conference, in view of the possibility of which the present item had been included.

The Committee adopted Item 31 without modification.

49. Chapter III, Item 32, "Committee of Press Experts" (30,000 gold francs).

M. HAMBRO (Norway) asked whether this expenditure was of a recurring or a temporary character.

The SECRETARY-GENERAL replied that this would probably be the last appropriation asked for in connection with the Committee of Press Experts. He hoped the item would disappear from the budget in 1928.

M. HAMBRO (Norway) thought that it would suffice to leave the Press to come to the League of Nations and that it was not necessary for the League to go to the Press. No doubt if the League were to ask the Press to send delegates to a conference, they would receive a very gracious reply, but it would be better to limit the number of the gatherings, which, if multiplied, would have no result beyond a nebulous cycle of conferences. As a journalist, and as President of the Norwegian Journalists' Association, he said he did not believe the meeting of the Committee of Press Experts was likely to produce any practical results.

The Committee adopted Item 32 without modification.

50. Chapter IV, Item 33, "Loss on Exchange" (100,000 gold francs): Deduction of "Profit on Exchange" (100,000 gold francs).

The Committee adopted Item 33 without modification.

51. Chapter V, Item 35, "Further Purchases of Furniture, Equipment, etc., for Annex (40,000 gold francs); Current Requirements (45,000 gold francs).

Sir Joseph COOK (Australia) thought it would be appropriate, while that item was under discussion, to put some questions about the League Building Fund. What was the amount of that Fund and where was it deposited?

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, recalled that all the details as to the League Building Fund had been approved by the Fourth Committee at its second meeting.

Sir Herbert AMES (Canada) said he had that very morning received a communication from the Secretariat informing him that the bank deposits to the credit of the Building Fund amounted to 7,972,135.50 francs.

Sir Joseph COOK (Australia) was grateful for this information. It was, then, established that the League possessed credits at the bank, and nothing prevented its treasury from making advances on current account.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, explained that there was an essential difference between funds the property of the League and those belonging to the States. The League Building Fund fell within the latter category; it could not be drawn upon except for the purposes specified by the States which had contributed to its creation. No sum could be withdrawn from it for other purposes, even with the sanction of the Secretary-General or the League Council.

Sir Joseph COOK (Australia) thought nothing could be easier than to get from the forty or fifty States to which the Building Fund belonged the authority for drawing upon it to allow of advances being made on current account. The Assembly, for instance, which represented those 40 or 50 Powers and had been able to take decisions with regard to its formation, might also give directions for temporary drafts to be made upon it on condition that due steps were taken to ensure its replenishment during the succeeding financial period.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, explained that he had merely been defending a resolution taken by the Fourth Committee. Sir Joseph Cook had been present. Of course the Fourth Committee could change its mind, but it was at any rate necessary that some definite decision with regard to the Building Fund should be taken.

Sir Joseph COOK (Australia) said that was not his point. In his opinion the League had funds enough available, and it was unnecessary to swell the budget by including appropriations that never were spent.

The CHAIRMAN pointed out that, as the question to which Sir Joseph Cook had referred was under consideration, the Committee might pass upon Item 35 of the budget, his observations having no application thereto.

The Committee adopted Item 35 without modification.

52. Chapter V, Item 36, "Library".

The Committee adopted Item 36 without modification.

53. Examination of the Budgetary Estimates of the Permanent Court of International Justice for the Ninth Financial Period (1927) (Annex 9): Chapter I, Item 1, "Sessions of the Court" (560,000 florins).

Commander Hilton YOUNG (British Empire) drew the Committee's attention to paragraph 51 of the Supervisory Commission's report (Annex 2), which was as follows:

"The Commission was struck by the detailed table on page 5 of the Court's budget. This table shows that, as several judges who live in countries overseas cannot attend every session of the Court, it has been necessary to make constant use of the services of the deputy-judges, so that their total emoluments amount to almost as much as those of the judges themselves. The Commission thought that this anomaly should be removed and that the question should be examined whenever a suitable opportunity arose."

Did the Supervisory Commission desire the Fourth Committee to pass a resolution to give effect to these observations?

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, said that was precisely the purpose of those remarks. The Supervisory Commission would be very happy to see the Fourth Committee and the Assembly decide that the question should be investigated — in agreement, of course, with the Permanent Court of International Justice.

M. HAMMARSKJÖLD, Registrar of the Permanent Court of International Justice, said the Court had acquainted itself with paragraph 51 of the Supervisory Commission's report and had authorised him to say that it saw no objection to the proposal that one or more of its members should give the benefit of their advice, though purely in a personal capacity, to the financial organisation of the League of Nations in the event of a possible enquiry.

He must, however, draw the Fourth Committee's attention to the fact that, under the terms of the Court's Statute, the system of allowances for the judges could not be altered during their tenure of office. It was therefore with this reservation that M. Hammarskjöld had made the above statement.

Commander Hilton YOUNG (British Empire) said he thought, after the statement made by the Chairman of the Supervisory Commission, that an examination of the question ought to be set on foot. If the Supervisory Commission agreed, he would suggest that a special committee be set up to make the enquiry.

M. RÉVEILLAUD (France) was not sure that the Fourth Committee perfectly appreciated the nature of the question referred to it.

From the observations of the Supervisory Commission and the text to which they referred, two propositions emerged. The first was that the budget of the Permanent Court of International Justice was larger by reason of the fact that the Court would be called upon in 1927 to hold three sessions instead of two as in past years, and that the estimated number of days of session had risen from 200 to 240, so that it was natural that the credit for subsistence allowances for the judges, being proportionate to the number of days, should have risen.

The second proposition was that appearing among the general observations prefaced to the Court budget:

"Similarly, in the estimates for the years 1923-26, it was calculated that the Court would sit with, on an average, eight regular judges (including the Vice-President), who would be the same for all the sessions of the year, and with two deputy-judges, without counting national judges. Judging from the experience of 1925, however, it seems to be necessary to reckon on the presence of three deputy-judges on an average, and on the possible presence of regular judges who will not be always the same at the various sessions."

This was expressed in extremely diplomatic language; it would not be wise to reckon on quite such a regular attendance of the judges as in the past year.

When the Statute of the Permanent Court of International Justice was drawn up it had been anticipated that the judges would sit for the greater part of the time; and that was why they had been granted a salary. It was now observed that the tendency was, on the contrary, to call more and more upon the services of the deputy-judges, who came to receive as much as 30,000 francs per year in the form of allowances, while the salary of the judges did not exceed 35,000 francs. This was one of the surprises entailed in applying the Court Statute; but there was another one, namely: that the position of a deputy-judge, not carrying with it any disqualification from extraneous activities, was becoming decidedly more attractive than that of a judge.

The Supervisory Commission had taken care to make a close study of these various points and was glad that, itself struck by the anomaly of the situation, the Court had so kindly promised its help in the search for a new system.

In his opinion the study in question ought to be entrusted to the Supervisory Commission, to which there could be attached two or three judges chosen by the President of the Court; for they could not undertake the study of such a question except in consultation with members of the Court.

The Supervisory Commission would afterwards draft a report for presentation to the Fourth Committee in 1928.

M. HAMMARSKJÖLD, Registrar of the Permanent Court of International Justice, said the French delegate seemed to him to be regarding the materials on which the present budget had been calculated as possessing some sort of finality. If such were the case it was necessary to observe that they of course continued to hope that the maximum possible number of judges would attend the maximum number of sessions.

Moreover, the substitution of deputy-judges for a given number of judges did not represent a firm estimate. The reason why the calculation had been based on rather pessimistic premises was because, by the very nature of the League's financial system, the Court could not get supplementary credits during the currency of a period. As, on the other hand, the process before the Court could not be interrupted for want of funds, it was important to put the estimates high enough to cover that expenditure which was reasonably foreseeable. M. Réveillaud, on the other hand, seemed to think that in authorising him to speak as he had with regard to the participation of the judges in a possible future enquiry, the Court had itself recognised that the present system was open to objection.

For himself he was not prepared to go so far; the Court had read paragraph 51 of the Supervisory Commission's report and, in order to meet the wish of that Commission, had expressed its readiness to authorise one or more of its members to take part — but only in a strictly personal capacity — in the work projected. That did not in any way imply that the Court had recognised the necessity of changing the existing position of things.

As concerned the procedure to be followed in the enquiry, he was anxious to emphasise that the question of the allowances of the judges of the Court was not exclusively financial in character but had an immediate bearing on the very organisation of the Court, as determined by the Statute now in force. It was precisely for this reason that, in his opinion, co-operation between the Supervisory Commission and one or more members of the Court did not appear to be necessary. At the same time, he insisted that those judges could not be representatives of the Court but would confine themselves to giving the Commission that was to be appointed the benefit of their experience and understanding.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, said it was beyond question that no one had power in any way whatever to change the existing position of the judges of the Court. But as regarded the future, the Assembly could take decisions with perfect independence. If, however, the Assembly did take any decision, that could only be as the outcome of a study which would have been made and of which the present discussion would have served as a starting-point.

On an enlightened view of the interest as much of the Court as of the Assembly, it was important that the latter, while acting independently, should not do so without having consulted the judges. That was the point that he had desired to stress.

Commander Hilton YOUNG (British Empire) said the discussion that had just taken place had gone far to clear up his ideas on that question. He would withdraw his proposal and support that of the French delegate. He did not think the Supervisory Commission had gone too far in speaking of the "anomaly" of the existing situation, and it was important that something should be done if they did not wish it to result in a deplorable state of affairs.

It was true that the question was not purely financial in character, but it none the less remained true that they ought to resist the present tendency to call more and more upon the deputy-judges. On behalf of his delegation he desired to say that, if the existing situation were to continue, there would appear to be only one course to adopt and that would be to abolish salaries and pay all judges by attendance only.

The CHAIRMAN said the observations which had been made with regard to the allowances of the judges of the Court had been carefully noted, and asked the Committee to pass upon the credit under Item 1.

The Committee adopted Item 1 without modification.

54. Chapter II, Item 2, "General Services of the Court".

The Committee adopted Item 2 without modification.

55. Chapter II, Item 3, "Travelling Expenses of the Registrar and Registry Officials", and Following Items.

M. HAMBRO (Norway) asked if the projected reconsideration of the scale of allowances to League of Nations officials would at the same time cover the scale of allowances to officials of the Permanent Court of International Justice.

M. HAMMARSKJÖLD, Registrar of the Permanent Court of International Justice, replied that in the annual report of the Court there would be found the text of the Staff Regulations of the Court. The text was incidentally very short, for the reason that, in cases not provided for in the Court Staff Regulations, the competent official was authorised to apply the rules in force in Geneva.

The subsistence allowances received by officials of the Court were those fixed in the scale used at the Secretariat. The amounts estimated in Swiss francs in that scale were converted into Dutch florins at a rate determined by the Supervisory Commission. If therefore the figures of the allowances paid by the Secretariat were changed, that change would automatically affect the subsistence allowances of the officials of the Court.

The Committee adopted Item 3 without modification.

The Committee adopted in succession and without modification all the remaining items of the budget of the Permanent Court of International Justice.

The CHAIRMAN said he hoped the Registrar of the Permanent Court of International Justice would see in the speed with which the budget had been adopted a proof of the confidence the League felt in the working of the Court and the great future ahead of it.

SIXTH MEETING

Held on Monday, September 20th, 1926, at 3.20 p.m.

M. Nicolas TITULESCO (Roumania) in the Chair; later, M. VERMAIRE (Luxemburg).

56. Examination of the Budget Estimates of the International Labour Office for the Ninth Financial Period (1927).

The CHAIRMAN asked M. Albert Thomas, Director of the International Labour Office, to give a preliminary explanation of the budget of that Organisation (Annex 8).

M. Albert THOMAS, Director of the International Labour Office, apologised for not having been able, owing to engagements which had detained him at a distance from Geneva, to be present at the meeting on Saturday. He thanked the Committee for having deferred the consideration of the International Labour Office budget to the present meeting.

He recalled the conditions under which the budget of the International Labour Office was established. After the Director had received the proposals of his chiefs of division and after he had himself curtailed those proposals, he laid them before the Budget Committee of the Governing Body. That Committee, composed of three employers' delegates, three workers' delegates and three Government delegates, put it through its first process of reduction.

The Governing Body then in its turn examined, and in some cases reduced, the proposals of its Rapporteur. The Supervisory Commission, whose considerateness but whose unbending severity were known to all, made further reductions in the estimates, of which reductions the Director of the International Labour Office would inform his Governing Body. After that, the budget would come before the Fourth Committee and then before the Assembly.

He had followed some part of this year's discussions in the Fourth Committee, some of them quite general in character; in particular, he had attended a portion of the debates to which the submission of the Indian delegate's proposal had given rise. He therefore knew the circumstances in which that proposal, after having been modified in the direction of greater flexibility and elasticity, had been adopted by the Committee. He desired to state that the rule enunciated in that resolution had already for some years been in application in the discussions of the International Labour Office budget. As much as four or five years had passed since the countries represented in the International Labour Organisation had demanded that everything possible should be done to prevent the budget estimates for the year ahead from exceeding the figures of the estimates adopted for the current year as also that the contributions to be paid by the Member States should not be increased.

This rule, which the representatives of the great Powers had each year invited the Organisation to observe, was capable in the long run of prejudicing the development of a new institution of that kind. Its application had not therefore each year been too rigorously enforced owing to the members of the Governing Body having realised how the activities of the Office were developing, and how it was expanding both in the supply of information and in its diplomatic action for securing the ratification of conventions.

These same conditions had each year prevailed when the draft budget of the International Labour Office began to be discussed. Each year he had been obliged to make proposals slightly higher than in the previous year, but immediately the representative of that stern and powerful organ of financial administration, the British Treasury, called upon him not to exceed the figures of the preceding year. And next it would be the representative of France, restricted as she was just now by economies of every kind, who would rise and make the same request. After discussion, everybody was obliged to recognise that the work of the International Labour Office must by its

very nature make such absolutely irresistible demands that some thousands of additional francs were after all granted for the work of the new departments.

He added that the Governing Body was striving, by the greatest possible economies in the old chapters, to bring about the desired equilibrium.

He then gave a sketch of the development of the budget of the organisation since its inception, In 1921, the expenditure authorised had amounted to 7,010,000 francs; in 1922 to 7,959,325 francs; in 1923 to 8,744,212 francs. In 1924 the budget had, as the result of a small administrative revolution, been cut down to the sum of 7,077,295 francs. In 1925 it had risen to 7,217,000 francs; in 1926 to 7,166,000 francs, and finally in 1927 the Office was asking for 7,477,165 francs. Thus the figure of the International Labour Office budget had for five years past fluctuated around 7,000,000 or 7,500,000. The highest point, momentarily reached in 1923, had never since then been touched.

Turning to the burdens borne by the States, he wished to point out that since 1923 they had shown an almost consistent tendency to diminish. Having reached 8,700,000 francs, they had fallen in 1924 to 7,032,000 francs; in 1925 they had risen to 7,340,000 francs, to fall again in 1926 to 7,114,000 francs.

For 1927 the Office was submitting a budget totalling 7,786,165 francs, as against 7,469,720 francs in 1926. The increase in expenditure therefore amounted to 316,445 francs. The reason why the Governing Body had authorised such increase in expenditure was because the figure had not the effect of putting an enhanced burden on the Member States; for Germany, which had belonged to the International Labour Organisation from the beginning, had hitherto paid a contribution of 274,000 francs. Henceforth she would pay a contribution of 600,000 francs per year. The Governing Body had not allowed the whole of the difference in the German contribution to be utilised. It had insisted on making a fairly considerable reduction in the contribution from the States, so that, in ultimate analysis, allowing for certain increases, the burden of the States other than Germany would amount only to 7,071,165 francs, as against 7,114,938 francs in 1926.

He thought, therefore, he could say that the whole budgetary history of the Office had been a flexible, elastic and intelligent anticipatory application of the proposal adopted by the Fourth Committee at the instance of the Indian delegation.

Why had the Governing Body, in spite of its firm determination to economise, made a slight increase in the expenditure for the year 1927? There was first of all the necessity of undertaking a number of important enquiries decided upon by the Conference: enquiries into liberty of association, into conciliation and arbitration, into vocational training, into labour conditions in the Far Eastern countries, into native labour, and into the conditions of labour in the mines. The majority of these enquiries would be financed out of the monies already available at the Office. Some of them, however, called, and would in 1927 call, for some addition to the staff. The administration would take advantage of this opportunity to arrange for the representation in the Office of a number of nationalities which had either none at all or very few of their nationals there already. He might point in that connection to the way in which year by year the composition of the staff was changing in the direction desired by the Member States; how this year, for example, it would be possible to give five or six States either increased representation or representation for the first time amongst the staff of the Organisation.

He would be glad to reply to any definite questions that might be put to him upon the various chapters in the budget. He was certain that he was laying before the Fourth Committee a draft which all the way through reflected the spirit of that Committee's discussions. The 1927 budget had been drawn up with a view to permitting the Organisation to perform the whole of its task in accordance with the formula adopted by the Governing Body, which desired that the International Labour Office should be able to fulfil the mission defined in the Preamble and in Part XIII of the Treaty of Peace. The International Labour Office was submitting its budget to the Fourth Committee and to the Assembly in the consciousness that it was performing day by day to the best of its ability, under economic conditions which did not always make things easier, the task with which it had been entrusted. Everyone could appreciate for himself the need for information and for the collection and diffusion of data which were the concern of the Office under the terms of Article 396 of the Treaty of Versailles. Everyone might also observe for himself the progress that had been made in securing the ratification of conventions. That was one of the problems that was giving the most trouble to the delegates at the present Assembly. The International Labour Office, after having estimated the results achieved, was able to say with some pride that, despite certain obvious difficulties, it was, so far as international labour conventions were concerned, an example to the League of Nations, for it was to the International Labour Conventions that the greatest number of ratifications had been obtained. At a day when such a convention as that on unemployment had secured the adhesion of twenty industrial States, including the greatest of them, the International Labour Office was entitled to say that a portion of its work was done.

In conclusion, he thought that not least among the points to the credit of the Labour Office was its having succeeded, in the midst of the very serious clash of social forces which to-day was taking place in the principal countries, in holding the confidence not only of the Governments but of the employers and of the workers, all of whom were working for the same cause of social justice. The International Labour Office was proud to think that in all the difficulties with which it had been confronted it had incurred no resentment and provoked no defections, and that year by year the Office had appeared before the Assembly with undiminished energy and added strength.

Dr. KAAS (Germany) said he would make a few general observations on the budget of the International Labour Office — observations which he thought were justified by the important role that his country, living to so large an extent by the products of its industrial labour, might play in the useful development of international workers' organisations.

Though Germany was appearing as, in other fields, a new collaborator with the League of Nations, she had nevertheless for several years participated in the work of the International Labour Office; and in the circumstances she thought she could to-day express an opinion on the budget before the Committee.

Apart from a few increases of expenditure due to additions to the staff, etc., the International Labour Office budget showed no essential changes, and he was happy to observe that the increase in the German contribution from the figure of 247,000 francs in 1926 to 600,000 francs for 1927 had sufficed not only to cover the added expenditure in the new budget but also to make possible a reduction, amounting to 43,700 francs, in the expenditure to be charged against the other States.

He would, moreover, express his satisfaction that the budget situation was enabling scientific research undertaken in the labour field to be successfully carried through within the limits set by the Governing Body of the Office.

If the budget situation did not as yet render possible the commencement of new tasks in the field of social problems, it was a matter for regret. It was none the less true, as the Indian delegate had observed during the discussion of the budget of the Secretariat, that it was to-day more than ever necessary to comply with the principles of the strictest economy, with a view to relieving the financial situation of the world. He thought, however, that means must at an early date be found to allow the International Labour Office to undertake a study of social problems which would be of the greatest possible benefit to mankind.

Holding over detailed comments on the items of the budget, he would for the moment content himself with remarking that the increases of expenditure occasion by the inclusion of German members among the existing staff of the Office were necessary increases. This addition of German members was a proof to Germany that the Directorate of the International Labour Office regarded Germany's collaboration as indispensable, and indeed it might perhaps be necessary next year to go even further as regarded the addition of German members, in order to show recognition of the most lively interest taken by German workers in the activities of the Office. A proof of that interest lay in the fact that, since the *International Labour Review* came to be published in German, the number of subscriptions for the German edition of that review had roughly equalled the figures for the French and English editions taken together. In these circumstances he hoped the documents of the International Labour Office would continue to be published in the German language and that the minutes of the discussions would also be brought, through the medium of their own language, to the knowledge of the German workers.

• In conclusion, he drew the Committee's attention to the importance of international co-operation in the field of labour. For Germany, faithful and effective international co-operation of that kind was an object no less noble and important than the securing of political peace.

That was the point of view from which the German delegation had considered the International Labour Office budget, the budget of an organisation which in their view promised to become a valuable instrument, an indispensable instrument, for developing the League of Nations and for realising the loftiest of its social aims.

In reply to a question by Sir Herbert Ames (Canada), M. Albert THOMAS, Director of the International Labour Office, stated that the difference to be observed between the total figure of the sums to be received by the International Labour Organisation as given in the budget of the International Labour Organisation (Annex 8, page 199) on the one hand and on the other hand in the Summary of Receipts (Annex 7, page 160) was due to the fact that the Secretariat in its summary of budgetary receipts had put the German contribution at 600,000 francs, whereas, following the old procedure of the International Labour Office, its Director had given the German contribution as requiring to be deducted from the amount chargeable against the other States. If allowance was made for this difference of method there was complete agreement between the figures given in the two documents.

M. HAMBRO (Norway) emphasised the fact that in 1927 the contribution of Germany would for the last time be available in diminution of the total amount of the budget estimates of the International Labour Office — a fact which would have to be remembered in drawing up the budget for 1928.

He was in agreement with almost every word of the German delegate's speech. On the other hand, contrary to what the Director of the International Labour Organisation had said, it did not appear to him that the budget of the Organisation had been very heartlessly "hammered down". So far as the Supervisory Commission was concerned, it had scarcely been able to reduce the estimates submitted to it by so much as a fraction of one-thousandth part. If the various supervisory bodies which operated in Norway had showed no greater firmness than that, the country would long since have become bankrupt. He did not doubt the excellent quality of the supervision exercised by the League, but the insignificance of the results was not to be denied. As for the Fourth Committee, whose consideration of the budget was supposed to complete the work of the year, their experience in the last few days sufficed to show what sort of economy it was capable of enforcing.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, thought the remarks of M. Hambro called for some reply from the Chairman of the Supervisory Commission.

It was as well to remember that the terms of reference of the Supervisory Commission did not entrust it with a general control. On the contrary, that reference was definitely limited. Thus, the Commission must confine itself to examining the requests for appropriations which were laid before it with a view to determining whether they were supported by decisions taken by the competent bodies. If, for instance, the Commission were opposed to such-and-such work being undertaken, it would not be able to express its opposition by refusing the necessary appropriations.

That right belonged only to the Assembly or to the Governing Body. The Supervisory Commission had the authority only to see that the proposed appropriations were not too large and thereafter that they were spent in the most economical way possible.

That was a situation which was sometimes an irksome one for the Supervisory Commission. He was anxious to show clearly the scope of its terms of reference, which terms it was, of course, not within the power of its members to enlarge.

M. HAMBRO (Norway) thanked the Chairman of the Supervisory Commission for his explanations. He was not surprised at what he had heard. His sole purpose in joining in the debate had been to bring out the fact that it was with the Fourth Committee that the duty lay of causing economies to be effected. Indeed, they must trust to the elastic conscience of the competent authorities, appealing to the spirit of economy of the heads of the several organisations — for if, on the one hand, the Supervisory Commission had not the necessary authority, the Fourth Committee, on the other hand, did not make any reduction in the estimates submitted for its consideration.

He thought the Supervisory Commission ought itself to devise and announce the steps that should be taken to establish an effective system of control.

Sir Joseph COOK (Australia) understood from the frank statement made by M. Osusky that, apart from what was exercised by the responsible authorities in the incurring of expenditure, there did not exist in the League of Nations any effective control. Everybody knew how much in the way of economies could be brought about by a committee of some fifty members. It had hitherto been supposed that the Supervisory Commission had been performing a function which it now appeared was beyond their power, because their terms of reference did not extend to it.

His own conception of the duty of the Supervisory Commission was different: he thought that, if that Commission were to inform the Assembly that such-and-such expenditure seemed to it inexpedient, their action could not fail to produce an effect. But perhaps the Supervisory Commission was concerned for its popularity. The Supervisory Commission ought to play in the League of Nations the part played within a State by the Minister of Finance. The latter did not limit himself to controlling the undertaking of expenditure but, when necessary, intimated that the financial situation of the country did not allow of the execution of a particular decision or the undertaking of particular work. Powers similar to those of a Minister of Finance ought to be concentrated in the hands of one man or of some small responsible body in order to give the finances of the League of Nations the benefit of a genuine control — for, hitherto, it must be admitted that the financial control of the League of Nations had been far from perfect.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, was glad of the opportunity that the present discussion gave him to explain to the members just what task that Commission ought to be performing in relation to the policies promoted by the other Committees. The Supervisory Commission had never hesitated in these matters to take a firm stand; and he recalled how, two years ago, at the instance of the Supervisory Commission, the Fourth Committee had actually refused the money for a new undertaking voted by another Committee — only, however, to reverse its decision under pressure a day or two later.

Speaking as the delegate of Czechoslovakia, he thought that Committee ought to be more willing to support the Supervisory Commission by exercising its right to examine from a financial standpoint, and, in the light of that examination, to approve or reject any resolution referred to it by another Committee.

M. ZUMETA (Venezuela) said that the Chairman of the Supervisory Commission had already expressed a part of what he had intended to say. He desired, however, to add that there had in the past been cases where credits had been voted without having been discussed by the Supervisory Commission. As a result of a French proposal in favour of a policy of economy, the Supervisory Commission had been given what it had been believed were sufficient powers for the performance of its task. Now, however, according to M. Osusky's statement, its terms of reference did not permit of its doing what, in the opinion of the Fourth Committee, ought to be its duty.

He therefore proposed that the Fourth Committee should appoint a sub-committee to study, with the help of the Chairman of the Supervisory Commission, the addition that ought to be made to the Financial Regulations in order that the Supervisory Commission and the Fourth Committee might be in a position to keep the budget estimates within reasonable limits. He was convinced, in fact, that the expansion of the League budget was an evil for which a remedy must be found.

M. DE MODZELEWSKI (Poland) did not for his part at all consider — and he was this year attending for the seventh time — that the work of the Fourth Committee was purely a matter of form. He recalled how, in some years, very considerable reductions, amounting to more than a million, had been effected by the Fourth Committee. Any delegation which, after studying the budget, came there with definite proposals could be certain of a hearing.

As concerned the International Labour Office, the estimates of expenditure had been examined not only by its Director but also by the Budget Committee of the Governing Body, by the Governing Body itself, and by the Supervisory Commission. Every item it contained had been strictly scrutinised, and if they now had difficulty in finding reductions to suggest, it was because the necessary work had been done to such good effect in years past. He thought, as a matter of fact, the supervision was carried out in a most efficacious manner.

The CHAIRMAN hoped speakers would not lose sight of the subject under discussion, namely: the budget of the International Labour Office. The recent suggestions had been concerned rather with the League system of financial supervision in general.

M. Albert THOMAS, Director of the International Labour Office, observed that the discussion had somewhat overspread the boundaries of the budget of the International Labour Office. He ought, however, in reply to some of the observations that had been made, in particular by M. Hambro, to indicate exactly how the figures were prepared and to what sort of control the administration of the Labour Office was subjected.

Confining himself strictly to the Labour Organisation itself, he thought it right to insist that it was a most serious matter to have the members of the Fourth Committee proclaiming that the League's finances were left to the control of those in charge, to their conscience, and — to quote M. Hambro — to the elasticity of their conscience. He was bound to state emphatically that in money matters neither his conscience nor that of Sir Eric Drummond was elastic. M. Zumeta had spoken of creating a new system of control; and the setting-up of new committees was in contemplation; but he must insist on reminding them of the forms of control already in existence.

There was the control of the details of the budget by the cutting-down of the figures. Year by year, quarter by quarter, the Auditor handled the books and the invoices and talked over all the detailed charges with a speed that was not as a rule to be met with in national administrations. In his own country, three or four years would sometimes elapse before the "Cour des Comptes" had finished examining the closed accounts. So, too, in many other countries. In the League of Nations the control took place immediately within a few months and thereby afforded a guarantee to all the nations which contributed to its expenditure.

After the Auditor had made his report, the Supervisory Commission took up its examination, drawing from it all the necessary conclusions with regard to the day-to-day administration of the budget. Anyone was free to go through the whole series of reports to satisfy himself as to the reforms which had been quarter by quarter and year by year effected in the budgets as the outcome of the study of the Auditors' reports.

Next the proposals came before the Fourth Committee. M. Hambro had spoken of the elasticity of conscience of those in charge. He desired to say that, if his conscience was not elastic when it was a question of spending the money provided, it was no more elastic in relation to the great tasks with which the Labour Office had been entrusted. If he had been given 400 millions a year, he would be able to spend them to good purpose. Considering that it was the world budget of the nations, joined for the purpose of co-operation, and that it represented barely the cost of a single cruiser, it might be said that the budget was small enough. For his part his proposals corresponded with great exactitude to the task his organisation had to perform during the year; and they invariably cut him down.

The Budget Committee, selected each year by the Governing Body, appointed a Rapporteur, who came a week or so before the meeting of the Committee to study in his turn all the documents. This Rapporteur required them to show justification for everything, not merely the sort of justification in which the Auditor was interested but also the justification of the activities of the Office. He would ask for details with regard to expenditure in order to make such reductions as he might think necessary.

He had himself been a member of Parliament and a member of budget committees. In ten years of French parliamentary experience and in three years as a Minister, he had never experienced so severe a supervision as that to which, as Director of the International Labour Office, he was subjected. The requirements of this system of supervision were such that he had sometimes asked himself whether his conscience would really allow him to put up with it. He had always produced all his vouchers; and each year the Budget Committee had discussed them line by line. He would show them how much he had paid for an article in the *International Labour Review*, and he would show them in what circumstances this or that official had gone on a mission. Of the most trifling of journeys they would discuss the length; they would discuss the purpose; they would even go so far as to enquire what use was made of the fund allowed for entertainment expenses, and perhaps even with what person such a one had lunched or dined. Everything was enquired into down to the smallest details. Such was the control applied to the budget of the League of Nations.

Following upon this control and the fixing of the new budget estimates, there was the examination by the Supervisory Commission. The Supervisory Commission studied the budget as a whole, co-ordinating the financial policy of all the institutions of the League. Where one had effected economies the Supervisory Commission required the same economies of the others, and thus in its turn, from the point of view of general administration, made its reductions in the budget.

He would remind them that the Governing Body of the International Labour Office was made up for the most part of representatives of Governments which took part in the Assembly and in the work of its Committees, acting often on instructions from the cabinets that had appointed them. It was unthinkable that contradictions should be allowed to arise between the representative of a particular Government in the Governing Body and the representative of the same Government in the Fourth Committee. He presumed that it had been with the assent of his Government that the representative of Norway on the Governing Body had voted for the proposals submitted to it; indeed, he had judged them too moderate; and, while approving of the diplomatic activity of the International Labour Office, he had asked the Director if he could not strengthen his staff with officials conversant with maritime questions and, while he was about it, look into the possibility of adding some Norwegian members.

And now, to all those forms of control there was superadded that of the Fourth Committee. That Committee had the last say. It would make its proposals to the Assembly. In the past it had made a whole series of concrete proposals.

The International Labour Office was thus submitted to control exercised in complete independence at the hands of the States and the employers' organisations. As to the workers' organisations, they were perhaps unduly indulgent, but he could not say the same for the employers'

organisations, which had always contended that the Office was going to work too fast. The Governments had followed a policy of stability, aiming at the normal and smooth development of the Office. The proposals brought forward by the Office had thus been submitted to the strictest and most severe supervision: the control of day-to-day administration by the Auditor, a control of the total expenditure of the League of Nations from the point of view of the regularity and the best administrative economy. He would insist that there did not exist in the world a budget more sternly supervised than that of the League of Nations; and he hoped that what he had said would serve to convince the Committee. He begged any who might not be convinced to call upon him for the documents and the texts. He hoped the members of the Fourth Committee, representing as they did the authority of international public opinion, would be able to leave the meeting with the certainty that the expenditure they had been considering was an expenditure more rigorously controlled than any in any country or in any Parliament.

M. ADATCI (Japan) observed that, while time was very precious, he could not well remain silent during the discussion of so serious a question. He personally had served on that Committee since the very beginning of the League, and, as he had likewise represented his country for a number of years on the Governing Body of the International Labour Organisation, he could speak with some knowledge of the matter before them.

He could agree with the Director that the control of the League's finances was by no means ineffectively organised. Before estimates were laid before that Committee — and what he said applied no less to the budgets of the Secretariat and of the Permanent Court of International Justice than to the International Labour Organisation — they had invariably undergone a most thorough examination; and the verification of accounts was effected with equal care. He spoke with the knowledge of one who had never failed to make it his business personally to go into the smallest details.

On two occasions — and he was proud to remember them — the Fourth Committee, exercising the delegates' responsibility of the sovereign Assembly, concluded after careful enquiry that important economies could be, and therefore must be, realised.

The need to-day was not for setting up a superfluous — and he might even add a harmful — piece of new machinery or for a reorganising of the old. The Fourth Committee, if it had a case to make, was perfectly competent to make it. What was called for now was rather that individual members, before coming to that table, should equip themselves adequately, by previous study, with the knowledge on which to question the responsible members of the several organisations and the grounds on which to base objections where ground for objection existed. The newspapers were proclaiming that the Assembly was a thing of the past; in his view the Assembly was still in the midst of its work, and none of them had a right at such a time to rest upon his oars. If they were to enjoy and deserve the confidence of the world they must show themselves fitted for the work in hand.

Commander Hilton YOUNG (British Empire), observing that the discussion continued to centre upon so vital a point as the method of the League's financial control, felt he could not evade the responsibility of adding his word.

They were, he thought, discussing not one thing but two.

M. Thomas, very helpful, and M. Osusky, always strictly relevant, had dealt in detail with the control of authorised expenditure. For himself, even in his inexperience, he had seen too much to doubt that the machinery of this side was entirely adequate.

On the other hand, there were M. Hambro and Sir Joseph Cook, who had addressed their remarks to the wholly distinct problem of the control of fresh undertakings.

For supervising the execution of decisions already taken, the Supervisory Commission deserved their trust — working as hounds for the huntsmen of the Fourth Committee; as judge, with the Fourth Committee as executioners, active throughout the year; while the Fourth Committee remained suspended like a sword of Damocles over the heads of the wasteful.

Some similar system of supervision prevailed in any country of efficient parliamentary government.

But when they turned to the control of policy it was there that to his humble seeming the League had never as yet so completely envisaged its problem. In a national system the object was attained by confirming the initiative in matters of expenditure to the government or ministry, thus ensuring the co-ordination of all expenditure. A similar solution would be difficult, if not impossible, for the League, for in order to secure co-ordination an organ would be needed whose authority would be a denial of the sovereignty of the Member States.

Sundry minor precautions had been adopted, and so far as they went they were useful, but they were not very adequate. The Supervisory Commission, on the one hand, had not authority to reject a proposal; it could merely give a warning as to its cost. The Fourth Committee, while it could not itself act, had indeed the authority to recommend action to the Assembly. What at present it lacked was a clear general principle to guide it in the exercise of that authority.

He believed they had not far to look. In the work of last year and this—in the maximum set to the budget of the Health Organisation and, above all, in the most important resolution which the Committee had recently adopted on the proposal of the Indian delegation — there was contained that principle of budgetary stabilisation which, if set up and resolutely observed in relation to each and every portion of the budget as a whole, would, by throwing the burden of

proof on to the advocate of the abnormal, constitute just such a weapon, just such a fortification as they needed.

M. HAMBRO (Norway) was glad to have had the distinction so sharply drawn. He would not have wished the Director to suppose that he desired to improve upon a system of control from which he feared the Norwegian Parliament had much to learn. If he had expressed distrust, it had been distrust of his own powers to sustain such an informed defence of the present budget as a Parliament would look to obtain from the member of a budget committee.

As regarded the question whether this budget were low enough or modest enough, he had no view; but he could not help mentioning, since the attitude of the Norwegian delegate on the Governing Body had been cited, that the Cabinet which that delegate had represented had since been obliged to resign on the score of its wasteful habits. It was a wholesome object lesson.

Sir Joseph COOK (Australia) said the discussion had the effect of demonstrating what he had been urging for the past five or six years. No one had ever heard him criticise the manner in which the Supervisory Commission and other authorities had exercised such powers of control as were theirs. But the difference between controlling approved funds and determining financial policy was a wide one.

He was not, however, so despondent as others as to the possibility of setting up within the League an organ for the effective control of financial policy. In England the Chancellor of the Exchequer from time to time exercised a decidedly peremptory control over policy, but no one had styled this a super-control over the Government; his was merely a delegated power, delegated by that Government itself. The control of the League's organisation was in the Assembly, and why the Assembly should not clothe with a similar delegated power some such body as the Supervisory Commission he was unable to see. Or, again, the Council itself could, if it would, exercise such a power. It was not, he repeated, a question of superior authority, for the body concerned would be always responsible to the Assembly; but that was what was wanted—a superior executive body to say how far the League could afford the new projects so loudly calling to be undertaken on every hand. To leave the responsibility where it now was, with the officers of the League organisations—for whom he had nothing but praise—was, he thought, to place an unfair strain on what he might call their patriotism towards the League.

M. OSUŠKY (Czechoslovakia), Chairman of the Supervisory Commission, remarked that, if there were anywhere within the League where diplomacy was out of place, it was in the Fourth Committee. He would speak frankly:

Sound work presupposed sound distinctions. They were discussing, he thought, not two things but three. First, there was the control of accounts, exercised in full independence by one who happened to be at the head of the control of Italian finances, namely: the League Auditor-General. That Committee had already, at the instance of the Supervisory Commission, approved his work for this year.

Then there was the control of work already approved and undertaken. For this neither the Director nor the Secretary-General was responsible. Theirs was merely to submit estimates, the responsibility for which, if they were not cut down, lay with the Supervisory Commission.

Thirdly, there was the control over the undertaking of new work.

What was the system? In the early days there had been no control, no co-ordination; any Commission could put through the Assembly any new enterprise.

Then, two years ago, the Assembly had decided that no resolution should come before it until passed upon from the financial standpoint by the Supervisory Commission.

The ground for that change? The Fourth Committee, receiving resolutions at the eleventh hour, had not had the time to examine them. Nowadays it was both the right and the duty of the Supervisory Commission to pronounce upon every resolution which involved a new expenditure.

The system, he thought, was sufficient. Difficulties were due not to the system but to the fact that resolutions were received so late in the day. He recalled an instance where the Supervisory Commission, meeting late and sitting late to examine a late proposal, had made an oral report for want of the time so much as to put its hastily formed conclusions into writing. The fault lay not with the machinery but with the conditions under which it was called upon to work.

M. RÉVEILLAUD (France) noted the general recognition that the control of past expenditure and of the execution of past decisions had been, if anything, too minute. Some minds, however, seemed to entertain a suspicion that in respect of future expenditure there existed a doorway of escape for the spirit of economy and the sense of responsibility. He was not a newcomer in that Committee, and, speaking with such experience as he had acquired and with all the emphasis at his command, he declared his conviction that the procedure followed from the establishment of the budget by the administration up to its voting by the Assembly was perfection itself. Where the Assembly or the Governing Body had resolved upon this or that specific operation, a revolution alone could spare the League the expenditure it involved; but as to expenditure not yet decided in principle, let the Fourth Committee not forget that it was merely an offshoot of the Assembly, and if it considered that such expenditure exceeded just limits it was for that Committee and not

another body to assume responsibility. If it discovered abuses, why did it not come to the platform and speak its mind.

Two years ago, in order to preserve a balance between the general aspects of the League's activities, the last word in the matter of new departures had been given to the Fourth Committee and its Supervisory Commission; and until it had received the seal of their approval, that which happened in the other Committees could never be anything but provisional. If it were suspected that the Supervisory Commission — working in the dark — were guilty of weakness, let them ask the Director of the Labour Office and the Secretary-General of the League. When a budget came before them, scraped to the bone, it was naturally not always easy to suggest important reductions. In any case, after the Supervisory Commission, the Fourth Committee itself got to work.

That Committee had lately discussed and adopted the most valuable resolution of the Indian delegation. That resolution might well be posted, like a text, on the wall of that room, for it was not for another body but for the Fourth Committee to translate it into facts. Let them give up the idea of demolishing the existing machine, and let them turn, scissors in hand, to the budget. If after conscientiously fulfilling its duties they should find there was little to cut away, let them depart to their homes with reassurance and inform their fellow-countrymen of the results of their control.

M. ZUMETA (Venezuela) desired to make it quite clear that the setting-up of a new organ had not been his proposal. His suggestion had been an addition to the Financial Regulations.

As concerned the principle of stabilisation, he recalled that when, at the preceding session, a limit had been set to the health budget, his sole objection had been to its non-extension to the League organisation as a whole.

57. Chapter I, Item 1, "Sessions of the Conference" (303,500 Swiss francs).

The Committee adopted Item 1 without modification.

58. Chapter I, Item 2, "Sessions of the Governing Body" (85,000 Swiss francs).

The Committee adopted Item 2 without modification.

59. Chapter I, Item 2 (a), "Unforeseen Expenses" (8,000 Swiss francs).

The Committee adopted Item 2 (a) without modification.

60. Chapter II, Item 3, "Salaries, Wages and Allowances".

Commander Hilton YOUNG (British Empire) recalled how, in criticising the Secretariat budget, he had noticed the high proportion of stenographers in the various sections as compared with the numbers in the "Pool", as well as the disproportionate number of stenographers as compared with typists in the Office as a whole. The corresponding figures for the International Labour Office were, he was pleased to notice, rather nearer to, though still different from, what ordinary business standards might have seemed to suggest.

The Supervisory Commission would perhaps find it instructive from time to time to make other similar comparisons between corresponding items in the Secretariat and International Labour Office budgets.

Sir Ramaswami AYYAR (India) read the fifth paragraph on page 197 of the budget of the International Labour Organisation (Annex 8).

In view of certain claims put forward by other delegations, he desired to say something upon the position of India as regarded representation on the International Labour Office. He did not ignore the place occupied on the Governing Body of that Organisation by Sir Attul Chatterjee; nor did he overlook the difficulty of recruiting in distant countries, particularly for very subordinate posts; nor, again, would he presume to fetter the discretion of the Director where, in making specific appointments, the paramount claims of efficiency influenced his choice. India's aspirations in that matter rested on no such narrow ground as the scale of her contribution or the regularity of its payment. He wished rather to stress the importance of convincing the public in every country that there was no nationality which would not be given its chance, and he would be happy to think that some of his fellow-countrymen were to enjoy such an opportunity of gaining experience of international activities. He would say no more; he was content, like others, to put his trust in the right judgment of the Director.

M. DUZMANS (Latvia) was anxious to add something to what earlier speakers had said on the subject of the disparity as between the various nationalities in the distribution of posts within the

several League Organisations. Like the Indian delegate, he was extremely grateful to M. Albert Thomas for the following words which were to be found in the Budget of the International Labour Office (page 198):

“The Governing Body has authorised the creation of certain new posts at a cost of 176,000 francs. These new posts are all rendered necessary by definite and pressing needs. While satisfying these needs, the new posts will at the same time afford the opportunity of adjusting, in accordance with the principle laid down in Article 395 of the Treaty of Peace, the national representation at the International Labour Office of those countries which at present are insufficiently represented.”

No one could doubt the sincerity of this statement.

The League could grow strong only through justice, and inequality was not justice. But there were also other principles involved; they were familiar with the distinction drawn between the two broad categories of employees. The first, by far the smaller, comprised the directors and chiefs of section. For those posts the essential qualification was experience; and this surely implied continuity. It was with the greatest regret that he had learned of the approaching departure of M. Mantoux, the Director of the Political Section. The tenure of such positions should, he thought, be, so to speak, semi-permanent; the principles of rotation and of proportionality were here of secondary importance.

The other category, comprising the great bulk of the staff, gave room for the application of the other principle — that of rotation — and if, as was contended, it were difficult to include simultaneously all nationalities within the present budget, he would enquire why some of those now serving should not give way from time to time to newcomers of other nationality. Aside from the justice of the thing, this would serve another important interest through the return to the various countries of individuals well qualified to spread a knowledge of the work and ideals of the League. The great public — as might have been inferred from the wholesale exodus of the journalists at quite an early stage of this session — was far too little interested in the less spectacular though more arduous and more fertile aspects of the League's work; the aspects, indeed, which were the principal justification of its existence. Where the journalists failed in this respect, the ex-employees of the League might do much to make good the deficiency.

He would definitely contend that for those subordinate offices the principle of rotation should take precedence of that of maximum efficiency. There were always a number of candidates ranking between absolute perfection and utter ignorance.

The countries themselves had an interest in obtaining the return of those of their subjects who, in the unique environment of Geneva, were securing such an intimate knowledge of world affairs as would fit them in time to come for positions of high honour and responsibility at home.

Latvia was not exercised about the “getting back” of some part of her contribution in the form of salaries, nor, indeed, did she attach primary importance to finding careers for her young men. It was in the interests of the League itself that he spoke.

With that enunciation of principles, he was content to leave the time and place for their application to the responsible heads in Geneva.

M. LOUWERS (Belgium) said he rose not to criticise but to seek light. On page 202 he read that the organisation of the Diplomatic Division had been completed by the creation of a third section, the special duties of which would be the study and analysis of the reports of the “Mandates” Commission in so far as they treated of labour questions, the study of the problems of forced labour, native labour, and the conditions of labour in Asiatic countries. So far as he was able to gather from a perusal of the charter of the Labour Organisation, it was not for dealing with colonial problems that that Organisation had been created. Where precisely was the authority for the activities now foreshadowed? Was it to be found in the deliberations of the Sixth Committee of the sixth ordinary session of the Assembly, or in the draft resolution submitted by the Norwegian delegation?

In the second place, assuming that it had in point of fact been called upon to undertake such work, what means did the Labour Organisation propose to employ; as it was manifestly not with those purposes in view that the Office, the Governing Body and the Conference had been planned.

M. Albert THOMAS, Director of the International Labour Office, replied to the several observations in turn.

The organisation of the stenographers at the Office had been advantageously compared with that of the Secretariat. He agreed that the principle of pooling accorded best with sound business methods and, despite the almost daily protests of the sections affected, he would continue his constant endeavour to give it a wider application.

Then there was the not entirely new question of the representation of nationalities. The principles of justice, of continuity and of rotation had been invoked, but there was still to be mentioned Article 395 of the Treaty of Versailles, enjoining the Director to set the demands of efficiency before all else. Whether on the score of Germany's increased contribution or of the lively interest which the German people displayed in all that concerned the Office, the claim so tactfully advanced by the delegate of Germany would certainly have his attention in 1927; but it would be understood that account would have at the same time to be taken of the needs of other countries; and here he might discreetly intimate that India would not be disappointed.

The system of organising competitions overseas was already in force; and in connection with the work of finding employment for refugees, posts had been found for subjects of the Argentine and of Brazil.

For some lines of work, as, for instance, that on statistics and that on insurance, where special qualifications were obviously indispensable, competitions were held in Geneva. At the most recent of these no fewer than 500 candidates had presented themselves, indicating from what distress intellectual workers were now suffering. The position of a highly efficient "Heimatlos" belonging to the Staff of the International Labour Office had lately been regularised by his becoming a subject of the Kingdom of the Serbs, Croats and Slovenes.

With regard to the question of the Belgian delegate, as he had been following the proceedings in another of the Committees, it had not come to him as a surprise; for the Belgian delegation had, he understood, put in a statement that it did not recognise the competence of the International Labour Organisation to deal with questions relating to colonial labour. For his authorities — he had the Nansen report now under discussion; he had the Preamble to Part XIII of the Treaty of Peace in his interpretation of which he had on three distinct occasions been upheld by the Permanent Court of International Justice; if more were needed there was Article 421 of the Treaty of Peace, which he would read:

"The Members engage to apply conventions which they have ratified in accordance with the provisions of this part of the present Treaty to their colonies, protectorates and possessions which are not fully self-governing: (1) except where, owing to the local conditions, the convention is inapplicable; or (2) subject to such modifications as may be necessary to adapt the convention to local conditions.

"And each of the Members shall notify to the International Labour Office the action taken in respect of each of its colonies, protectorates and possessions which are not fully self-governing."

How were they to take account of "local conditions" if all forms of inferior labour lay outside their purview? It was often found that the forms of competition most dangerous to the standard of life were those prevailing in colonial territories.

Moreover, the League had itself invited the assistance of the Labour Organisation in the matter of native labour. The representative of the Office had attended regularly the sessions of the Permanent Mandates Commission; the Office had for long pursued an unbroken series of studies in that field; the very questionnaire addressed to the mandatory Powers had, so far as it dealt with labour problems, been drafted in the International Labour Office; and it was the representative of the Office who drew up that portion of the report of the Permanent Mandates Commission which came under the head of Labour. He alluded to certain reforms secured in South-West Africa as the direct result of representations made by the member who spoke for the Office.

For the machinery to be employed — it included a small committee of men exceptionally experienced in colonial questions. Finally, if Articles 421 and 426 of the Treaty of Versailles did not of themselves justify their intervention, he could appeal to the practice of Member States in recognising over a period of five years the active participation he had described.

M. LOUWERS (Belgium) was grateful for a reply which he knew would be of considerable interest to his Government.

In reply to a question of M. Hambro (Norway), M. Albert THOMAS, Director of the International Labour Office, explained that it was not strictly correct to say that the organisation of the Diplomatic Division under discussion "had been completed". It would be completed when that budget had been adopted. It was an error in drafting.

M. HAMBRO (Norway) was glad to have had that point made clear.

In view of the somewhat delicate position due to the sensibilities of certain States, he wished particularly to urge that the greatest care should be taken to choose for that work men thoroughly acquainted with the actual conditions existing in the colonies affected.

M. Albert THOMAS, Director of the International Labour Office, gave an assurance that not merely would care be taken to find persons of undisputed competence but no appointment would be decided upon except after consultation with the Governments interested.

The Committee adopted Item 3 without modification.

SEVENTH MEETING

Held on Tuesday, September 21st, 1926, at 10.45 a.m.

M. Nicolas TITULESCO (Roumania) in the Chair.

61. Examination of the Budgetary Estimates of the International Labour Office for the Ninth Financial Period (1927) (Annex 8) (Continuation): Chapter II, Items 4 to 13.

The Committee adopted Items 4 to 13 without discussion.

62. Chapter II, Item 14, "Correspondents and Collection of Information" (450,000 Swiss francs).

Sir Ramaswami AYYAR (India), while he had no suggestions to offer, desired to know what arrangements the Director of the International Labour Office thought of making in the matter of establishing correspondence offices in India.

M. Albert THOMAS, Director of the International Labour Office, explained how the matter stood. On two occasions a draft resolution on the setting-up of correspondence offices in India had been laid before the Conference. At its last session the Conference had given the plan a favourable reception and decided to pass it to the Governing Body to be put into effect. The Governing Body, which would be meeting in October, would have before it the resolution of the Conference, accompanied by a report by the Director of the International Labour Office. If, as was likely, the Governing Body should decide to give effect to the resolution, the necessary credits would be put into the budget and discussed in the month of April. In his report the Director of the International Labour Office had stated that it would be possible, if not actually to establish the office during 1927, at any rate to make a beginning with the work.

Sir Ramaswami AYYAR (India) thanked the Director for his statement.

M. HAMBRO (Norway) asked why a sum of 3,000 francs appeared under Article 20 against the title "Premises for the Rome Office", whereas it would seem as if that credit ought to appear under Article 14, "Correspondence Offices and Correspondence".

If, moreover, they turned to the budget of the Secretariat (Annex 7) it would be seen that the expenditure estimated for the Rome Office of the League of Nations amounted to 20,000 Swiss francs. Had means been sought to avoid, by suitable arrangements, the overlapping which might occur in Rome between the offices of the Secretariat and of the International Labour Office?

M. Albert THOMAS, Director of the International Labour Office, explained that the expenditure estimated under Article 20 was capital expenditure. The 3,000 francs there shown were for the purpose of making it possible to transform the premises which had been bought for the Rome branch and to fit them out as offices.

The expenditure in question could only appear under Chapter IV (a), since Chapter II, which comprised Item 14, included, as was shown by the title, no estimates beyond those for ordinary expenditure.

With regard to the co-existence in Rome of a Secretariat office and a Labour Organisation office, he would not invoke in justification the autonomy of the Labour Organisation. The League of Nations and the International Labour Office had made a point of sharing the same equipment in all cases where it could be conveniently done. To cite only one instance: the International Labour Office, when the lease of its premises in Paris had come to an end, had asked the Secretariat if it could give shelter to the Labour Office employees. Unfortunately, the Secretariat had not possessed premises in Paris adequate for the housing of the branch office of the Labour Organisation. Moreover, the said lease had been renewed on decidedly advantageous terms, so the scheme had not come to anything. Where, however, the Supervisory Commission saw a possibility of putting the employees of the International Labour Office and of the League of Nations in the same building, it always suggested to the two Organisations that they should set up a joint abode.

But he did not think it would be well to carry that idea too far. The International Labour Office had in other countries establishments very well suited for the special work they were required to do; and, besides, the relations which the Office maintained were not of the same kind as those of the League. The departments of the International Labour Office, unlike those of the Secretariat, were in touch with the Ministries of Labour and Social Welfare, with employers' and workers' organisations, etc. As a result, it even happened that the branch offices of the Labour Organisation had often to be situated in a working-class neighbourhood. Thus, although they

tried to effect every possible economy, the International Labour Office was forced to take account of the special character of its relationships.

Replying to M. Hambro's questions, he went on to explain that there was a certain room for doubt as to the proper place for the item of 700 lire appearing in the budget for this year in the supplementary Schedule D and Schedule J, Sub-Head C, No. 5, "Repairs, etc.", but there was a difference between this entry for 700 lire and the expenditure of 3,000 francs estimated under Item 14, inasmuch as the latter was provided for the purpose of alterations which would enhance the capital value of the building and which would be carried out under the supervision of an architect, whereas the sum of 700 lire was for the purpose of repairs that were undertaken every year for the maintenance of the premises.

For the rest, without contesting that the credits referred to might have been put in a different place, he thought the budget as now presented was reasonably clear, and he hoped M. Hambro would consider it satisfactory.

The Committee adopted Item 14 without modification.

63. Chapter II, Item 15, "Unforeseen Expenditure" (93,000 Swiss francs).

Sir Herbert AMES (Canada) asked why the International Labour Office put in its budget an estimate of 93,000 francs for unforeseen expenditure when the corresponding appropriation asked for by the Secretariat was only 50,000 francs. And did those 93,000 francs constitute a credit to be used only for unforeseen expenditure or were they rather a reserve fund to be divided amongst different items according as need arose?

He would in that connection point out that the 50,000 francs which were available at the League Secretariat were for the purpose of meeting expenditure unforeseen in the strict sense of the word, and that no part of it could be transferred to another item. If reference were made to Notes 3, 4 and 5 on page 200 of the budget of the International Labour Office (Annex 8), it would be seen that in 1925 transfers had been made from Item 15 and other items. He therefore would be glad to know if it was a reserve fund that the International Labour Office was here intending to provide, or whether this sum of 93,000 francs had been put in for the purpose of meeting genuinely unforeseen requirements.

M. Albert THOMAS, Director of the International Labour Office, in the first place observed that if a comparison was sought to be made on that point between the Secretariat and the International Labour Office, account should be taken of the credits for unforeseen expenditure granted to the various sections of the Secretariat. It would then appear that the ratio between unforeseen expenditure and the total figure of the budget estimates was, for the Secretariat, 4.6 per cent, whereas for the International Labour Office it was only 1.4 per cent. Contrary, therefore, to what Sir Herbert Ames appeared to think, it was in the International Labour Office budget that the provision for unforeseen expenditure was relatively the smaller — so much so, indeed, that the Governing Body, thinking that there would be a risk of the figure there suggested proving too small to cover the unforeseen expenditure under so large a budget as that of the International Labour Office, had increased the amount of Item 15 from 75,000 to 93,000 francs.

As to the question of the manner in which the credit might be employed, he would remind the Committee that while the Director of the International Labour Office had power to authorise transfers within the limits of an item, for the transfer of a credit within a chapter, from one item to another, the assent of the Governing Body of the International Labour Office was required. In the latter case, moreover, the Governing Body did not act except after having had a report from the Supervisory Commission.

As an instance of a case where they had drawn upon the credit for unforeseen expenditure, he would cite the meeting of the Genoa Conference, in which the Governing Body had decided to participate in order that a second conference might not have subsequently to be called. A supplementary expenditure of 18,000 francs had resulted, which could clearly be regarded as unforeseen and which had been met by drawing upon the fund voted under Item 15.

In reply to a question from M. Hambro (Norway), M. Thomas went on to say that every year the International Labour Office gave the Members of the Assembly a detailed statement of the transfers that had been effected in the budget.

Sir Herbert AMES (Canada) thanked the Director of the International Labour Office for the explanations he had given of the various questions raised with regard to Item 15.

He had been struck by the radically different conception entertained, on the one hand, by the Secretariat and, on the other, by the International Labour Office, of the credit for unforeseen expenditure appearing in the budgets of the two Organisations.

The Supervisory Commission and the Auditors had laid down the rule that those funds could only be used for new expenditure, to the exclusion of all expenditure upon any object which had been in view when the budget was made and for the purpose of which an insufficient amount had been provided under one or another of its heads. Thus, last year, the Secretary-General having drawn upon the funds under the credit for unforeseen expenditure for the purposes of another item in the budget, the Supervisory Commission had formally condemned such a procedure. If, therefore, the same title was to be given to two credits appearing — one in the budget of the International Labour Office, the other in that of the Secretariat — it would be well if the employment of those credits were subjected to the same conditions for both Organisations. Or else, if it were intended to adopt two different systems, the titles in the two budgets ought to be different.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, read the following passage from the report of the Supervisory Commission (Annex 2, paragraph 7).

“ As regards the charging of expenses to the item ‘ Unforeseen Expenditure ’, the Commission adopted the principle that no expenditure ought to be charged to this item except for an object which could not have been foreseen when the budget was adopted. ”

He thought it might be gathered from the terms of this extract that the Supervisory Commission had laid down a principle, with respect to the use of the fund for unforeseen expenditure, in the clearest and most categorical form.

M. Albert THOMAS, Director of the International Labour Office, said that the Chairman of the Supervisory Commission had correctly stated the law.

Every year the Supervisory Commission, examining the transfers effected in the accounts of the International Labour Office, was in a position to see whether they were in accordance with the requirements quoted by its Chairman. He desired to mention that no criticism had ever yet been directed against the International Labour Office in that regard.

The Committee adopted Item 15, without modification.

64. Chapter II (a), “Extraordinary and Temporary Expenditure: Work for the Russian and Armenian Refugees” (303,000 gold francs).

The consideration of Chapter II (a) was adjourned until the Fourth Committee should have received the recommendations of the Fifth Committee with regard to the work of the Russian and Armenian refugees.

M. ZUMETA (Venezuela) wished to know if, in the figure of 303,000 gold francs, there were included the figures for the offices at Buenos Ayres and Rio de Janeiro, and what results had been achieved through the working of those offices.

Was it found that the number of refugees to be dealt with in Europe diminished in proportion to the number for whom situations were found? In other words, was not the number of refugees being increased by fresh additions?

The CHAIRMAN asked M. Zumeta if he would have any objection to his questions not being answered until the discussion took place on the credit appearing under Chapter II (a).

M. ZUMETA (Venezuela) was perfectly willing to agree to this suggestion.

65. Chapter III, Item 16, “Profit on Exchange” (10,000 gold francs): “Deduction of Loss on Exchange” (10,000 gold francs).

The Committee took formal note of the budget estimates under Item 16.

66. Chapter IV (a), Item 17, “Furniture and Equipment for Additional Offices” (30,000 gold francs).

M. HAMBRO (Norway) remarked that, on page 217, under Chapter II, Item 14, Schedule J, there appeared a certain number of expenses for the Paris, Rome, Tokio, etc. offices, which expenses were, in part, capital expenditure. Would it not be better to gather together all capital expenditure under Chapter II? Members of the Fourth Committee would in that way be able to form a more precise idea as to the nature of the various expenses which it was proposed to incur.

M. Albert THOMAS, Director of the International Labour Office, said he was much struck by this observation. Inasmuch as capital expenditure must inevitably reappear in the inventory, it would, indeed, perhaps be well to group it all under the same chapter. However, he must not make the change suddenly there and then; he would ask the Committee if it would refer the matter to the Supervisory Commission so that the latter might decide what would be the best arrangement to adopt in future budgets.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, said the Supervisory Commission had thought it advisable to continue the system adopted in previous years in order that students of the budget might be able to see exactly what expenditure was estimated for each of the branch offices. The Supervisory Commission was, however, quite prepared to consider the suggestion of the Norwegian delegate.

The Committee adopted Item 17 without modification.

67. Chapter IV (a), Items 18 to 21.

The Committee then successively adopted Items 18 to 21 without modification.

The CHAIRMAN observed that the way in which the discussion of the International Labour Office budget had proceeded, article by article, showed that the general debate that had taken

place at the preceding meeting had answered to the legitimate desire of members of the Committee for the fullest information on the way in which the budget of the League of Nations in general was controlled, and that it had been in no sense especially directed to the financial administration of the International Labour Office. Moreover, everybody would agree in doing honour to the financial administration of that Organisation. And everyone had given evidence of the confidence they all felt in the distinguished figure of M. Albert Thomas.

He was happy to add his tribute to that of his colleagues and to thank M. Thomas for the good grace with which he had replied to the requests addressed to him for explanations.

68. Estimated Receipts of the Secretariat and Special Organisations and of the International Labour Organisation for the Year 1927.

The Committee approved the estimated receipts appearing in the budget of the Secretariat and Special Organisations and in that of the International Labour Organisation.

EIGHTH MEETING

Held on Wednesday, September 22nd, 1926, at 10.30 a.m.

M. Nicolas TITULESCO (Roumania) in the Chair.

69. Report of the Salaries Adjustment Committee on the Cost of Living in Geneva.

The report of the Salaries Adjustment Committee on the cost of living in Geneva, adopted by the Council and forwarded by the Assembly to the Committee, was submitted to the Supervisory Commission for examination.

70. Consideration of the Budgetary Estimates of the Secretariat and Special Organisations (Reserved Items) (Annex 7): Chapter II, Item 4 (a), Sub-Schedule 1 to Schedule B, "Salaries, Wages and Allowances of the Secretariat", Section 13, "Legal Adviser's Branch" (356,940 francs).

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, informed the Committee that the Supervisory Commission, having now had an opportunity to consider the credit under this item with all the relevant material before it, had decided to recommend that it be adopted in its original form.

The Committee adopted Chapter II, Item 4 (a), Sub-Schedule 1 to Schedule B, Section 13, without modification.

71. Chapter III, Item 23, "International Health Organisation" (991,115 francs).

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, reminded the Committee of the request from the Second Committee for a supplementary credit of 25,000 francs towards the expenses of the Singapore Bureau; and of how, in view of the maximum limit of 1,000,000 francs established last year for the normal Health Organisation budget, the Supervisory Commission had obtained the Fourth Committee's assent to that item being considered in conjunction with the ordinary credit for the Health Organisation instead of being held over for examination, together with such other supplementary credits as might later be proposed. In the light of explanations given by the Director of the Health Organisation, the Supervisory Commission had become convinced of the very great importance of this supplementary credit for the Singapore Office and of the deep interest felt by many delegations in the collection and diffusion of epidemiological information which the Office was to undertake.

The Commission had decided to recommend the following changes within Schedule O: Item 5, "Cables, Telegrams and Telephones", to be reduced from 10,000 francs to 8,885 francs; and Item II (3) to be modified, as to the title, by inserting after "notifications" the words, "contribution to Singapore Bureau", and as to the amount, by increasing the figure from 65,000 to 75,000 francs. In this way, within the maximum of one million set last year, it had been found possible to provide in full for the needs of the Singapore Bureau. The net result was an increase of 8,885 francs in the total health budget, bringing it up from 991,115 to 1,000,000 francs.

M. DE VASCONCELLOS (Portugal) intimated that he was very pleased to agree to a solution which would at the same time ensure due provision for the Singapore Bureau and preserve the principle of stabilisation.

In reply to a question from Sir Joseph Cook, M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, explained that, so far from it being likely that a still larger item would need to be included in the 1928 budget for the assistance of the Singapore Bureau, it was considered extremely probable that the item would not recur even at its present amount. Except as to this estimated deficit of 25,000 francs, the expenses of the Singapore Bureau were covered in part out of the grant from the Rockefeller Foundation, and in part by contributions from a number of States specially interested in the work of the Office. It was hoped that during the coming year the Director of the Health Section would be successful in persuading certain other interested Governments to make similar contributions, in this way avoiding the recurrence of the deficit.

Sir Joseph COOK (Australia) desired to make it clear that he in no way under-rated the importance of the Singapore Bureau; and he certainly hoped the further negotiations to be undertaken by the Director of the Health Organisation would be productive of results. In that connection it might be relevant to refer to the Institute for Tropical Research in Northern Queensland, maintained at considerable expense by the Australian Government. From that Institute a constant flow of valuable scientific information was spread over the whole of the Eastern world, so that the other countries, in so far as they contributed to the expenses of the Singapore Office, were doing no more than, so to speak, following the example of Australia.

With reference to the grant from the Rockefeller Foundation, he would be glad to know from the Secretary-General whether it were on a diminishing scale and due some day entirely to cease or whether it would continue in perpetuity.

The SECRETARY-GENERAL replied that there was not at present any certainty of the grant being continued for more than a further two and a-half years; but negotiations were now in progress which might quite possibly lead to its continuance, either on the present, or a smaller, or perhaps even a larger scale. In any case, as the grant had still another two and a-half years to run, it would be time enough, should the negotiations not bear fruit, for the Health Organisation to submit new proposals to the Assembly at its next ordinary session.

One remark he desired to add to what had been said by the Chairman of the Supervisory Commission. Though it was hoped that in the coming year the deficit on the Singapore Bureau would disappear or, at least, diminish, it could not, of course, be predicted with certainty. The countries at present subscribing were Japan, Indo-China, Siam, China and the Straits Settlements. What could, however, be definitely guaranteed was that in no foreseeable circumstances would the 1928 budget of the Health Organisation exceed the limit of 1,000,000 francs.

Sir Joseph COOK (Australia) was grateful for this assurance.

M. HAMBRO (Norway), while he had no objection to make to the changes in the health budget proposed by the Supervisory Commission, was inclined to regret that, as a net result, despite the Indian resolution, they would apparently be obliged to go before the Assembly with a budget actually higher than that with which they had started. Might not the Supervisory Commission find it possible, by revising in other parts of the budget some of the many estimates larger for 1927 than in 1926, to avert this undesirable result?

Sir Ramaswami AYYAR (India) expressed his gratitude to the Supervisory Commission for the manner in which they had reconciled the desires of the Second Committee with the principle of stabilisation.

With regard to the remarks of the delegate of Australia, he could not help observing that there was a certain difference between maintaining such an institution as that in Northern Queensland — or indeed, for that matter, as the London School of Tropical Medicine or any of the similar centres of research supported by the Indian Government — and contributing sums towards what was not a national institution of research but an office for promoting collaboration between the scientists in a variety of countries and the dissemination of results obtained.

He greatly hoped that, in view of the work of the Singapore Bureau, means would in all circumstances be found to preserve it intact.

M. ADATCI (Japan) felt it his duty, as the delegate of Japan, to express his thanks to the Supervisory Commission for the effort they had made, and his hope that, in recognition of the altogether special character of the work of the Singapore Bureau, the Committee would see its way to adopt unanimously an item which, far from representing the total cost of the Office, would amount, after all, to little more than an indication of the interest Geneva felt in the work being done in those distant regions.

In Japan, notwithstanding much persevering propaganda, the League was far too little known, and, but for the humanitarian side of its work, in particular through the exchange of health officers, it might scarcely be known at all. The favourable impression that would be made in Japan if that almost negligible amount were unanimously voted would be of disproportionately greater significance than the additional burden to be borne by the League.

Mme. KLUYVER (Netherlands) supported the delegate of Norway in his desire that the total figure of the budget should not be increased. When it had been agreed that this item should be considered in advance of the other supplementary credits she had not supposed that the result would be an increase in the total figure for the chapter. She regretted that the Supervisory

Commission had not submitted a written report on the subject. The figure of one million francs had been fixed upon merely as an upper limit, but there was no reason for not being satisfied with granting a somewhat smaller sum to the Health Organisation.

M. ZUMETA (Venezuela) quoted the following passages from his speeches in the Fourth Committee at the time when the maximum of a million francs had been adopted:

“ If it was being proposed to cut down the credit for the Health Organisation, the Supervisory Commission ought to be directed to look into the matter from a more general point of view, for it was hardly right that a single organisation should be made the object of all the proposals for a reduction of credits. Some sort of proportion must be observed between the various organisations. ”

Further on it had been, on his proposal, agreed in future to bear in mind that:

“ A certain proportion should be maintained both between the budgets of the various organisations themselves and between the budget of each organisation and the budget of the League as a whole; otherwise budget equilibrium might be disturbed and the usefulness of the League's work seriously impaired. ”

He feared it was against the League's truest interests to single out for specially firm treatment one particular organisation from among the many others — the more so as this happened to be perhaps the richest of all in concrete results for the generality of Member States. He hoped these considerations would not be left out of account.

In any case, he was not proposing to overstep the limit established last year.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, desired to remind the Committee in precisely what circumstances the Supervisory Commission had suggested that, as an exceptional measure, the credit for the Singapore Bureau should be considered in immediate conjunction with the main Health Organisation budget. But for his intervention he believed that the Committee would have adopted the original estimate at the full amount of 991,115 francs; and, as they would hardly have found it possible, in view of the immense importance of the Singapore Bureau, to refuse the 25,000 francs necessary to cover its deficit, the upshot would have been that, adding in the supplementary credit, the maximum agreed upon last year would have been exceeded by some 17,000 francs.

The Supervisory Commission would gladly have avoided even the relatively slight increase of 8,885 francs in the health budget had it been possible without disproportionate sacrifice. They had felt, however, that while, on the one hand, it would be a bad thing to go beyond the agreed maximum, it would, on the other hand, be also a bad thing to withhold the means of barely continuing current work on which League money had already been expended.

But the Fourth Committee was, of course, free to take a different view.

M. HAMBRO (Norway) said he had no intention of voting against the increase in the health budget, but greatly regretted that room had not been found for a compensating reduction elsewhere. It was true that this Singapore Bureau served non-political ends, but the present situation was certainly in a sense “ unforeseen ”, and he felt sure everybody would be happy if it were decided to draw for the purpose on one or other of the several credits already voted towards unforeseen expenditure.

The SECRETARY-GENERAL felt it his duty to draw the Committee's attention to the exceedingly important point of principle that was involved in the proposal of the Norwegian delegate. The budget was made up of items in none of which it had been found possible to effect any further reduction. If, therefore, the Fourth Committee should determine that supplementary credits would be voted only to the extent that equivalent reductions could be effected in the main budget they might as well inform the other Committees beforehand that there could be no point in their suggesting any supplementary credits whatever; for they would be refused as a matter of course.

Mme. KLUYVER (Netherlands) entirely agreed. She did not support the Norwegian delegate in his later suggestion. She would, however, propose that, instead of adopting that item there and then, they should hold it over for consideration along with the other supplementary credits.

M. ZUMETA (Venezuela) was also in favour of this course; for he believed that, when the time came, such important cuts would be successfully applied to the other items that they would suffer no discomfort in voting the present comparatively trifling figure as it stood.

Commander Hilton YOUNG (British Empire) said that, on grounds of principle, he also supported the delegate of the Netherlands.

At the same time, he thought it relevant to enquire whether, among those other supplementary credits which would later be laid before the Committee, there were included any requests for further expenditure in connection with the Health Organisation. For if there were, he would certainly have preferred them all to be considered at one time.

As to the point of principle, the Committee had recently resolved to work towards the ideal of a stabilised budget. If this ideal were ever to be realised in practice it could only be by their

deciding not to make a beginning with the main budget of the year until they had in their hands all the belated proposals for fresh credits; an end would, in fact, have to be put to the system whereby a series of requests for supplementary votes kept dropping in one by one.

Sir Joseph COOK (Australia) was anxious that a vote upon the health budget should not be any longer deferred. It was a matter for some satisfaction that they would not be going beyond the million-franc limit. Further discussion might, he feared, expose reasons in favour of an increase.

The CHAIRMAN said there could not be the slightest question that, as a matter of principle, the contention of the Netherlands delegate was absolutely right, but, since it was evident that no member of that Committee was opposed to the credit now before them, he earnestly hoped that just on this one occasion she would assent to the exception being made — particularly as it chanced that no other requests had been received in respect of the Health Organisation. He urged the Committee to be guided by M. Adatci than whom there was certainly no more jealous custodian of the League's finances.

Mme KLUYVER (Netherlands) was anxious to explain that it was not the supplementary credit but the increased total to which she had demurred; and if the Supervisory Commission would keep in mind the view she had put — and in which she had been supported by the British delegate — she would not persist in her opposition.

The CHAIRMAN replied that, though he was sure there had really been no danger whatever of her intentions being misunderstood, the Committee would formally take note of the statement of the Netherlands delegate.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, said the Supervisory Commission was always at the service of the Fourth Committee to perform whatever task might be laid upon it; but he did want members to be perfectly clear as to the reasons for which the Supervisory Commission had proposed the reservation of the health budget. As he had already explained, the practical result had almost certainly been a saving of 17,000 francs, for the Committee had been on the point of adopting the original health budget in its entirety and could hardly later on have refused to make good the full deficit on the Singapore Bureau. As an additional advantage, the exceptional procedure had made it possible for the budget in its final form to go to the printers early enough to allow of its circulation to delegates in comfortable time before its consideration by the Assembly.

The case had in fact been treated as exceptional, and the Supervisory Commission would be the last to ignore the point of principle on which so much stress had been laid.

The Committee adopted Item 23 (as revised by the Supervisory Commission) without further modification.

M. HAMBRO (Norway) desired, now that the vote had been taken, to let the Secretary-General know that if he (M. Hambro) had not continued the discussion in the proper attitude to be adopted towards supplementary credits, his silence was not to be taken as conveying his assent to the view put forward by the Secretary-General.

He added that he would rely on M. Zumeta to make good his welcome assurance that important reductions would be secured in the other supplementary credits.

72. Amendment to Article 6 of the Staff Provident Fund Regulations.

The CHAIRMAN drew the Committee's attention to a memorandum by the Secretary-General on the amendment to Article 6 of the Staff Provident Fund Regulations (Annex 10) proposed by the Board of Management of the Fund to give effect to the suggestions contained in the Fourth Committee's resolution approved by the sixth ordinary session of the Assembly. The text of the amendment was to be found in the document referred to.

Commander Hilton YOUNG (British Empire) recalled that it was at the request of his Government that the Board of Management had discussed the question whether the system established under the terms of that amendment ought not also to be applied to that part of the account of a member of the staff which represented his own contribution.

He had greatly appreciated the minute care with which the Board of Management had studied the question referred to it, and he was happy to say that the British Government, after reading the report of the Board of Management, was perfectly satisfied with the reasons given therein in favour of the non-extension of the system established by the amendment. He was therefore able to signify his Government's acceptance of the solution proposed by the Board of Management.

The amendment was unanimously adopted.

73. Discussion of the Report of the Sub-Committee on Contributions in Arrears.

On the proposal of the CHAIRMAN, the Committee decided to go into private session for the consideration of the report of the Sub-Committee on Contributions in Arrears.

The Committee began the discussion of the report. The continuation of the discussion of this report was adjourned to the next meeting.

NINTH MEETING

(Private meeting, devoted to the examination of the report of the Sub-Committee on Contributions in Arrears (continuation). A copy of the Minutes of the discussion of this question has been placed in the records of the Secretariat.)

TENTH MEETING

Held on Friday, September 24th, 1926, at 10.30 a.m.

M. Nicolas TITULESCO (Roumania) in the Chair.

74. Consideration of the Report of the Supervisory Commission on Miscellaneous Questions (Annex II, Section I).

Paragraph 1: New Amendment to Article 6 of the Staff Provident Fund Regulations.

The Committee adopted paragraph 1.

Paragraph 2: Application for Refund by Members of Committees.

The Committee adopted paragraph 2 with the resolution submitted therein.

Paragraph 3: Question of Publications.

M. HAMBRO (Norway), while recognising the claims of economy, was anxious to know just what would be the effect of adopting the resolution proposed in paragraph 3. Did it mean that the minutes of sub-committees would not be sent to Members of the League, or at least distributed to the members of the committees that those sub-committees served? He had himself been a member of the Committee of the Norwegian Parliament which was concerned in supervising the action of Norwegian delegates at Geneva. There were many parties in that Parliament, and all desired to know precisely what position Norwegian delegates had taken up; so it seemed to him very important that, whether in printed form or otherwise, the minutes of sub-committees should somehow become available for study by a parliamentary committee of that kind.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, pointed out that in practice it seemed unnecessary, except in very special cases recognised by the Council as such, to keep a record of what was said and done in a sub-committee, for the official attitude of a delegate on any given subject would in any event appear from the minutes of the plenary meetings.

The SECRETARY-GENERAL observed that the word "publication" as used in the second paragraph of the draft resolution should be understood as meaning "publication in print". Three possible situations were to be distinguished. First, those cases, such as the Disarmament Conference, to the detailed proceedings of which the Governments naturally attached great importance, and where it would accordingly be necessary to record and circulate all speeches verbatim; in these very special cases the documents would be printed. Then there were the cases where minutes would be distributed to the Governments in roneo form. And, lastly, there were those sub-committees which decided to dispense altogether with minutes; here, obviously, no record could be sent to the Governments.

M. HAMBRO (Norway) was perfectly satisfied with the Secretary-General's statement. He did not agree with what M. Osusky had said as to the relative unimportance of the discussions in a sub-committee. If it was true that official opinions were voiced at the plenary meetings, what the Parliaments desired to control was the grounds stated in sub-committees for the abandonment of those official opinions.

The Committee approved paragraph 3 of the report of the Supervisory Commission and adopted the resolution submitted therein.

Paragraph 4: Treasurer's Salary.

The Committee approved paragraph 4.

Paragraph 5: Correction in the List of Posts in the Information Section.

The Committee took note of paragraph 5.

Paragraph 6: Exceeding of Appropriations voted in the Budget of the Labour Organisation for the 1926 Conference.

The Committee approved paragraph 6.

Paragraph 7: Report of the Salaries Adjustment Committee.

M. CAVAZZONI (Italy) said that, following the example of his former colleague M. Giuriati, he wished to make some observations on the question of the salaries of the staff. Lord Meston's report showed that the cost of living at Geneva had risen appreciably — in fact, the increase could be put at 9.9 per cent for last year and at 9.1 per cent for this. The rules established by the Assembly did not provide for any alteration in the salaries until the variation in the cost of living touched 10 per cent.

It might be wondered whether the Assembly, in laying down this 10-per-cent rule, had really intended to fix so rigid a limit as to exclude any increase in the present case, where the rise in the cost of living was one of 9.9 per cent.

For statistical data ought always to be helped out by other auxiliary factors. In the present case there were two such factors that deserved to be noticed:

1. The indices to which reference had been made did not correspond to the conditions of those members of the staff who were in *pensions* or hotels — and the Committee's report showed that nearly 40 per cent of the staff were living in hotels or *pensions* and that there was for those members an increase which could be roughly put as high as 20 per cent.

2. Further, the report of the Salaries Adjustment Committee showed that, had the figures now established been available in 1923, the salaries of the staff would not have been reduced by so much. What it amounted to was that, on the strength of the figures adopted by the Assembly, the staff had received salaries lower by almost 4 % than they would have if the Assembly had had available the statistical data to which he referred.

They were therefore confronted with these two facts: in the first place, the 10 per cent contemplated in the aforementioned decision of the Assembly had not, strictly speaking, been reached; in the second place, that small difference could be balanced by the bigger increase in the cost of living in hotels and *pensions* and by the loss suffered by the staff during the past three years, of which loss, whatever might be the position from a strictly legal point of view, equity certainly required that account should be taken in coming to a final decision.

But when would it be possible to come to such a decision? The Assembly was in this respect in a somewhat unsatisfactory position in that it was each year called upon to decide whether or not the salaries ought to be increased or reduced — a decision which had, moreover, always to be taken at the last minute. He thought it was not possible to lay the blame for this anywhere but upon the system itself. It was not until towards the end of the month of August that the League could be put in possession of the statistical figures which had to be taken as a basis. The result was that the staff was put at a great disadvantage in relation to the Assembly, for the Assembly would never be prepared to approve, without mature consideration and much preliminary discussion, increases which might amount to some hundreds of thousands of francs.

The question of such an increase, with all the relevant documentation, ought to be brought in plenty of time to the attention of all the Governments affected so as to enable them to look into the matter.

For these reasons he would support the proposal that the Supervisory Commission should itself be instructed to investigate the question in its entirety, and this in time to enable a decision be taken in 1927. It was certain that both the Assembly and the staff had everything to gain by a thorough examination of the question, and in adopting that proposal they would undoubtedly be acting in a spirit of lively sympathy towards the staff.

As an expert who had specialised in such questions, he did not consider that the system of a sliding scale of salaries was much to be recommended in such an institution as the League and in a country with its currency on a gold basis. Every year it necessitated a minute study of index figures which were nearly always open to question — a most unfortunate position in that it tended to keep the staff in a state of almost perpetual flutter, just as much when there was a reduction to be avoided as when there was an increase to be obtained.

For himself, he would not be opposed to a revision of the existing system. Naturally, if the Assembly were to take that course, it would be always in a spirit of sympathy towards the staff and never under conditions prejudicial to their legitimate interests.

At the time when the system of a sliding scale had been adopted, it had been done on the ground that, a generous scale of salaries having been approved, it was desirable that, as a corrective, the possibility of a reduction should be provided for; besides, it had been believed that the cost of living would fall after the war.

The Italian delegation would reserve its liberty to discuss the substance of the question later on during the next Assembly. For the present, it would support the proposal of the Supervisory Commission, hoping that the enquiry which the Commission would in due course make would enable the Assembly during its next session to discuss this complex and outstanding important question with the seriousness that it deserved.

M. DE VASCONCELLOS (Portugal) said he, too, thought the Supervisory Commission should be instructed to consider that question in view of the change which it was imperative to make in the system now in operation. But the Fourth Committee should indicate principles for its guidance. He could state his complete agreement with the Italian delegate to the effect that there was no occasion to adopt a sliding scale of salaries in a country where the currency was on a gold parity.

He went on to recall that the salaries fixed by the earliest Assemblies had been reduced in connection with the introduction of a sliding scale. He thought that it was necessary to abandon the sliding scale and return by slow degrees to the figures originally adopted. Once the figures of salaries had been established, they ought not be revised unless and until there was a considerable change in the cost of living in Geneva.

He thought there was an additional reason for not continuing to apply the present method, inasmuch as that method involved the adjustment of the salaries each year on the basis of none too reliable data, which had a certain disturbing effect among the staff.

The CHAIRMAN thought that the Supervisory Commission ought, as a consequence of the discussion that had just taken place, to be asked, when it came to consider the question of the adjustment of salaries, to take account of the remarks of the Italian and Portuguese delegates.

This was agreed.

The seventh (and last) paragraph of section I of the report of the Supervisory Commission was adopted.

75. **Consideration of the Report of the Supervisory Commission on Changes to be made in the Budget for 1927 (Annex II, Section II).**

Paragraph 8: Deduction of the German Contribution to the Budget of the International Labour Organisation for 1926 from the General Budget for 1927.

In reply to a question from M. Hambro (Norway), Mr. BUTLER, Deputy Director of the International Labour Office, said that the figure for the receipts of the International Labour Organisation appearing in the statement of expenditure and receipts during the ninth financial period (Annex 7, page 160) represented the total figure of budget appropriations granted to the International Labour Office less 600,000 francs — the amount of the German contribution. As a matter of fact, there was to be added to this deduction of 600,000 francs the deduction of 265,766 francs referred to in that section of the report of the Supervisory Commission.

The Committee took note of this paragraph of the report of the Supervisory Commission.

Paragraph 9: Supplementary Credits for the Secretariat and Special Organisations.

A. *Committee for the Protection of Women and Children in Certain Countries in the Near East.*

M. OLDENBURG (Denmark) expressed regret that the Supervisory Commission had not seen fit to recommend that a credit be voted for so important a work as that which Dr. Kennedy and Miss Jeppe were doing. He deferred to the Supervisory Commission, but wished to ask the Financial Administration of the League, which was required to act as intermediary between the private organisations and Miss Jeppe, to do everything in its power to help Miss Jeppe.

M. HAMBRO (Norway) endorsed the remarks of the Danish delegate. The Norwegian Government attached so much importance to the work of Miss Jeppe and considered that the League would gain so much prestige by helping her that it had not had any hesitation whatever in instructing him to vote for the credit asked for towards the protection of women and children in the Near East. If that credit were refused by the Fourth Committee the question would, he assured them, be raised in the Assembly.

M. ZUMETA (Venezuela) announced that he had been charged by his Government to express its warmest thanks to Miss Jeppe for the beneficent and humane work she had done, which had been highly appreciated by the Venezuelan Government. While agreeing with the conclusions of the Supervisory Commission, he wished to say he hoped M. Oldenburg's appeal would be heeded by the Supervisory Commission and the Fourth Committee.

The CHAIRMAN proposed that the Fourth Committee should unanimously decide to address its thanks to Miss Jeppe and Dr. Kennedy and express its regret that the financial situation did not allow of its voting the credit asked for.

M. HAMBRO (Norway) said he shared the admiration manifested by the Chairman and also associated himself with the hope that had been expressed, but he did not think that those utterances would suffice to preserve, for so much as one single day, the existence either of the Constantinople homes or of those of the Armenians. He entered a most vigorous protest against the recommendation of the Supervisory Commission.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, recalled that it had last year been understood that the credits granted to the Committee for the Protection of Women and Children in Certain Countries in the Near East would be the last ones voted for that purpose.

The Supervisory Commission had therefore done its duty in recommending the rejection of the request submitted for a credit for 1927.

The Committee approved sub-paragraph A of the report of the Supervisory Commission.

M. HAMBRO (Norway) asked that it should be put on record that he had voted against this expression of approval.

B. *Armenian Settlement Scheme.*

M. HAMBRO (Norway) deeply regretted the decision of the Supervisory Commission to recommend the refusal of the credit asked for towards the settlement of Armenian refugees. He also regretted that the Rapporteur of the Fifth Committee was not present at those discussions to support the point of view of his Committee. The honour of the League of Nations was at stake: it ought to do something for the Armenians. A refusal would affect adversely the prestige of the League, and, so far as the work being done towards helping the Armenian refugees was concerned, the effect would be to render its further continuance impossible, for it was clear that subscriptions were not to be got together by the mere process of sending out letters; it was essential that the Secretary-General, being provided with the necessary credits, should be in a position to send a member of the Secretariat to the principal people who were believed likely to lend money. Private subscriptions had already been promised up to an amount of £100,000; there were, moreover, in the United States large organisations concerning themselves with the fate of the Armenian refugees. If the League of Nations were to abandon the Armenians, to whom it had made so many promises, the movement would be paralysed and there would be an end to everything. If the Fourth Committee were to agree to the suggestions of the Supervisory Commission, it was to be hoped that the Fifth Committee would be able to defend its cause and carry it through the Assembly.

The CHAIRMAN remarked that, in consequence of the decision of the Fourth Committee to refuse the credit for the settlement of Armenian refugees, the following two possibilities were open: either the Fifth Committee would accept the Fourth Committee's decision or it would not. In the first case, there the matter would remain; in the second, it would be necessary to constitute a mixed committee made up equally of members of the Fourth Committee and members of the Fifth Committee.

The Committee adopted sub-paragraph B.

C. *International Slavery Convention.*

The Committee adopted Sub-paragraph C.

D. *General Conference on Communications and Transit.*

Commander Hilton YOUNG (British Empire) said it was with profound regret that the British delegation saw that proposal disappear from the programme of the year's work, for it firmly believed such a proposal would eminently conduce to the prosperity and — if he might so put it — the good health of the League if so prominent and important a conference of a League organisation were to be held outside Europe. However, they recognised three mitigating circumstances: the project was not as yet in fact ripe for definite adoption; the Supervisory Commission had expressly left open the possibility of returning to the idea at a later time; and there were other items the disappearance of which was a source of equal regret to the British Government. He referred in particular to the credits for the work of Miss Jeppe and for the Armenian Settlement Scheme.

However, the necessity for financial regularity was paramount, and it could only be secured by consistently supporting the authority of the Supervisory Commission.

M. ZUMETA (Venezuela) announced that the Second Committee had expressed its keen sense of gratitude to the representatives of the European countries for having with such impressive enthusiasm supported the proposal referred to in the report of the Supervisory Commission. He added that he agreed with the statement of the British delegate, to which he could entirely subscribe.

M. FERNANDEZ Y MEDINA (Uruguay) recalled that, when the draft resolution had been submitted to and voted upon by the Second Committee, he had made the statement that the Conference in question had not been proposed in the special interest of non-European countries but in that of the League of Nations in general. And it had been by countries not belonging to Latin America that the draft had been submitted — a draft to which he could agree only on condition that the expenditure involved in the Conference would not be out of proportion to the League's budgetary possibilities.

It was, moreover, said in sub-paragraph D: " The Supervisory Commission will favourably examine any proposals which may later be made to it with a view to holding outside Europe an important conference of the League of Nations which would particularly concern non-European countries ".

It ought in that connection to be clearly established that the American States had never asked — and it was to be hoped never would ask — the League of Nations to furnish the means for the meeting of a conference in Latin America.

The Latin-American countries, he repeated, were not specially interested in the meeting of the conference, but, as the British delegate had observed, its convocation in South America would have a fortunate effect upon the prosperity and strength of the League.

The CHAIRMAN proposed that, in view of M. Fernandez y Medina's observations, the following words at the end of sub-paragraph D should be struck out: " which would particularly concern non-European countries ".

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, explained that, in the view of the Supervisory Commission, the contemplated conference was clearly of a nature to interest every country, but not all to an equal extent; and it was this that they had meant to express in speaking of an important conference of the League of Nations " which would particularly concern non-European countries ". The text adopted for the report of the Supervisory Commission might stand as it was, and the Fourth Committee could word as it pleased the part of its own report which dealt with the same subject.

M. JARAMILLO (Colombia) declared that he took a very deep interest in the convocation of the conference in question, not merely as being the Rapporteur of the Second Committee on questions of communications and transit but also in his capacity as the delegate of Colombia. He had therefore asked the Second Committee to bring out the great importance for the League of Nations of a conference so well suited as this one for extending the field of the League's action in the direction of universality. This suggestion had been favourably received by the Second Committee, and the Italian delegate had submitted the resolution that had been discussed in the Supervisory Commission.

He greatly regretted that — for whatever might be the reason — satisfaction could not be given to aspirations whose only object it was to bring to realisation the universality of the League.

M. HAMBRO (Norway) associated himself with the words of the British delegate; the Norwegian Government was similarly in favour of the calling of a conference in a town outside Europe. He also wished to support the Chairman's proposal to strike out the words " which would particularly concern non-European countries ".

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, said his only objection to the deletion of the words above mentioned was one of principle, and, should the Fourth Committee adopt the report of the Supervisory Commission, he felt sure his colleagues on the Supervisory Commission would entirely agree to those words being struck out.

The Committee adopted sub-paragraph D after deleting the clause " which would particularly concern non-European countries ".

E. *Liaison in Technical Matters with the Countries of Latin America.*

M. HAMBRO (Norway) announced that, in view of the fact that it had for financial reasons been considered impossible to support a piece of work which had already been in progress for six years and the continuance of which was important for the very prestige of the League of Nations, he would find himself unable to vote for a supplementary credit for any new work whatsoever.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, explained that it was not really a question of a new piece of work but solely of extending to the countries of Latin America the action of the League's technical organisations and the co-operation already existing among the European countries.

M. HAMBRO (Norway) said he was in complete sympathy with the idea of the Supervisory Commission. As, however, it was said in that Commission's report, " It will be for the Secretary-General, when full information has been collected, to take a decision . . . ", it appeared as if, before voting the credit, they might await the collection of the information referred to.

The CHAIRMAN said the Committee would take formal note of the statements made by the Norwegian delegate.

The Committee adopted sub-paragraph E.

F. *Miscellaneous Credits: (a) Tokio Office of the Information Section; (b) Internal Control Office; (c) Miscellaneous Staff at Geneva; (d) Reduction of Armaments.*

The Committee adopted sub-paragraph F without modification.

Paragraph 10: Supplementary Credits: International Labour Organisation.

1. *Refugee Service.*

M. ZUMETA (Venezuela) recalled that during an earlier meeting he had asked for certain information about the Russian and Armenian refugees and that the Chairman had stated the information would be afforded when that question came up for discussion.

Mr. BUTLER, Deputy Director of the International Labour Office, replying to M. Zumeta's question, thought he could quite definitely say that there had in fact been a sensible diminution in the number of destitute refugees. The figures — of course only approximate — which the Office believed to be the most accurate available had fallen from 200,000 to somewhere between 180,000 and 190,000; for in the past year the Office had by its own efforts settled as many as 15,000. He certainly did not think there was at present any tendency for the figures to increase, and he hoped that they would in the future continue to diminish.

M. ZUMETA (Venezuela) said he was sorry to find that this year, as last year, it had not been possible to give an exact answer to his questions. It seemed clear that statistics could not be furnished with regard to the Russian and Armenian refugees. That was a very important point, and he asked the Fourth Committee to take it into account. It was not known at the present moment in what direction things had been moving and whether the evil had increased or diminished. He would observe that a task undertaken by the International Labour Office, which was to have completed it in two or three years, tended to become permanent. He proposed that the Committee should notice this point by making a reduction of 10,000 francs in the supplementary credit asked for in favour of the Russian and Armenian refugees.

M. KAAS (Germany) expressed regret that the Supervisory Commission had not endorsed the resolution of the Fifth Committee, and desired, in connection with the credit for the Berlin Office, to give the reasons for the attitude of Germany to which reference had been made in the report.

As long as Germany had not belonged to the League she had contributed to the expenditure involved in the great humanitarian work for the Russian and Armenian refugees by making an annual grant of 30,000 marks to the Office concerned therewith in Berlin. Now that she was a Member of the League and the payer of a contribution to it, there no longer existed the purely formal reason which had hitherto led her to cover a part of the expense of the Office, and she did not consider herself under any obligation to continue making a grant towards its needs. Nevertheless, recognising the eminently humanitarian character of the work, she was prepared in 1927 to pay towards the expenses of the Berlin Office a sum of 15,000 marks. The reduction of her contribution was not in any way to be considered as indicating a lessening of Germany's sympathy towards the work for Russian and Armenian refugees.

Mr. BUTLER, Deputy Director of the International Labour Office, observed that for most countries unemployment statistics were extremely difficult to obtain, and the Office had always recognised the importance of giving accurate statistics down to the last man. The proportion of unemployment amongst the refugees did show variations, of which the Office might not as a rule learn until some months after they occurred, but there was, as he had said, a general steady diminution. It had at one time been feared that the effects of the settlement work might be, wholly or in part, offset by a steady reinforcement of the main mass of refugees, but there had been, at any rate in the last two years, no sign of such an increase.

It might be noticed that a credit of 25,000 francs had been estimated for the setting-up of an agency in Syria. This did not mean that the work in that region was only now beginning but that the French authorities had lately approached the Office and asked for its collaboration. Except as to 3,000 francs, the figure he had mentioned represented economies effected in respect of other agencies situated elsewhere.

M. FERNANDEZ Y MEDINA (Uruguay) said it was only with reluctance that the Uruguayan delegation had agreed to the credits asked for in 1927 towards a work which was tending to become permanent and which preserved its international quality when it should by now have become national in character. They ought to ask themselves whether it would be well to go on supporting that work, considering that, in the absence of precise data, it was impossible for them to tell whether its effect had really been to lessen the evil against which it was supposed to be aimed. It would never do if, instead of bringing aid to refugees who were calling for it, they had people going off in search of refugees to justify the existence of the work. Speaking both for the Venezuelan delegate and for himself, he went on to point out that, for lack of precise numerical details, it was impossible to foresee when the refuge work might be brought to an end. The Uruguayan and Venezuelan delegations had decided that, if next year those details were either not supplied to the Fourth Committee or failed to give it satisfaction, they would vote against the adoption of credits for Russian and Armenian refugees.

The CHAIRMAN formally took note of this declaration.

The Committee adopted sub-paragraph 1, "Refugee Service", without modification.

2. *Committees.*

Mme. KLUYVER (Netherlands) said she did not oppose the adoption of the supplementary credit. She would merely observe that the resolution of the Assembly of 1925 mentioned in the annex did not exist.

Mr. BUTLER, Deputy Director of the International Labour Office, said that the proposal contained in that paragraph was based on a resolution unanimously adopted by the International Labour Conference at its June session and not on a resolution of the Assembly. As the budget estimates of the Office had at that time already been drawn up, they had no alternative but to present this request for a supplementary credit.

The Committee adopted sub-paragraph 2 without modification.

ELEVENTH MEETING

Held on Friday, September 24th, 1926, at 4 p.m.

M. Nicolas TITULESCO (Roumania) in the Chair.

76. Consideration of Draft General Report to the Assembly.

The CHAIRMAN proposed that the draft report of M. Oldenburg, the Rapporteur-General, should be discussed as a whole (Annex 13).

Commander Hilton YOUNG (British Empire) called attention to the following passage: "During the discussion of the budget the Secretary-General stated that the principle he had adopted and which he intended to observe in future was to charge to Item 3, ' Unforeseen Expenditure, subject to Special Vote of the Council ', *only expenditure which had not been foreseen when the budget was voted*". He asked whether the Secretary-General would accept the following alternative wording, which, he thought it fair to point out, went somewhat further than that at present in the draft: "*only expenditure which could not be entered against any heading already included in the budget*".

The SECRETARY-GENERAL said he readily accepted the change.

M. HAMBRO (Norway) suggested that the text of the Indian resolution, several references to which occurred in the body of the report, should appear as a preamble to the section " Secretariat and Special Organisations " instead of appearing as paragraph (a) of the section " Miscellaneous Questions ".

M. OLDENBURG (Denmark), Rapporteur-General, accepted this suggestion.

Commander Hilton YOUNG (British Empire) asked that the words " as far as it went " should be inserted after the word " satisfactory " (page 250). The British delegation considered that there was still room for evolution in the system of control.

The Committee agreed.

M. HAMBRO (Norway) said he thought the Venezuelan delegate had at one stage proposed that some improved method of control — not by the setting-up of a new superior organ but perhaps through the medium of a sub-committee of the Fourth Committee — should be introduced. Some other delegations had been in sympathy with this suggestion. Had M. Zumeta now withdrawn it ?

M. ZUMETA (Venezuela) said he had later discussed the point with the Chairman of the Supervisory Commission, who had been good enough to undertake that the Supervisory Commission would report next year on the possibility of so amending or supplementing the financial regulations as to render the system of control more effective. He (M. Zumeta) had accordingly not made any formal motion on the subject.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, explained that, quite apart from any formal resolutions, it was the habit of the Supervisory Commission always to take account of any suggestions made by delegates in the course of the discussions in the Fourth Committee.

M. HAMBRO (Norway) wondered whether the various publications put out by the Secretariat might not be given a more attractive and businesslike appearance.

The SECRETARY-GENERAL promised to bring this point to the notice of the expert or experts whom it was proposed to employ to go into the question of the League publications.

The CHAIRMAN congratulated M. Oldenburg on his draft report and thanked him for the care he had given to its preparation. He proposed that the draft report should be adopted, as amended to give effect to the suggestions accepted by the Rapporteur at the present meeting.

This was agreed.

77. **Supplementary Credits for Armenian Refugee Settlement Scheme and Berlin Delegation of the Refugee Service: Appointment of Delegation of the Fourth Committee to the Mixed Committee of the Fourth and Fifth Committees.**

The CHAIRMAN announced that, following the refusal of the Fourth Committee to adopt the proposed supplementary credits for the Armenian Settlement Scheme and the Berlin Delegation of the Refugee Service; the Fifth Committee had requested that a mixed committee of the Fourth and Fifth Committees should be formed to discuss the possibility of a reversal by the Fourth Committee of its decision, and had appointed as its delegates for the purpose the representatives of Belgium, France, Germany, Great Britain and Greece.

He proposed that the Fourth Committee should agree to this suggestion and appoint as its delegates the representatives of Canada, Czechoslovakia, Denmark, Italy and Japan.

The Committee agreed.

TWELFTH MEETING

Held on Saturday, September 25th, 1926, at 9.30 a.m.

M. Nicolas TITULESCO (Roumania) in the Chair.

78. **Supplementary Credits for Armenian Refugee Settlement Scheme and for Berlin Delegation of the Refugee Service: Report of the Delegation of the Fourth Committee to the Mixed Committee of the Fourth and Fifth Committees.**

(a) *Armenian Refugee Settlement.*

M. ADATCI (Japan), as Rapporteur of the delegation for this subject, gave an account of the proceedings in the Mixed Committee. He recalled the circumstances in which the Fourth Committee, last year, in adopting a credit in favour of the settlement of Armenian refugees, had not merely resolved that no further such credits should in future years be approved but expressly stipulated that, should the scheme for a loan of £900,000 not come to fruition, the credit they were then voting should automatically lapse. The Supervisory Commission, having in mind the clear position so taken up by the Fourth Committee in the past, had this week recommended the refusal of the Fifth Committee's request for a further credit of 25,000 francs towards the same object — a recommendation which the Fourth Committee had unanimously adopted. M. Osusky had, with great force, in reply to the pleas put forward by the delegation of the Fifth Committee, explained the three principal objections to the credit proposed: first, there was the constitutional difficulty that its purpose appeared to fall under no particular article of the Covenant; secondly, there was the considered view of the Fourth Committee in past years that the credits then adopted must be recognised as strictly exceptional; and then there had been the third difficulty that no sufficiently detailed specifications were offered of the manner in which the credit was proposed to be expended.

After a sustained debate, Sir Herbert Ames had proposed, as a compromise, " that a sum of 15,000 francs be allowed, subject to the conditions already set forth, in order to provide for the printing and distribution of literature regarding the proposed financial operation, and to permit Dr. Nansen or his representative to lay his proposals before possible contributors in Europe or in America ".

To this text the delegates from the Fifth Committee had offered their cordial assent. Those from the Fourth Committee had, however, been sharply divided; M. Cavazzoni having warmly supported the determined and well-grounded opposition of the Chairman of the Supervisory Commission, M. Oldenburg having sided with Sir Herbert Ames, and he, M. Adatci, while heart and soul with M. Osusky, having been unable to ignore the necessity of arriving at some definite result. It had been with great reluctance, and on the strict understanding that this should be in very truth the last time, that he had agreed to Sir Herbert's compromise being recommended to the Fourth Committee. And while they were, of course, powerless to bind future Assemblies in the matter, he believed that it would be an act of political wisdom for them now to accept the compromise, at the same time expressing in the strongest possible terms their conviction that such an item should disappear from future budgets.

The CHAIRMAN thanked M. Adatci for his clear exposition.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, repeated before the Fourth Committee the arguments which, with the support of M. Cavazzoni, he had urged in the Mixed Committee. He had purposely refrained from stressing too strongly the constitutional

difficulty, on which opinions were known to be divided; but he had duly referred to the language of the Fourth Committee in past years in describing such credits as exceptional and, in particular, in specifying that the credit approved for 1926 should automatically lapse if the £900,000 loan were after all not floated. He did not doubt that the Supervisory Commission would, towards the close of the year, have an opportunity to satisfy itself that this condition had been strictly observed. Decisions must be recognised as such, by everyone without exception.

At some risk of personal unpopularity, he had gone on to insist that the request be supported with specifications no less complete than those that would have been required from the Secretary-General or the Director of the International Labour Office. The following figures had at length been vouchsafed: for publications, 2,000 francs; for travelling, 3,000 francs; for meetings of the Committee, 10,000 francs; and for negotiations and — once again — travelling, 10,000 francs.

In discussions on finance, diplomatic verbiage was out of place, and he had felt bound to observe that for purposes which had been in prospect for so many months, those details lacked some of the qualities for which the Supervisory Commission had been accustomed to look.

The non-success of his attempt to extract adequate details under the head of printing and publications had led him to give up the idea of any similar attempt regarding the other items.

There had been advanced the self-defeating argument that the League's expenditure on publications was already very high. Another delegate had even pointed to the credit of 30,000 francs approved for purpose of liaison in technical matters with Latin-American countries in utter disregard of the radical differences between the Armenian scheme and an object which touched the very essence of the League's existence as a world organisation. As Chairman of the Supervisory Commission, the duty of defending financial principles had, he thought, been pre-eminently his. There was no intermediate possibility as between the consistent pursuit of a uniform policy based upon clear principles and the admission — or the impossibility of disproving the alleged admission — of personal considerations into the treatment of successive appeals for humanitarian objects. In past years the Fourth Committee had shown faith in the Supervisory Commission; even now he was certain they had the sympathy of M. Adatci; and he did most earnestly beg the Committee now to set principles before personalities and renew its earlier refusal of the supplementary credit of the Armenian Settlement Scheme.

Sir Herbert AMES (Canada) thought it well to draw attention to the procedure followed in the Mixed Committee, since it seemed to him constitutionally correct and worth putting on record as a precedent. The Fourth Committee's delegation had, so to speak, sat as a jury to hear the arguments relied on by the Fifth Committee, and no member of the Fifth Committee had taken part in the voting.

The delegation of the Fifth Committee had been impressively important, both in respect of its members and of the Governments for which they spoke.

The Chairman of the Supervisory Commission deserved their gratitude for the most able and almost unanswerable case he had made in defence of the League's treasury. On the other hand, if and in so far as he (Sir Herbert Ames) had himself displayed weakness, it was a weakness of which he thought most delegates might be found guilty from time to time. He did not believe that, in proposing the compromise, he had been misinterpreting the view of at least a large section of the Fourth Committee.

The credit voted in 1926 had been directed towards the raising through the banks of an economic loan. That attempt had thus far failed; but it had revealed the existence of certain sources from which there was some hope that a different kind of loan — an avowedly humanitarian loan — might by appropriate steps be obtained. The reported existence of such philanthropic and sympathetic sources had seemed to him to constitute a last opportunity — and a great opportunity — for the neglect of which he was unwilling to share the responsibility. He had, he admitted, been affected by the experience gained in the matter of the Greek refugee loan. When first proposed, in a paper by Dr. Nansen's representative, the whole idea had seemed preposterous, and only on closer study had certain elements of economic wisdom gained attention.

He did not agree that the resolution in its present form was wanting in precision of detail. And its adoption would, without doubt, be the end of the matter so far as the Fourth Committee was concerned.

In a word, he thought it was worth trying.

M. HAMBRO (Norway) was anxious that the present discussion should not continue for long or be resumed in the Assembly. He had heard with interest the speech of the Chairman of the Supervisory Commission — an interest not, however, unmingled with surprise. That speech, he felt, had dealt not so much in principles as in theories; and, if it set forth a policy, it was a stale policy at best. It was not always possible in a changing world for the Assembly so to foresee the future as to be able in advance to judge what would be practicable or wise a year hence. The plan for the loan had been difficult but not technically unsound — and it had come very near to fulfilment. Certain leading Governments in Europe had indeed been willing to join in a collective guarantee of the loan; others, however, had for political reasons been unwilling.

A refusal of the credit would be liable to encourage the impression that the Assembly, proficient enough in adopting the safe, irrelevant and superfluous resolutions, in discussing passports for journalists and in promoting intellectual co-operation among school-children, remained indifferent to those things on which the fate of nations hung. The central fact at the moment was not a sum

of 15,000 francs but the League's obligation towards the most unfortunate people in the world. The policy of a growing League must be more than a mere matter of mathematics.

He ventured to wonder whether, if the Committee had asked, before passing the numerous items in the existing budget, for details as minute as those which M. Osusky had sought to obtain from the Fifth Committee in regard to the present credit, those details would have been forthcoming.

The CHAIRMAN deprecated the re-opening of matters already passed upon by the Committee.

M. HAMBRO (Norway), continuing, suggested that, where a banking institute or a trust should guide its financial policy in strict observance of principles, wisdom required that the League should be free where necessary to deal with a concrete situation on its merits. This was not merely a financial but a moral problem. Their attitude would be the subject of comment in the Press on both sides of the Atlantic.

He sincerely hoped the moderate and sympathetic spirit of Sir Herbert Ames' speech would determine the decision of the Committee.

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, desired to observe that some of the words of the Norwegian delegate were capable of being interpreted as throwing doubt on the sincerity of what he (M. Osusky) had said in support of his own ideas. It was true that differences of national temperament evinced themselves through differences in modes of expression, but he had never on that account questioned the sincerity of the Norwegian delegate.

He would be happy even now to go back and supply any details M. Hambro might demand in respect of items already voted. It was true that the Fourth Committee had not the time thoroughly to go into each and all of them itself, but that was precisely what the Supervisory Commission found time to do when receiving the Secretary-General's proposals for the budget. The Fourth Committee had the right to expect such thoroughness from its Supervisory Commission.

For himself he did not for one moment suppose it had been the intention of the Norwegian delegate to throw doubt on his sincerity, but that was none the less an interpretation to which his words were open.

Mr. ROWE DUTTON (British Empire) recalled that M. Hambro had attributed the British Government's refusal to guarantee the Armenian loan to political reasons. The truth was that the British Government was of the opinion that the scheme was financially unsound. In view of the record, the unparalleled record, of His Majesty's Government, both in making and in guaranteeing loans proposed by the League, it was, to say the least, unfortunate that its motives should in this way be misrepresented.

He desired to add that, if in the past week so little criticism of the budget had come from the British Empire delegation, it was because of their firm confidence in the perfectly amazing care with which the Supervisory Commission had invariably worked. The present discussion had only served to strengthen their conviction that, so long as M. Osusky continued to serve as Chairman, there would be little occasion for criticism.

Sir JOSEPH COOK (Australia) was afraid there was a certain tendency to get things in the wrong focus. Some economies were wise; others not equally so. The credit now under discussion was for the small sum of 15,000 francs. Yesterday the Committee had refused to continue its support of what, at any rate in Australia, was regarded as the positively heroic work of Miss Jeppe in the Near East. Huge sums were voted for organisation and for propaganda, but nothing for those things which touched the very heart and conscience of the masses of the people. It was the smaller matters — particularly this work of the women — that constituted the most fruitful propaganda the League could devise. The Australian people were too far away from the seething bustle of Europe to visualise the transport and tariff problems handled by the League, but they could understand the utility of such work as Miss Jeppe had done. It was this that had taught a sympathy for the League, which was, he believed, no less profound in Australia than that felt in Europe. He proposed that to the resolution now before the Committee there should be added the following second paragraph:

“ That the same amount as last year be also granted to the mission now conducted by Miss Jeppe. ”

M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, said it was a mistake to suppose that the League was disinteresting itself in the work of Miss Jeppe. The money would henceforth be furnished from other sources but would still pass through the hands of the League, which was merely discontinuing the credit for the financial support of the work.

M. HAMBRO (Norway) regretted that the British delegate should have construed his words as a reflection on the motive of the British Government in refusing to guarantee the Armenian loan. His point in alluding briefly to “ political reasons ” has been that in certain parts of the world political conditions so directly influenced the soundness of a financial project that between political and financial reasons it was sometimes difficult to draw a clear distinction. He was grateful for the closing words of M. Osusky's statement, for it had certainly never entered his mind that any member of the Committee could interpret his words as suggesting a want of sincerity on the part of M. Osusky.

He had at each meeting admired more and more M. Osusky's mastery of detail, and it was precisely because he had become so accustomed to regarding him as an authority that it had been such a disappointment to him to find M. Osusky taking an attitude which seemed wrong. Let him beware of developing into a St. Simon Stylites, perched up aloft on a pillar of principles secure beyond the influence of any human considerations.

The CHAIRMAN begged Sir Joseph Cook to realise that the text of the compromise had been accepted by the Fifth Committee and that to add anything to the agreed text would necessitate the constitution of another Mixed Committee to explore the matter afresh. Besides, the Fourth Committee had already pronounced upon the question of a credit for Miss Jeppe.

Sir Joseph COOK (Australia) did not recognise the difficulty of adding to the resolution words which so clearly did not involve any breach of faith with the Fifth Committee; and, if they did reconsider their previous refusal to adopt a particular item, it would not be for the first time.

The SECRETARY-GENERAL pointed out that the Fourth Committee's refusal of a credit for Miss Jeppe had been formally communicated to the Fifth Committee and had apparently been accepted by it, for it had not asked for its reconsideration.

A vote being taken, the Committee adopted the supplementary credit for the Armenian Settlement Scheme by a majority (7 voting against).

(b) *Berlin Delegation of Refugee Service.*

M. OLDENBURG (Denmark), as Rapporteur of the Delegation on this subject, recalled the circumstances in which Germany had decided to reduce by half — *i.e.* by 18,750 francs — her contribution towards the cost of the Berlin Delegation of the Refugee Service, and the Fifth Committee had accordingly proposed that the League should vote a credit of the like amount in order to restore to their original figure the funds available for the Berlin Office. At the meeting of the Mixed Committee, M. Albert Thomas had stated that the Berlin Office would not be able to continue the most important work it was doing if that supplementary credit were not granted, and it was also to be observed that what they were discussing was a League of Nations Office and not an organisation to the expense of which Germany was obliged to make a special contribution.

For these various reasons the delegation of the Fourth Committee to the Mixed Committee had decided by 4 votes to 1 — M. Osusky not having agreed to the step — to ask the Fourth Committee to adopt the proposed credit of 18,750 francs.

M. RÉVEILLAUD (France) desired to say a few words about the procedure followed in the matter under discussion.

Whatever other members of the Committee might think on the point, he regarded considerations of principle as not being at that stage out of place. If they were to content themselves with the reasoning put forward by Sir Joseph Cook, which consisted in saying that a piece of work was exceedingly important and the League of Nations ought therefore to finance it, he would probably have taken the trouble to study the letter he had received some days ago informing him that the most essential task for the League of Nations would be to set up a committee for the improvement of the human race. Would it not be seen that that line of argument would carry them rather far? It had therefore been a great satisfaction to him to see Viscount Cecil, who was not reputed to be hostile to humanitarian activities and who had each year asked that the matter of the Armenians should in particular be taken up, equally adopt a stand on a basis of principles — so much so that he had not considered himself to be wasting time in laying before the Assembly the proposal which had been referred to the First Committee and with the terms of which they were acquainted (Annex 15). He had no thought, in making this observation, of seeking a reversal of the vote already taken; his idea was merely to defend the proposition that the Fourth Committee ought not to look with irony upon principles and, by implication, upon the Supervisory Commission, which, filling such a thankless role, was for ever seeking to carry out conscientiously the task that had been laid upon it.

Yesterday it had been proposed to the committee to set up a Mixed Committee with the Fifth Committee; he had seen nothing but good in giving practical effect to that suggestion, for he had supposed it to have to do only with the credit for the Refugee Settlement Scheme. What was not now his surprise to find that a second question had been dealt with by the Mixed Committee. It would, he warned them, be a dangerous precedent to allow conversations between committees to take place with regard not to the principle of a new credit asked for by a technical committee but to the amount of a credit which recurred from year to year.

The delegates present in that room formed a budget committee on which each nation was represented. If it were thought that a credit was insufficient, it was for the delegates to the Fourth Committee to propose an increase, or, conversely, a decrease if they considered it excessive. Moreover, there was always seated beside the Chairman a representative of the administration concerned — the Secretariat, the International Labour Office or the Permanent Court of International Justice — whose part it was to warn the Committee if, through not having adequate information, it was on the point of making inexpedient reductions.

Consequently, there was no place in the existing system for meetings of mixed committees, for the Fourth Committee would else have no further part to play and a first step would have been taken on the road to hopeless confusion.

He asked that his statement should be recorded in the minutes. Meanwhile he had no observation to make on the substance of the question.

M. FERNANDEZ Y MEDINA (Uruguay) called attention to the fact that only sixteen delegations were present at the meeting, whereas yesterday the decision had been taken by the vote of the representatives of almost all the Member States. He was therefore opposed to the reconsideration of that decision, and, if the Committee should none the less decide to re-open the discussion, he would vote against the adoption of the credit and reserve his right to raise the matter in the Assembly.

Sir Joseph COOK (Australia) did not think there was any principle involved in the case. The question was merely whether the League ought or ought not to make up that portion of her hitherto accustomed contribution to the Berlin Office which Germany was ceasing to provide. He entirely agreed with M. Réveillaud that it was not sufficient that a supplementary expenditure should be important on the score of the new work it would render possible in order that they should undertake it; but that was not the point, for they were now concerned not with the voting of an additional credit but with the maintenance of an appropriation already granted in the past.

Sir Herbert AMES (Canada) explained that in recent years the Berlin Office had had available annually a sum of 45,000 francs made up of two contributions; one of 37,500 francs (30,000 marks) provided by Germany, the other of 7,500 francs paid by the League through the budget of the International Labour Organisation. Now that Germany had become a Member of the League and so the payer to it of a contribution, she took the view, and with good ground, that there was no longer any reason why she should subsidise the Berlin Office. Meanwhile the director of the International Labour Office had told them that, unless the contribution theretofore accorded by Germany were restored to its full amount, it would be impossible to continue the work of the Berlin Office. This being so, it looked as if the Fourth Committee could not but assent to the conclusions of the Mixed Committee.

M. FERNANDEZ Y MEDINA (Uruguay) said he would limit himself to observing that, as a matter of procedure, the way in which the voting in the Committees and in the Assembly had this year been rushed through was a matter for regret. For the future it should be recognised that the delegations came to Geneva in order to work.

Having said so much, he would reserve his attitude on the question of the refugees.

• M. OSUSKY (Czechoslovakia), Chairman of the Supervisory Commission, desired to say a few words in explanation of the stand he had taken both in the Supervisory Commission and in the Mixed Committee.

He would put an imaginary case. Suppose that some group of persons — it did not matter who — were to encourage the League to undertake a piece of work, saying they would pay the expense; suppose the work began and underwent a certain development; and suppose that then, for whatever reason, the financial support from the group in question were to be discontinued: it would not be difficult to picture the position in which the League would find itself. It would have to assume the entire cost of the enterprise. Any financial policy which did not safeguard the League against such a contingency would, in his opinion, be fundamentally unsound.

It was true that the case of the Berlin Office was slightly otherwise, but the principle was there none the less. The League ought not, in such a way as he had described, to be led into extending an enterprise further than it would have done if it had been acting in the matter without outside help.

M. RÉVEILLAUD (France) desired to know whether the Secretary-General agreed with the reservation he had made and whether it might be taken as certain that, in any future case where a mixed committee was constituted, it would keep strictly to the discussion of the questions referred to it.

The SECRETARY-GENERAL said that, if all the proper forms had not been complied with, this was due to the great haste in which the Mixed Committee had been obliged to meet and do its work. Everything would in future be done to ensure that the necessary formalities were observed.

The Committee adopted the supplementary credit of 18,750 francs for the Berlin Office, two delegations voting against.

79. Close of the Session.

The CHAIRMAN observed that the Committee had come to the end of its agenda and delivered the following speech:

“ I would not wish to take leave of you while our minds are still full of such a discussion of details as we have had to-day. Rather I would like to say to you something about the importance of the work this Committee has to perform within the League of Nations. I therefore desire to offer two short observations, which I consider myself entitled to make on this my last day as your Chairman. Of these observations, the first concerns the management of the League's finances, the second its financial policy in general.

“ As Minister of Finance in my own country, it has fallen to me to make a close study of the budgets of States with long and firmly established traditions in matters of finance. And now, after the discussions that have taken place in this Committee, and after having studied the budget submitted to us and read the discussions in the Fourth Committee in previous years — as I took care to do before coming here — I feel that there is something that my conscience requires me to say.

" No matter how much you may legitimately desire to do still better, the day when every State has attained the same degree of clarity, order and control in the realm of its national finance as the League of Nations has achieved after seven years of life — that day the world will have taken a decisive step on its road to financial rehabilitation.

" It is not, then, for the purpose of paying a conventional compliment but rather in obedience to the bidding of my conscience that I hereby offer to my distinguished friends the Secretary-General of the League of Nations and the Director of the International Labour Office, to the Supervisory Commission, and to the financial and administrative departments of the League, my cordial but considered congratulations.

" My second observation has to do with the financial policy of the League in general. It appears to me that the finances of the League of Nations, like those of any other institution and like those of a State, must, in the nature of things, pass through three stages.

" The first stage is the phase — a difficult phase — of the bringing into being of the financial wherewithal, a phase which calls for initiative, vision, and, above all, for a great degree of adaptability in taking account at every turn of the stern teachings of facts as they are.

" The second stage is the stage of financial consolidation. Effort has not gone without a certain tangible result, and every ounce of energy is being thrown into the struggle to protect that result from the danger of future impairment. In this phase the main preoccupation is rather to preserve what one has than to go running after what one would like to have.

" The third phase is that of the establishment, once for all, of a sound financial position. Finance, now no longer an end, becomes a means. There is no longer a subordination of ends to financial means; it is, on the contrary, the financial means which are made subservient to the ends in view.

" As concerns the League of Nations, it seems to me that, having definitely passed out of the first phase, we are now in the midst of the second. We are not without financial resources, but we are resolved that, at all costs, that which we have shall not, through a dangerous excess of zeal, be imperilled for the future.

" Such being my opinion, you may realise how much I have valued your discussions, the requirements you have made in the matter of control, and the spirit of economy of which you have at all times given proof.

" Only I must tell you, gentlemen, that this attitude, with its prudence and its wisdom, cannot constitute an end in itself; rather it constitutes the indispensable condition for attaining that final stage in which we shall at last be free to turn from the estimation of what it is possible to spend to a calculation in terms of what it is desirable to do.

" Favourable, therefore, as I am to pursuing the restrictive policy which we have adopted, I ask you not to lose sight of the important duties and the splendid destiny of the League of Nations.

" The budget which we have just voted and which amounts to about a million pounds sterling per year is, in a certain sense, the budget of the whole earth. You will all recognise that the League of Nations cannot go on for ever operating within the limits of its present resources.

" I shall therefore conclude by saying that there is no want of continuity, no element of conflict. To have ruthlessly refused to-day an expenditure which to-morrow we shall regard as indispensable is not to have failed in our duty. For we have been working to bring about a condition which is essential for the expansion of the League's financial resources, and, *ipso facto*, of its authority in the world. We have been working to bring about a universal confidence in this great international organisation to which we are all so profoundly attached. We have been working to build up the moral authority of the League, both for the day when the League will be in need of assistance from us and for the day when we shall stand in need of help from the League. "

M. FERNANDEZ Y MEDINA (Uruguay) thought he would be interpreting the feelings of his colleagues in offering to the Chairman their warm congratulations on the success of the work of the Fourth Committee, due as it was in so great a degree to the manner in which the debates had been directed. The Chairman had not taken advantage of his power of fascination to cause the Committee to vote for matters which were incompatible with the policy of which he had just given so lucid an exposition. In his own country the Chairman had been Minister of Finance. In Spain he would probably also have been " Minister of Grace and Justice ".

He hoped that the League might look forward to a continuance of M. Titulesco's invaluable collaboration in the future.

The CHAIRMAN was extremely touched by the sentiments to which expression had just been given and which he took as a sign of the good will of the members of the Committee.

Since, however, he had just been accorded the title of " Minister of Grace and Justice ", he was anxious not to prove himself unworthy of that title, and he would therefore proceed to do what was an act of justice by addressing his thanks to the interpreters, the stenographers, and to all those who had assisted the Committee in its strenuous toil.

He declared the work of the Fourth Committee of the Seventh Assembly at an end.

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¹ Text adopted by the Fourth Committee.

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 ¹.
5. Report of the Supervisory Commission.
6. Audited accounts for the financial period 1925.
7. The financial situation of the League on August 31st, 1926.
8. Report of the Council on new work involving additional expenditure on the part of the League.
9. Appointment of Rapporteur.
10. Budget for 1927;
 - (a) Secretariat;
 - (b) International Labour Office;
 - (c) Permanent Court of International Justice.
11. Special allowance to the members of the Mandates Commission.
12. League Building Fund (proportional share of Members of the League).
13. Consideration of the reports of the Sub-Committee on Contributions in Arrears.
14. Supplementary credits.
15. Staff Provident Fund: Amendment to Article 6.
16. Miscellaneous questions.

¹ This question has been referred to the Fourth Committee by the Assembly, but it has not been separately included on the agenda.

ANNEX 2.

A. 5. 1926. X.

REPORT OF THE SUPERVISORY COMMISSION ON ITS EIGHTEENTH
AND NINETEENTH SESSIONS.

I. The Supervisory Commission, consisting of:

- M. Stefan OSUSKÝ, Minister of Czechoslovakia at Paris (*Chairman*),
Lord MESTON OF AGRA, India (*Vice-Chairman*),
Dr. J. A. NEDERBRAGT, Head of the Economic Section of the Netherlands Ministry
for Foreign Affairs, Rapporteur,
M. Jean RÉVEILAUD, President of Section, Prefectural Council of the Seine,
M. Luis WADDINGTON, Financial Adviser to the Chilian Legation in London,

met in ordinary session from April 26th to May 1st, 1926, in order to consider:

- (a) The reports of M. Ceresa, Auditor, and of M. Vivaldi, Assistant Auditor, on the closed accounts for the financial period 1925;
- (b) The budgetary estimates which have been submitted for the financial period 1927 for the Secretariat and the special organisations of the League, the International Labour Organisation and the Permanent Court of International Justice.
- (c) Certain budgetary and administrative questions.

At its Eighteenth Session, which was held at the beginning of March 1926, the Commission had examined the Supplementary Budget submitted to the Special Assembly (see special reports), and various questions which had been referred to it for examination by the Sixth Assembly.

I. CLOSED ACCOUNTS FOR THE FINANCIAL YEAR 1925.

(SECRETARIAT AND SPECIAL ORGANISATIONS, INTERNATIONAL LABOUR ORGANISATION
AND PERMANENT COURT OF INTERNATIONAL JUSTICE.)

2. In conformity with Article 49 of the Regulations for the Financial Administration of the League of Nations, the Rapporteur submitted a statement to the Commission drawing attention to the different points in the Auditor's report which appeared to call for decisions; the Rapporteur also raised certain questions as a result of his inspection of the accounts.

3. Certain improvements in the method of presenting the accounts were suggested to the Secretariat. For instance, the balance-sheet would be easier to understand if different types were used for the various classes of sub-headings.

4. The Commission agreed with the Rapporteur that the Secretariat should be asked to employ a single system, from next year onwards, for the disposal of the appropriations-in-aid. They did not think it logical for these appropriations to be deducted from the total expenditure under Chapter II, while they are included in the figures of expenditure in the various items and in the grand total of Chapter III (Annex 3, pages 80, 81, 82 and 83).

5. The Commission was unanimously of opinion that the arrangement of the accounts of the International Health Organisation was not sufficiently clear.

This lack of clearness is due in part to the fact that appropriations-in-aid, representing various grants from the Rockefeller Foundation, have been included in the body of the budget and of the accounts, and to the difficulty of distinguishing between different sub-heads which refer

to very similar objects. The Commission thought that the obscurity was due in a large measure to the method in which the budgetary estimates were presented. It requested the Director of the Health Section to recast his budget in a simpler form, and to reduce the number of sub-heads as far as possible. The budget for 1927, as now submitted to the Members of the League, is drawn up in accordance with the recommendations of the Commission. •

6. The members of the Commission and the Secretary-General discussed the question of transfers. The latter explained that no sum was transferred from one item of the budget to another after the December Session of the Council, and agreed that no sums should be transferred within the same item after December 31st. He pointed out, however, to the Commission that the result of this decision would be to increase, rather than reduce, the number of transfers effected in the Budget, since he would be obliged, as a precautionary measure, to ask for a certain number of transfers towards the end of the year, even if he was not absolutely certain that the credits would be exceeded. He further reminded the Commission that the more the budget was reduced the more difficult it was to avoid transfers.

The Secretary-General also agreed that in future no sums should be taken from the Unpaid Liabilities Fund and transferred to another item of the budget.

It was also decided that, in conformity with the existing practice, no funds could be transferred to provide for the creation of a new permanent post, since the establishment of the staff was definitely fixed by the Assembly. There would, however, be no objection to sums being transferred, in case of need, within any salary item in order to make good an omission, such as might occur, for example, if an increase were granted which was not provided for when the estimates were compiled.

7. As regards the charging of expenses to the item for "Unforeseen Expenditure", the Commission adopted the principle that no expenditure ought to be charged to this item except for an object which could not have been foreseen when the budget was adopted.

8. The Commission considered a suggestion in M. Ceresa's report to the effect that a single balance-sheet, showing the assets and liabilities of the League of Nations as a whole, should be furnished, in place of the separate balance-sheets for the Secretariat and the autonomous organisations.

After carefully considering this question, the Commission decided not to recommend, for the present, the abolition of separate balance-sheets for the autonomous organisations. Nevertheless, it instructed the Secretariat to compile a concise balance-sheet for the League of Nations as a whole; this balance-sheet will be drawn up in gold francs and will be communicated each year to the Members of the League together with the accounts of the Secretariat and of the autonomous organisations. (See document A.8.1926.X.)

9. As regards the insertion of the value of the Hôtel National in the balance-sheet, the Commission decided that the writing-off of depreciation in the annual accounts should be discontinued, as the Swiss Government had agreed to guarantee four million francs as the sale price of the premises now occupied by the Secretariat.

10. The Commission accepted the proposal of the Auditor to deduct from the contributions in arrears pertaining to the financial period 1924 a part of each contribution proportionate to the amount appropriated for reconstituting the Working Capital Fund, the Assembly having decided in the following year to refund this sum to the Members of the League. The arrears of the financial period 1924 will therefore be reduced by a total sum of 145,629.33 gold francs.

11. The Commission decided, in accordance with the Auditor's proposal, that the Internal Control Office should check the inventory of the Secretariat. The Commission does not, however, propose that there should be a complete stocktaking; it would seem sufficient to check certain items. With regard to the difference between the amounts shown in the balance-sheet and those appearing in the inventory of the furniture and equipment of the League of Nations, the Commission considered that the figures of the balance-sheet should be amended next year so as to correspond with those of the inventory.

12. The Commission accepted the Auditor's proposal to add the sums paid by Germany in 1925 to the International Labour Office, as contributions for the years 1922 and 1924, to the surplus of the financial year 1925. The surplus for the year 1925 will therefore amount to a total of 3,367,847.28 gold francs.

13. The Commission accepted the Auditor's proposal that the actual date for closing the accounts should be February 15th. This would not prevent the adoption of M. Ceresa's suggestion for the method of applying this rule.

14. In reply to a number of questions by the Commission, the Secretary-General explained the principles which had guided the Council during 1925 as regards the charging of expenditure to the item "Unforeseen Expenditure" of the Council and the deduction of sums from the Working Capital Fund. The Commission expressed the hope that the Council would, so far as possible, charge the expenses connected with particular services to the parties concerned, and that such sums would be appropriated from the Working Capital Fund and eventually refunded to it.

15. In conclusion, the Supervisory Commission recommends that the Assembly should adopt the accounts which have been submitted to it by the Secretary-General and the competent officials of the autonomous organisations.

II. LEAGUE BUILDING FUND AND SURPLUS FOR THE FINANCIAL YEAR 1925.

16. The Sixth Assembly adopted the following resolution on the proposal of the Fourth Committee:

“ Regarding the question of the utilisation of the 1924 surplus and the constitution of a Building Fund for the League, the Fourth Committee proposes to the Assembly:

“ (a) That from the consolidated 1924 surplus (amounting to 9,395,721.35 francs) there be taken the sum of 2,110,420 francs, in order to complete the sum of 3,200,000 francs agreed to for the erection of the office building for the International Labour Office (including interior and exterior installation) and to cover the contribution of the League, amounting to 50,000 francs, for the construction of the new sewer, and that the sum thus withdrawn be placed at the disposal of the Director of the International Labour Office as and when required for the payment of the final construction expenses.

“ (b) That the remainder of the surplus of 1924 (amounting to 7,285,301.35 francs) be placed in a special bank account as from October 1st, 1925, the said account to be henceforth known as the ‘League Building Fund’, the interest on the unemployed portion, as thereafter earned, to be added to the principal of the fund.

“ (c) That the contributions received from the Argentine Republic in respect of the fourth and fifth financial periods (when the Argentine was not included in the allocations statement) be also included in the League Building Fund, together with such interest as shall have accrued thereon since October 20th, 1924.

“ And further recommends:

“ 1. That the Argentine contribution in respect of the sixth financial period be likewise included in the League Building Fund as from date of payment.

“ 2. That a recommendation to the Seventh Assembly should be approved to the effect that the consolidated surplus, if any, arising from the financial operations of the seventh financial period (1925) be, on July 1st, 1926, added to and included in the said fund.

“ 3. That a statement be furnished to the Seventh Assembly showing, as on July 1st, 1926, the proportional interest of each Member in the League Building Fund.”

17. The Commission thought that it would be more logical to charge the whole cost of the International Labour Office building to the League Building Fund; it therefore ventures to suggest that the Assembly should modify the Resolution quoted above in that sense. For the same reason the sale price of the Hôtel National should be added to the Building Fund.

18. Taking into account the surplus for the year 1925 and the two amendments to the decision of the last Assembly, proposed above, the League Building Fund might be drawn up in the following manner, subject to the considerations mentioned below:

I. — EXPENDITURE.

1. Liabilities incurred:

| | Swiss francs | Swiss francs |
|--|--------------|--------------|
| (a) International Labour Office Building, including architect's additional fees (see paragraph 49 below) | 3,310,000 | |
| (b) Purchase of the Bartholoni Estate | 1,130,000 | |
| (c) Purchase of the Moynier Estate | 750,000 | |
| (d) Purchase and installation of the temporary annex ¹ | 328,000 | |
| | 5,518,000 | 5,518,000 |

2. Liabilities not yet incurred:

| | | |
|--|------------|------------|
| (a) Purchase of the “ Perle du Lac ” | 650,000 | |
| (b) Assembly Hall and Secretariat Building | 14,138,000 | |
| | 14,788,000 | 14,788,000 |
| Total | | 20,306,000 |

¹ The Commission has been informed that it has been decided to purchase a building standing near the present Secretariat instead of erecting a temporary structure. Although the purchase price and repairs come to rather more than the cost of erecting temporary huts, the transaction will enable a very substantial saving to be effected, since the League has received a guarantee that it will be able to sell the building at a remunerative price as soon as it is no longer required.

II. — RECEIPTS.

| | Swiss 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. Payments 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. Purchase price of the Hôtel National guaranteed by the Federal Government | 4,000,000.— |
| | 20,702,841.22 |

19. The Commission have on several occasions given their most careful consideration to the important questions connected with the administration of the building fund and the apportionment of the annuities included every year in the budget. They think it may be useful to place on record, for the approval of the Assembly, a brief sketch of the manner in which this matter should be regulated. There will have to be two separate accounts — one for the actual cost of the total scheme, and the collection of that expenditure from the Members of the League; the other for the recoupment of those Members who have provided in advance the funds required for carrying out the scheme. The two questions are entirely distinct and the two accounts will be quite separate.

20. The cost of the scheme will not be finally known until it is complete. There already exists an estimate for the buildings, the land, etc. (see paragraph 18 above); but to it will have to be added later the many accessory expenses, such as furniture, laying out of the grounds, etc. The account of capital cost will accordingly have to remain open until all these charges have been finally disposed of, three or even four years hence. Meanwhile the recovery of these charges has begun. In the budget for 1926 a sum of 1,375,000 francs was entered as the first instalment, to be recovered from the then Members of the League in the same way as the ordinary expenditure of the year. A further instalment of the same amount is included in the draft budget for 1927, and the Commission consider that this provision should be repeated every year until such time as the total capital account of the scheme is liquidated. In this way a heavy capital charge will be equitably spread over a reasonable period.

21. The second account is a record of the sums which certain Members of the League have contributed to the fund which enables the scheme to be financed at once, without borrowing or other special effort. This account also is not closed. It includes the accumulated revenue surplus which has been built up in a series of years. It includes, and will continue to include, interest on this surplus. It will also include the price of the present Secretariat building when it is realised under the guarantee of the Swiss Government, and which represents expenditure already met by Members of the League in the past. It is impossible at the moment to say exactly what will be the total which has been, or will be, provided in these various ways (see estimate above), but the account should be closed as soon as practicable and the total formally placed on record. At the same time, there should be recorded the share in this total that belongs to each Member which has contributed to it, in order that the proper refund may ultimately be made to each such State. Meanwhile the Commission recommends that a sum of 1,400,000 francs be refunded in the year 1927, and that a similar sum be refunded in each succeeding year, until such time as the total advance is repaid and the account liquidated.

22. There remains the difficult question of determining the shares in which different Member States have contributed to the fund, and which must accordingly settle how the annual repayment of 1,400,000 francs is to be distributed. The Commission, with the help of Sir Herbert Ames and Mr. Watterson, have examined in great detail a variety of possible methods of treating the question. The solution which they recommend is based on the following considerations:

First, the funds from which the building scheme is being financed have resulted, directly or indirectly, from the excess of the contributions paid by Member States from the commencement of the League over the actual expenses of the League in the same period. The amount advanced by each individual State is thus in direct ratio to the total sum which it has contributed in excess of its equitable share in the League's actual expenditure.

Second, each State has been made responsible in each past year for a certain proportion of the estimated expenditure of the year. Apply this proportion to the *actual* expenditure of the year, and not to its estimated budget, and you arrive at the sum which each State ought to have paid in each year during which it was a Member. Add those sums together for all the years during which it was a Member and you arrive at its just share of the whole expenses of the League up to December 31st, 1925.

Third, if the States in arrears with their contributions for 1925 and previous years are allowed a period of grace up to July 31st, 1926, a simple calculation on that date will show exactly what

is the total sum standing to the credit of each State for the whole period of its membership up to the end of 1925. The amount by which the sum exceeds the share which would have been required for actual expenditure from the State during its membership represents the contribution of the State to the building fund.

Fourth, in this calculation two principles have been observed:

- (a) No account is taken of the Working Capital Fund, which is a thing apart; and
- (b) Liabilities which the Assembly has remitted in the case of certain States have had to be transferred as an additional burden to the States which have enjoyed no such concession.

23. Working upon those general considerations, the Chief Accountant has drawn up a statement which has been carefully scrutinised by the Commission. It will require to be modified in August, to take cognisance of all arrears that may be paid up to the end of July; but the modification will only alter it in detail and will not affect the general principles on which it is based. On this understanding the Commission attach it to this report and recommend it confidently for the approval of the Assembly. The final column shows the percentage of the annual repayment of 1,400,000 francs which will be due to each Member State shown on the statement until such time as the total advance is recouped. It will be apparent to the Assembly that the detailed calculations and adjustments upon which this result is based could not be explained in this report without very gravely increasing its length. The Commission, however, are satisfied that the conclusion is just and equitable and the Secretary-General agrees.

III. ESTIMATES FOR 1927.

I. SECRETARIAT AND SPECIAL ORGANISATIONS OF THE LEAGUE.

24. In accordance with its practice, the Commission, after taking note of its Rapporteur's general observations on the budget, examined separately every item and sub-head of the different chapters of the budget for 1927 of the Secretariat and Special Organisations of the League.

The Secretary-General pointed out to the Commission that the budget had been compiled in the belief that in 1927 Germany would be a Member of the League of Nations, and that the budget also made provision for the new organisation of the Secretariat, which was explained to the Members of the League at the Special Session of the Assembly (see A. I. 1926 (Special)).

Chapter I. — Assembly and Council.

25. Having noted that a special verbatim reporters' section has been organised in the Secretariat, the Commission reduced the appropriation for the Session of the Assembly from 422,000 to 400,000 francs. The Commission desires to point out that the total of actual expenditure for 1925 was appreciably lower than the amount estimated for 1927, but that this was due to the 1925 Session of the Assembly having lasted only three weeks, *i.e.*, a week less than the average period on which the present budget is based.

Chapter II. — General Services of the Secretariat.

26. After discussion, the Commission decided to allow the appropriation, in the budget of the Legal Branch, for the development of this service in case of new duties being assigned to the Secretariat under the Locarno agreements, but to make a slight reduction in the amount of this appropriation. The Secretary-General could not give the Commission any exact information on the possible development of this new service, but the Commission thought that, for the present, provision need only be made for one Member of Section and one secretary.

The other additional appointments in the Legal Branch are due to the reorganisation, which was foreshadowed at the time of the Special Assembly, and also to the constantly increasing work of the Registration of Treaties Branch.

27. The Commission approved the appointment of two new précis-writers, two new proof-readers and one copyholder in the Précis-Writing and Publication Department. The number of sessions of Commissions increases from year to year and the work is often more than the existing staff can cope with. Moreover, the appointment of additional proof-readers will no doubt result in reducing the cost of printers' corrections.

The increases of staff which appear in the Budget are to some extent offset by reductions of 15,000 francs to 10,000 francs and 101,200 francs to 90,000 francs which the Commission has effected in the appropriations for replacement, temporary engagements and overtime.

28. At the request of the Commission, the Chief of Internal Services has reconsidered the proposals which he had originally submitted for the wages of "house staff at Geneva" and for "property account, maintenance". The new estimates which have been adopted have reduced the appropriations in respect of these two items from 342,360 francs to 323,229 francs and from 243,370 francs to 229,225 francs and show clearly what fresh expenditure will be caused by the new annex.

29. The Commission observed that the appropriation for the Latin-American Liaison Bureau had been considerably reduced in view of the decision that several appointments provided

for in the new budget were to be reserved for Latin-American nationals in conformity with the undertaking given to the Fourth Committee during the last few years. The Commission thought it desirable that the services of the shorthand-writers of this Bureau should be at the disposal of all the Latin-American officials of the Secretariat and accordingly transferred one lady shorthand-writer from the Information Section to the Latin-American Liaison Bureau.

30. As regards the branch offices, the Commission recommended the fixing of a uniform scale for the rates of exchange shown in the Budgets of the Secretariat and of the International Labour Office. After discussion, the Commission decided that a reasonable estimate for the value of the French franc during 1927 would be 24 (the approximate average of the rate of the French franc at Geneva during 1925). The rate originally proposed had been higher, so that the effect of this decision was to reduce the appropriation for the Branch Offices from 142,561 to 136,764 Swiss francs.

31. The Secretary-General agreed to reduce the total estimate for the travelling expenses of the officials of the general services of the League from 310,000 to 295,000; it should be noted, moreover, that the appropriation of 162,500 francs for *frais de représentation* includes the allowance granted to the new Under-Secretary-General.

32. In reducing the estimate for the Publications Department from 380,500 to 365,500 francs, the Supervisory Commission desired to express its earnest desire for greater economy in the printing and publishing expenses of the League. The Commission proposes that the Assembly should make this question the subject of a formal resolution, which should then be communicated by the Secretary-General to the Chairmen of the various Advisory Committees. The Commission has, in fact, gained the impression that not infrequently Committees decide to have documents printed and published without fully appreciating the financial consequences of their decision, and thinks that there is room for still further reductions in publications.

On the other hand, the Commission has noted that the sale of the League's publications is increasing from year to year. For instance, the estimated sales for 1925 have been exceeded by nearly 35,000 francs, which has enabled the Secretary-General to fix 160,000 francs as the estimate for the sales in 1927.

33. The items relating to general office expenses and special staff charges have been reduced from 395,000 francs to 388,000 francs and from 121,040 francs to 119,040 francs respectively.

Chapter III. — Special Organisations of the League.

34. In view of the great political importance of the Section of Administrative Commissions and Minorities Questions, the Commission approved the creation of two new appointments for Members of Section, Class B. The Director of this section spends practically half the year travelling, in pursuance of the Assembly's decisions, and it is desirable to strengthen the staff in order that questions may be carefully examined before they are submitted for consideration to the special Sub-Committees of the Council.

The reductions effected on the budget of this section amounted to 1,500 francs.

35. The Commission was only able to reduce the budget of the Economic and Financial Organisation from 1,213,346 to 1,178,346 francs. It was informed that the Financial Committee would probably have a great deal of work during 1927; indeed, it is already clear that fresh duties will be assigned to it in the near future. Moreover, it is beyond doubt that the preparatory work for the Economic Conference will throw a large additional burden on the economic branch of this section. We must therefore expect that the expenses of the organisation will show a much larger increase in 1927 than in 1925.

36. The Commission noted that the increase in the appropriations for the Mandates Section was due to the lengthening of the sessions held by the Mandates Commission, to the special allowance which the Assembly may decide to grant to the members of the Commission (See Annex 5) and, lastly, to the creation of a new post of Member of Section, Class A, which it approved in March last. In conformity with the policy which, at the proposal of its Rapporteur, it adopted two years ago, the Commission arranged with the Secretary-General that a new post of first-class clerk should be substituted for that of shorthand-typist. The Commission agrees that the number of subordinate staff depends upon the number of higher officials, and that it is often false economy to increase the number of Members of Section without providing them with the necessary administrative staff, but it desires to state quite definitely that it cannot admit the principle that secretary-shorthand-typists must be provided for each Member of Section. As a result of the reductions effected by the Commission, the budget estimates for the Mandates Section have been reduced from 276,636 francs to 261,038 francs.

37. The reductions effected bring the budget for the Communications and Transit Organisation down to a figure approximately equivalent to the total figure for the present year, after allowing for the general conference which is to be held next year. It was pointed out to the Commission that, according to the Statute of the Organisation, a general conference must be held every four years to examine the work done and re-elect part of the Transit Committee.

38. The Sixth Assembly decided that a maximum figure of 1,000,000 francs should be allowed for the budget of the Health Organisation, and accordingly the Supervisory Commission did not consider it necessary to reduce the estimates submitted to it below 991,115 francs. It should be noted that this figure includes the appropriation for a new post of Member of Section, Class A, which was approved at the time of the Special Assembly.

39. The estimates for the Social Section are considerably lower than those for 1926, but it should be remembered that there is no credit for the Commission of Enquiry in Persia in the

estimates for 1927. After having examined the various items in detail, the Commission merely reduced the appropriation for "Child Welfare" by 5,000 francs. While making this slight reduction, however, it decided to make the post of Member of Section, Class B, which is provided for in the budget for the present year, permanent instead of temporary. Allowing, therefore, for the annual increments which will be granted to the holder of this post, the Commission's recommendation seems in conformity with the decision of the Assembly, which provided 50,000 francs for "Child Welfare" and 15,000 francs for a temporary post of Member of Section.

40. The estimates for the Section for the Reduction of Armaments include several items which appear in the League's budget every year without any corresponding expenditure being shown in the accounts. The Supervisory Commission considered that it could not at the present moment suppress the items "Investigations" and "International Disarmament Conference", but it reduced the appropriations for these heads from 250,000 francs to 200,000 francs and from 400,000 francs to 300,000 francs respectively. Although the Conference will probably be on the same scale as a session of the Assembly, it is expected that the expenses, particularly the printing expenses, will not be as great. The other changes made in the budget of the Section for the Reduction of Armaments result in a net reduction from 1,215,572 francs to 1,052,572 francs.

41. As the Paris Institute is now in normal working order, the Commission could not see its way to approving higher budget estimates for Intellectual Co-operation than those provided for the current year. Despite the fact that some of the new members appointed are subjects of overseas countries, it reduced the credit provided for sessions of the Committee to 65,000 francs. It combined the heads "Experts and Correspondents" and "Grant to the Commission for the Co-ordination of Bibliographical Work" which appear in the budget for 1926, and provided a credit of 20,000 francs for the new combined heading. In view of the fact that the budget estimates for 1927 will be much greater than those for 1926, the Commission asked the officials concerned to postpone for a year the printing of the Handbook of International Organisations, thereby enabling it to reduce the credit provided for International Bureaux and Miscellaneous Questions from 18,000 francs to 10,000 francs. The total reductions effected by the Commission in the budget for Intellectual Co-operation amount to 19,500 francs.

42. At the suggestion of the Secretary-General, the Commission decided only to allocate 100 francs to the item "Armenian Settlement Scheme". Until the next Assembly is held it will not be possible to know whether fresh enquiries on the spot will be necessary, and it will be the duty of the Assembly to take a decision on the reports of the competent Committees.

43. The appropriation originally provided for the Experts' Committee for the Progressive Codification of International Law amounted to 135,000 francs, this being an increase of 85,000 francs as compared with 1926.

Having carefully examined every detail of the estimates submitted to it, the Supervisory Commission unanimously decided to recommend that the Assembly should invite the Experts' Committee to reduce its annual sessions to one only. The cost of a session of this Committee, several of whose members are nationals of overseas countries, may be estimated at 50,000 francs, and a sum of 25,000 francs may be reckoned for printing. The Supervisory Commission urgently recommends the Experts' Committee to restrict its field of work, at any rate for the present, in order to avoid exceeding this credit, which in any case is quite a large one.

Chapter IV. — Profit and Loss on Exchange.

44. The accounts for 1926 show a very considerable profit on exchange, whereas those for 1925 showed a net loss of 119,271 francs. The Commission thought it would be better in future to omit any estimate for profit and loss on exchange; it therefore included a debit entry of 100,000 francs for loss on exchange, offset by a corresponding credit of 100,000 francs for profits on exchange.

Chapter V. — Permanent Equipment, etc.

45. The Commission accepted the figures proposed for "Permanent Equipment, Further Purchases of Furniture, Library", but on the proposal of the Secretary-General it struck out the estimate of 25,000 francs originally entered for "Further Additions to Property".

2. INTERNATIONAL LABOUR ORGANISATION.

46. In presenting the budget of the International Labour Organisation for 1927, M. Albert Thomas explained to the Supervisory Commission the principles adopted by the Governing Body in preparing the budget estimates, which it fixed at a total of 7,786,165 francs. The Governing Body considered that the increase in the scientific work of the Labour Office, which the Governments recognise to be of great importance and of very real value, necessitated some increase in the personnel of the Research Division. The Governing Body also considered that fuller preparations should be made for the work of conferences, and that this would necessitate an increase of certain services and of the expenditure provided for questionnaires, special reports, etc. On the other hand, the Governing Body thought it impossible in existing circumstances to increase the present contributions of Members of the Organisation. As, however, it learned that Germany had agreed, in principle, to pay a quota considerably higher than it had hitherto paid to the International Labour Office, the Governing Body availed itself of this fortunate

circumstance to introduce a slight increase in the budget of the Organisation without raising the quotas payable by the States Members other than Germany.

The Supervisory Commission further learned that the Budget Committee, and afterwards the Governing Body, had effected reductions in the expenditure provided for in the budget of the Labour Organisation, and it accordingly accepted the proposals submitted to it.

47. Nevertheless, it did not omit to examine the budget article by article. It could only effect a reduction of 6,000 francs on the budget as a whole, i.e., 5,000 francs under item 3 (a): "Salaries, Wages and Allowances", under the heading "Temporary Personnel", and 1,000 francs under item 6: "Property Account, Uniforms". The readjustment resulting from the method of computing the rate of exchange of the French franc (see paragraph 30 above) involved an increase of 8,000 francs in the sum provided for offices of correspondents; as, however, the Commission effected a corresponding reduction in the item introduced for the purpose of covering fluctuations in the exchange, the item as a whole will remain unaffected.

48. The Commission noted that the credit provided for refugee relief was the same as that entered in the 1926 budget, namely, 303,000 francs. This item had been inserted in the budget of the Organisation in pursuance of a decision of the Assembly of 1925. The next Assembly will have to decide, on the basis of the information supplied to it, whether the whole of this credit should be allowed.

49. As regards the proposal submitted to it by the Governing Body with reference to the fees to be paid to the architect of the new Labour Office building, the Commission felt bound to admit the weight of the considerations put forward. It considered that, in view of the extra work which M. Epitoux had had to undertake in connection with the interior of the building and the extra installations entailed by the gifts of the various Governments, it was only right that his fees should be increased to six per cent of the total building costs, on the understanding, of course, that he should not be granted any further allowance for the audit of accounts or for his office expenses. In accordance with its general policy in such matters, the Commission recommended that the extra 60,000 francs necessary for this purpose should be drawn from the League's Building Fund.

3. PERMANENT COURT OF INTERNATIONAL JUSTICE.

50. In submitting the budget of the Permanent Court of International Justice for the financial period 1927, the Registrar explained the reasons for the considerable increases as compared with 1926. It was understood at the time when the Court was established that the sums allowed for it in the annual budgets should be kept at the minimum necessary to ensure the proper operation of its services.

The work of the Court has greatly increased. In 1925 it sat for 185 days, but in the first four months of 1926 it has already sat for approximately 100 days. In view of the questions which will probably be submitted to the Court before the end of the year, it is likely that the period of 200 days on which the budget estimates for the current year are based will be considerably exceeded, and, accordingly, in calculating the figures for 1927, it seemed advisable to estimate the number of days that the Court will sit at 240.

51. The Commission was struck by the detailed table on page 225. This table shows that, as several judges who live in countries overseas cannot attend every session of the Court, it has been necessary to make almost constant use of the services of the deputy judges, so that their total emoluments amount to almost as much as those of the judges themselves. The Commission thought that this anomaly should be removed and that the question should be examined whenever a suitable opportunity arose.

52. In view of the explanation given by the Registrar, the Commission felt bound to accept the considerations which had been used as a basis for working out the estimates of the Court; accordingly, it only made slight amendments in the draft budget submitted to it.

It reduced by 5,000 and 2,000 florins respectively the appropriations for allowances to national judges. Although it appeared probable that in 1927 the services of national judges would be utilised more frequently than in 1925, the Commission thought it sufficient to provide for an expenditure twice as great as in 1925.

The Commission was further of opinion that it was advisable, from the administrative point of view, to add a French-speaking and an English-speaking verbatim reporter to the staff. Moreover, this new expenditure will be offset by the abolition of a post of shorthand-typist provided for in the original estimates and by the reduction of the appropriations for temporary staff. The Commission approved the appointment of an additional lady indexer.

As regards the other votes of the budget, the Commission merely reduced by 2,000 florins the appropriations for travelling and removal expenses.

* * *

53. The budget, as submitted to the Supervisory Commission by the competent officials of the various organisations, amounted in all to 25,307,899 gold francs. Reductions amounting to a net total of 692,802 francs having been effected, the total budget, as now submitted to the Members of the League, amounts to 24,615,097 francs. Although the gross expenditure provided for 1927 is greater than that for 1926, the net burden on each Member of the League may, for reasons which need not be entered into (such as the building fund annuity repayment), be less in 1927 than in 1926.

4. MISCELLANEOUS QUESTIONS.

54. The report of the Fourth Committee adopted by the Sixth Assembly contains the following paragraph:

"The Fourth Committee considered that, owing to the nature of the question and in the absence of a specific recommendation from the Supervisory Commission, it could not immediately decide whether, in view of the fact that by a decision of the Fifth Assembly the Chiefs of Division were not entitled to participate in the Provident Fund, it should re-establish in favour of the Chiefs of Divisions of the International Labour Office the article of the original Staff Regulations which provided for an indemnity on the termination of contract. The Committee requested the Supervisory Commission to investigate the whole question and to inform the next Assembly whether it considered it advisable to comply with the request made by the Director of the International Labour Office on the instructions of his Governing Body."

In conformity with this decision, the Supervisory Commission proceeded to a fresh examination of the question. In order to make the report clear, we must recall the following facts:

(1) The Assembly of 1921 (document C.424.M.305.1921.X) decided that, owing to the considerable emoluments assigned to them, it could not recommend a pension or gratuity on retirement to Directors of the Secretariat.

(2) In 1924, the Assembly decided (see Minutes of the Fourth Committee of the Fifth Assembly, page 328) to exclude Chiefs of Division of the International Labour Office from the Provident Fund, owing to the fact that they were in a similar position to the Directors of the Secretariat who, while having salaries somewhat higher than those of the Chiefs of Division, had shorter contracts than the latter, whose contracts were for 21 years as compared with those of Directors of the Secretariat, which were for seven years.

(3) The 1924 Assembly invited the Supervisory Commission to revise the Staff Regulations of the Secretariat and the International Labour Office as provided for in the Statutes of these two organisations; this has been done, and the revised regulations came into force in June 1925.

By a decision of the Sixth Assembly, the Supervisory Commission was asked to consider whether Chiefs of Division should continue to benefit under Article 60 of the Staff Regulations of the International Labour Office, which before its revision ran as follows:

"Any permanent official leaving the service of the Office as a consequence of having reached the age-limit shall be entitled to an indemnity calculated in the same manner as the indemnity provided for in Clause 2 of Article 57. The total indemnity allowed to an official by virtue of this article shall not exceed a sum equivalent to eighteen months' salary."

55. The question thus raised was examined by the Supervisory Commission from the point of view of equity and from the legal point of view.

As far as equity is concerned, the Assembly itself treated Chiefs of Division and Directors on the same footing by excluding them both from participation in the Provident Fund.

The legal aspect is governed by a clause of Article 54 of the International Labour Office Regulations, which reads as follows:

"Subject to modification when a pensions system is established with the participation of the Office, the following system of indemnities shall have effect."

The Supervisory Commission is of the opinion that the terms of this article in no way limited or restricted the Assembly's right of modifying the clause of Article 60, which, according to its own terms, was only provisional.

The Assembly reserved the right to revise this article when it came to draw up a pensions system; it availed itself of this right by excluding Chiefs of Division as well as Directors from all participation in the Provident Fund, as it considers that these officials are adequately remunerated and should themselves take steps to provide for their future.

Once the system of pensions had been organised, Article 54 automatically put an end to the obligations resulting from Article 60.

In brief, the Supervisory Commission considers that the reintroduction for the benefit of Chiefs of Division of Article 60 of the former Regulations providing for an indemnity on the termination of contracts would be founded neither on equity, as compared with the position of the Directors of the Secretariat, nor on law.

56. The Fourth Committee of the Sixth Assembly asked the Supervisory Commission to consider whether it would not be possible, without increasing the credits voted, to publish at least once a year a bibliographical bulletin giving a list of all the publications which had appeared dealing with the League of Nations and its work.

Members of the League will doubtless have noted that the Library of the Secretariat has issued, as an annex to the *Monthly Summary*, a list of important works dealing with the League and its work. It has not been found possible, however, without increasing the staff, to issue a list of periodical publications containing articles on the League.

57. In virtue of Article 4 of the Regulations for the Financial Administration of the League, the Commission decided to grant the Assistant Auditor an annual fee of 2,000 Swiss francs. Further, whenever he leaves his ordinary place of residence on League business he will be entitled to a daily subsistence allowance of 50 Swiss francs.

PROPORTIONAL SHARE OF THE MEMBERS OF THE LEAGUE IN THE BUILDING FUND.

PROVISIONAL SCHEDULE

| | Total contributions received to December 31, 1925, exclusive of Working Capital Fund | Allocation of actual Expenditure to December 31, 1925, based on annual Schedules | Amounts | | Percentage |
|--|--|--|---------------|-----------------------|------------|
| | | | overpaid | underpaid | |
| | | | Gold Francs | | |
| Abyssinia. | 93,758.49 | 81,088.96 | 12,669.53 | | 0.060757 |
| Albania | 144,717.73 | 122,114.36 | 22,603.37 | | 0.108595 |
| Argentina | 3,134,965.21 | 3,139,993.15 | | 5,027.94 ¹ | — |
| Australia | 4,599,881.76 | 3,700,388.66 | 899,493.10 | | 4.313551 |
| Austria. | 117,798.30 | 12,120.35 | 105,677.95 | | 0.506782 |
| Belgium | 2,715,794.85 | 2,184,436.42 | 531,358.43 | | 2.548148 |
| Bolivia. | 357,801.82 | 556,209.88 | | 198,408.06 | — |
| Brazil | 4,138,357.22 | 3,335,644.64 | 802,712.58 | | 3.849436 |
| Bulgaria | 906,893.33 | 729,894.40 | 176,998.93 | | 0.848804 |
| Canada. | 5,261,796.71 | 4,237,340.41 | 1,024,456.30 | | 4.912816 |
| Chile. | 1,640,731.99 | 1,324,758.52 | 315,973.47 | | 1.515262 |
| China | 2,211,949.02 | 5,525,605.06 | | 3,313,656.04 | — |
| Colombia. | 892,397.54 | 847,468.07 | 44,929.47 | | 0.215461 |
| Costa Rica | 118,168.91 | 48,439.46 | 69,729.45 | | 0.334390 |
| Cuba. | 984,434.97 | 794,855.10 | 189,579.87 | | 0.909137 |
| Czechoslovakia | 4,079,648.19 | 3,298,356.62 | 781,291.57 | | 3.746711 |
| Denmark. | 1,957,632.14 | 1,575,613.56 | 382,018.58 | | 1.831984 |
| Dominican Rep. | 24,179.83 | 21,008.96 | 3,170.87 | | 0.015206 |
| Estonia | 341,998.29 | 272,285.19 | 69,713.10 | | 0.334312 |
| Finland | 1,519,601.24 | 1,221,143.59 | 298,457.65 | | 1.431264 |
| France | 8,057,725.90 | 6,802,776.56 | 1,254,949.34 | | 6.018154 |
| Great Britain | 9,346,407.63 | 7,533,207.46 | 1,813,200.17 | | 8.695265 |
| Greece | 1,201,942.40 | 964,898.56 | 237,043.84 | | 1.136752 |
| Guatemala | 112,980.40 | 45,659.51 | 67,320.89 | | 0.322840 |
| Haiti. | 445,432.41 | 356,216.99 | 89,215.42 | | 0.427836 |
| Honduras. | | 53,716.35 | | 53,716.35 | — |
| Hungary | 247,305.20 | 198,100.74 | 49,204.46 | | 0.235962 |
| India | 7,347,280.60 | 5,922,134.80 | 1,425,145.80 | | 6.834337 |
| Irish Free State. | 468,792.55 | 405,444.80 | 63,347.75 | | 0.303786 |
| Italy. | 7,173,995.36 | 5,788,534.36 | 1,385,461.— | | 6.644027 |
| Japan | 7,493,997.54 | 6,017,936.30 | 1,476,061.24 | | 7.078503 |
| Latvia | 422,905.31 | 334,486.04 | 88,419.27 | | 0.424018 |
| Liberia. | 88,696.22 | 145,629.09 | | 56,932.87 | — |
| Lithuania. | 347,680.19 | 331,946.50 | 15,733.69 | | 0.075451 |
| Luxemburg. | 259,559.14 | 189,829.69 | 69,729.45 | | 0.334390 |
| Netherlands. | 3,083,525.36 | 2,482,742.96 | 600,782.40 | | 2.881073 |
| New Zealand | 1,057,981.08 | 854,516.41 | 203,464.67 | | 0.975722 |
| Nicaragua | | 53,716.35 | | 53,716.35 | — |
| Norway | 1,859,906.24 | 1,494,943.29 | 364,962.95 | | 1.750193 |
| Panama | 336,654.32 | 295,191.84 | 41,462.48 | | 0.198838 |
| Paraguay. | 91,202.27 | 45,659.51 | 45,542.76 | | 0.218402 |
| Persia | 712,506.— | 548,579.03 | 163,926.97 | | 0.786117 |
| Peru. | 120,635.23 | 1,026,452.— | | 905,816.77 | — |
| Poland. | 3,655,564.19 | 3,118,853.02 | 536,711.17 | | 2.573817 |
| Portugal | 1,715,301.06 | 1,373,728.53 | 341,572.53 | | 1.638023 |
| Roumania | 3,750,414.26 | 3,015,910.44 | 734,503.82 | | 3.522339 |
| Salvador | 91,801.09 | 45,659.17 | 46,141.92 | | 0.221275 |
| Serbs, Croats and Slovenes, Kingdom of | 2,963,097.73 | 2,389,862.87 | 573,234.86 | | 2.748968 |
| Siam. | 1,057,981.08 | 854,516.41 | 203,464.67 | | 0.975722 |
| Spain | 5,092,005.75 | 4,105,807.97 | 986,197.78 | | 4.729346 |
| South Africa | 3,111,928.33 | 2,267,055.73 | 844,872.60 | | 4.051616 |
| Sweden. | 2,936,433.15 | 2,363,420.34 | 573,012.81 | | 2.747903 |
| Switzerland. | 2,715,794.86 | 2,184,436.42 | 531,358.44 | | 2.548148 |
| Uruguay | 837,342.77 | 675,532.48 | 161,810.29 | | 0.775967 |
| Venezuela | 690,250.55 | 556,209.88 | 134,040.67 | | 0.642797 |
| | 114,137,533.71 | 97,872,077.76 | 20,852,730.33 | 4,587,274.38 | 100% |

¹ The Argentine Republic, having, at the beginning of 1926, paid the entire amount of its contribution for 1925, will, in the final Schedule, receive the percentage due to it and will cease to be shown under the column "Amounts Underpaid".

ANNEX 3.

AUDITED ACCOUNTS FOR THE SEVENTH FINANCIAL PERIOD
(1925)

A.

SECRETARIAT AND SPECIAL ORGANISATIONS OF THE LEAGUE.

BUDGET ACCOUNTS FOR THE SEVENTH FINANCIAL PERIOD.

January 1st, 1925, to December 31st, 1925.

SUMMARY.

EXPENDITURE (in gold francs ¹).

| A. Secretariat and Special Organisations. | Alloted | Expended | Expended but not yet paid ² |
|---|-------------|---------------------------|---|
| Sessions of the Assembly and Council | 774,500.— | 373,644.72 | |
| General Services of the Secretariat. | 6,196,861.— | 5,166,610.30 ³ | |
| Special Organisations of the League | 5,245,973.— | 4,564,078.02 ⁴ | |
| Profit and loss on exchange. | — | 119,271.17 | |
| Buildings, permanent equipment, etc. | 1,142,000.— | 1,141,138.06 | |
| Working capital. | 50,000.— | 50,000.— | 7,883.3 |
| | | | |
| B. Other Organisations. | | | |
| International Labour Organisation. | 7,340,595.— | 7,340,595.— | 1,157,328.145 |
| Permanent Court of International Justice. | 1,908,209.— | 1,908,209.— | 300,851.111 |
| | | 20,663,537.27 | 1,466,062.60 |
| Less expended than allotted | | 1,994,600.73 | |
| | | 22,658,138.— | |
| | | | |
| Balance representing the excess of estimated income over actual expenditure: | | | |
| Less expended than allotted | | 1,994,600.73 | |
| | | | |
| Excess income received and receivable over income allotted | | | |
| | | 758,985.50 | |
| | | 2,753,586.23 | |

¹ In the Budget for 1925, the gold franc was taken as the equivalent of the Swiss franc. In so far as expenditure is concerned, the same parity is used in the accounts; the income from contributions is reckoned at the fixed parity of 1 U. S. dollar = 5.1826 gold francs.

² The sums shown under this column represent the difference between the amount due under the budget and the sum actually paid into the Working Capital Fund Account or forwarded to the International Labour Organisation or the Permanent Court of International Justice (i.e., their actual share of the contributions received in respect of 1925).

³ Net expenditure, i.e., after deducting the appropriations in aid amounting to 815,337.20 gold francs (see page 82).

⁴ Gross expenditure, i.e., including expenditure amounting to 758,985.50 gold francs, provision for which was made by appropriations in aid shown on the following page (Rockefeller and other miscellaneous grants).

A

SECRETARIAT AND SPECIAL ORGANISATIONS OF THE LEAGUE.

BUDGET ACCOUNTS FOR THE SEVENTH FINANCIAL PERIOD.

January 1st, 1925, to December 31st, 1925.

SUMMARY.

INCOME (in gold francs ¹).

| A. <i>Secretariat and Special Organisations.</i> | Alloted | Received | Receivable |
|---|---------------------|----------------------|---------------------|
| Ordinary contribution towards normal upkeep | 12,217,334.— | 10,291,133.— | 1,926,201.— |
| Extraordinary contribution towards Capital Account | 1,142,000.— | 961,950.88 | 180,049.12 |
| Extraordinary contribution towards Working Capital. | 50,000.— | 42,116.65 | 7,883.35 |
| | | | |
| B. <i>Other Organisations.</i> | | | |
| International Labour Organisation. | 7,340,595.— | 6,183,266.86 | 1,157,328.14 |
| Permanent Court of International Justice | 1,908,209.— | 1,607,357.89 | 300,851.11 |
| | <u>22,658,138.—</u> | <u>19,085,825.28</u> | <u>3,572,312.72</u> |
| | | <u>22,658,138.—</u> | |
| <i>Appropriations in Aid:</i> | | | |
| Health Organisation (Rockefeller Grants) | | 730,520.95 | |
| Contribution from U.S.A. delegation towards the expenses of the Second Opium Conference | | 11,903.55 | |
| Contribution from U.S.A. delegation towards the expenses of the Arms Traffic Conference | | 13,878.— | |
| International Relief Union: contribution from the Italian Red Cross | | 2,683.— | |
| | | <u>738,985.50</u> | |
| Excess income received and receivable over income allotted | | 758,985.50 | |
| | | <u>22,658,138.—</u> | |

April 1st, 1926.

(Signed) P. G. WATTERSON,
Chief Accountant.

¹ See note 1 on preceding page.

Part. I.

SECRETARIAT AND SPECIAL ORGANISATIONS.

Section I. — Ordinary Expenditure.

CHAPTER I. — ASSEMBLY AND COUNCIL.

| | Original Vote Gold francs | Vote as modified by transfers ¹ Gold francs | Actual Expenditure Gold francs |
|---|---------------------------------|--|--------------------------------------|
| 1. Session of the Assembly (see Schedule A) | 424,500.— | 424,500.— | 308,797.80 |
| 2. Sessions of the Council. | 100,000.— | 100,000.— | 49,039.40 |
| 3. Preliminary Expenses for the erection of new Conference Hall. | 250,000.— | 250,000.— | 15,807.52 |
| | <u>774,500.—</u> | <u>774,500.—</u> | <u>373,644.72</u> |

CHAPTER II. — GENERAL SERVICES OF THE SECRETARIAT.

| | | | |
|--|--------------------|--------------------|-------------------------|
| 4. Salaries, wages and allowances: | | | |
| (a) Secretariat at Geneva (see Schedule B). | 4,194,607.— | 4,154,607.— | 4,033,143.29 |
| (b) House Staff at Geneva | 253,766.— | 253,766.— | 240,269.40 |
| 5. Contribution to the Staff Provident Fund | 210,000.— | 210,000.— | 210,943.50 |
| 6. Latin-American Liaison Bureau (see Schedule C). | 136,290.— | 121,290.— | 105,108.99 |
| 7. Branch Offices (see Schedule D). | 164,343.— | 164,343.— | 107,600.75 |
| 8. Travelling expenses of officials of the League: | | | |
| (a) Travelling expenses and subsistence allowances in connection with General Services | 135,000.— | 185,000.— | 178,997.93 |
| (b) Travelling expenses of members of the Secretariat returning home on leave | 60,000.— | 50,000.— | 40,951.70 |
| (c) Removal expenses to and from Geneva. | 30,000.— | 30,000.— | 24,765.80 |
| (d) Passports and visas | | | |
| 9. Frais de représentation (see Schedule E) | 150,000.— | 150,000.— | 140,660.09 |
| 10. Property account: maintenance: | | | |
| (a) Headquarters at Geneva (see Schedule F) | 159,375.— | 159,375.— | 144,346.30 |
| (b) House allowance of the Secretary-General (£1,000) | 25,220.— | 25,220.— | 25,220.— |
| 11. Publications Department (see Schedule G) | 367,760.— | 375,760.— | 306,131.70 |
| 12. General Office Expenses (see Schedule H) | 325,000.— | 345,000.— | 303,545.94 |
| 13. Special staff charges (see Schedule J) | 45,000.— | 66,000.— | 64,710.70 |
| 14. Interest charges: Bank Account. | 10,000.— | 1,000.— | — |
| 15. Unforeseen expenses of the Secretariat. | 50,000.— | 32,000.— | 23,996.55 |
| 16. Unpaid Liabilities Fund | 10,000.— | 3,000.— | 2,458.05 |
| 17. Supervision of revenue and expenditure: | | | |
| (a) Auditors travelling and subsistence allowances | 15,000.— | 15,000.— | 8,516.36 |
| (b) Expenses of Supervisory Commission | 15,000.— | 17,500.— | 13,258.50 |
| (c) Expenses of Salaries Adjustment Committee | 500.— | 500.— | — |
| (d) Expenses of Committee on Allocation of Expenses. | 10,000.— | 7,500.— | 7,312.95 |
| | <u>6,366,861.—</u> | <u>6,366,861.—</u> | <u>5,981,938.50</u> |
| <i>Deduct:</i> APPROPRIATIONS IN AID: | | | |
| (a) Sale of publications | 115,000.— | 115,000.— | 149,601.66 |
| (b) Interest earned | 50,000.— | 50,000.— | 657,999.89 ² |
| (c) Miscellaneous cash receipts | 5,000.— | 5,000.— | 7,735.65 |
| | <u>170,000.—</u> | <u>170,000.—</u> | <u>815,337.20</u> |
| | <u>6,196,861.—</u> | <u>6,196,861.—</u> | <u>5,166,601.30</u> |

¹ See page 102.

² This sum corresponds to the interest accrued on *all* the funds of the League. As from 1926, the interest accrued on the Working Capital Fund and the Building Fund will be credited to those Funds.

CHAPTER III. — SPECIAL ORGANISATIONS OF THE LEAGUE.

| | Original Vote Gold francs | Vote as modified by transfers ¹ Gold francs | Actual Expenditure Gold francs |
|---|---------------------------------|--|--------------------------------------|
| <i>A. Continuing or Permanent.</i> | | | |
| 18. Administrative Commissions and Minorities Questions (see Schedule K) | 330,481.— | 330,481.— | 249,801.04 |
| 19. Economic and Financial Organisation (see Schedule L). | 1,171,127.— | 1,126,127.— | 959,464.88 |
| 20. Mandates (see Schedule M). | 224,857.— | 204,857.— | 172,672.73 |
| 21. Transit Organisation (see Schedule N) | 407,573.— | 400,573.— | 374,484.37 |
| 22. International Health Organisation (see Schedule O). | 809,764.— | 836,764.— | 1,544,131.53 ² |
| 23. Social Questions: Suppression of Traffic in Women and Children. Supervision of Opium Traffic, etc. (see Schedule P) | 241,921.— | 316,921.— | 276,048.77 ³ |
| 24. International Bureaux and Miscellaneous Questions. | 18,000.— | 18,000.— | 6,069.— |
| 25. Reduction of Armaments (see Schedule Q) | 1,226,795.— | 1,196,795.— | 338,068.90 ⁴ |
| <i>B. Temporary.</i> | | | |
| 26. Commission for the Protection of Women and Children in certain territories in the Near East | 75,000.— | 75,000.— | 75,000.— |
| 27. Intellectual Co-operation and International University Information Office (see Schedule R) | 160,905.— | 160,905.— | 134,582.75 |
| 28. Temporary Commission on Slavery | 15,000.— | 17,500.— | 17,258.95 |
| 29. Legal Assistance for the Poor. 42,400.— <i>Deduct: Special Contribution.</i> 42,400.— | — | — | — |
| 30. Jurists' Committee for the Development of International Law | 29,550.— | 29,550.— | 29,550.— |
| 31. Expert Committee to consider Amendments to the Covenant. | 15,000.— | 12,500.— | — |
| 32. Preparatory Committee to consider a Scheme for an International Federation for Mutual Assistance in the Relief of Peoples overtaken by Disaster 30,000.— <i>Deduct: Contribution by Italian Red Cross</i> 10,000.— | 20,000.— | 20,000.— | 22,683.— |
| <i>C. Unforeseen.</i> | | | |
| 33. Unforeseen Expenditure subject to special vote of Council | 500,000.— | 500,000.— | 364,262.10 |
| Progressive Codification of International Law: Additional grant voted by Council. | | 1,892.75 | |
| Asia Minor Refugees: Administrative expenses | | 12,568.— | |
| Expulsion of Ecumenical Patriarch from Constantinople: Expenses to Geneva of a neutral member of Mixed Commission | | 1,916.25 | |
| Question of Frontier between Turkey and Iraq: Honoraria of the members of the Commission appointed by the Council in 1924 | | 91,693.15 | |
| Protection of Moslems of Albanian Origin in Greece: Expenses of League mandatories | | 16,551.35 | |
| Armenian Refuge Settlement Scheme | | 22,901.30 | |
| Question of the Frontier between Turkey and Iraq: Expenses of the representatives of the League appointed by the Council in 1925 | | 98,744.05 | |
| Greco-Bulgarian dispute: Expenses of the Commission of Enquiry | | 117,995.25 | |
| | 5,245,973.— | 5,245,973.— | 4,564,078.02 |

¹ See page 102.

² This figure represents the gross expenditure of the International Health Organisation. The net expenditure chargeable to the budget of the League, *i.e.*, the expenditure after deducting the sum of 730,520.95 gold francs, contributed by the Rockefeller Foundation, amounts to 813,610.58 gold francs (see Schedule O).

³ This figure represents the gross expenditure of the Section for Social Questions. The net expenditure chargeable to the budget of the League, *i.e.*, the expenditure after deducting the total sum of 11,903.55 gold francs contributed by the U. S. delegation towards the expenses of the Opium Conferences, amounts to 264,145.22 gold francs (see Schedule P).

⁴ This figure represents the gross expenditure of the Section for the Reduction of Armaments. The net expenditure chargeable to the League, *i.e.*, the expenditure after deducting the total sum of 13,878 gold francs contributed by the U. S. delegation towards the expenses of the Arms Traffic Conference, amounts to 324,190.90 gold francs (see Schedule Q).

CHAPTER IV. — PROFIT AND LOSS ON EXCHANGE.

| | Original Appropriation Gold francs | Actual Expenditure Gold francs |
|--|--|--------------------------------------|
| 34. Loss on exchange | 100,000.— | 142,435.92 |
| <i>Deduct</i> : Profit on exchange | 100,000.— | 23,164.75 |
| <i>Net Loss</i> | — | 119,271.17 |

Section II. — Capital Expenditure.

CHAPTER V. — BUILDINGS, PERMANENT EQUIPMENT, ETC.

| | Original Appropriation Gold francs | As modified by transfers ¹ Gold francs | Actual Expenditure Gold francs |
|--|--|---|--------------------------------------|
| 35. Last payment on account of balance of purchase price of Hotel National | 1,000,000.— | 1,000,000.— | 1,000,000.— |
| 36. Addition to property of a permanent character | 25,000.— | 15,000.— | 15,390.— |
| 37. Furniture, fittings and additional equipment | 32,000.— | 42,000.— | 42,981.55 |
| 38. Library: | | | |
| (a) Books, maps | 50,000.— | 39,300.— | 38,176.92 |
| (b) Binding | 17,000.— | 25,000.— | 24,793.45 |
| (c) Periodicals | 13,000.— | 14,000.— | 13,085.94 |
| (d) Equipment | 5,000.— | 6,700.— | 6,710.20 |
| | 1,142,000.— | 1,142,000.— | 1,141,138.06 |

SCHEDULES

*to the Budget Account of the Secretariat and Special Organisations
of the League for the Seventh Financial Period (1925).*

SCHEDULE A TO CHAPTER I, ITEM I. — *Session of the Assembly.*

| | Original Vote Gold francs | Vote as modified by internal transfers ² Gold francs | Actual Expenditure Gold francs |
|--|---------------------------------|---|--------------------------------------|
| 1. Salaries of additional temporary clerical and house staff | 120,000.— | 120,000.— | 101,053.25 |
| 2. Overtime payments of permanent staff | 10,000.— | 10,000.— | 6,255.— |
| 3. Travelling expenses and subsistence allowances of temporary staff brought expressly to Geneva | 15,000.— | 15,000.— | 12,135.55 |
| 4. Assembly Hall: rent, lighting, heating, etc. | 30,000.— | 30,000.— | 25,179.80 |
| 5. Special printing | 210,000.— | 210,000.— | 142,384.70 |
| 6. Postage, cables, telegrams and telephones | 2,500.— | 2,500.— | 604.85 |
| 7. Supplies and stores | 20,000.— | 20,000.— | 11,597.05 |
| 8. Automobile and cyclist service | 10,000.— | 10,000.— | 3,016.60 |
| 9. Incidental expenses | 7,000.— | 7,000.— | 6,571.— |
| | 424,500.— | 424,500.— | 308,797.80 |

¹ See page 102.

² See page 103.

SCHEDULE B TO CHAPTER II, ITEM 4 a. — *Salaries, Wages and Allowances of the Secretariat.*

| | Original Appropriation | Modified Approp- riation, taking account of reduction for cost of living and internal transfers ¹ | Actual Expenditure |
|--|---------------------------|--|-----------------------|
| | Gold francs | Gold francs | Gold francs |
| I. General Organisation. | | | |
| Secretary-General (£4,000) | 100,880.— | 100,880.— | 99,568.56 |
| Secretary-General's Office | 93,834.— | 93,834.— | 87,651.90 |
| Deputy Secretary-General (£3,000) | 75,660.— | 75,660.— | 74,676.48 |
| Deputy Secretary-General's Office | 88,564.— | 90,564.— | 87,794.65 |
| Under-Secretary-General (£3,000) | 75,660.— | 75,660.— | 74,676.48 |
| Under-Secretary-General's Office | 38,400.— | 38,400.— | 36,282.95 |
| Under-Secretary-General (£3,000) | 75,660.— | 75,660.— | 74,676.48 |
| Under-Secretary-General's Office | 71,980.— | 69,980.— | 61,633.30 |
| Political Section | 220,471.— | 220,471.— | 212,617.15 |
| Information Section | 671,421.— | 671,421.— | 639,287.32 |
| Legal Section | 245,464.— | 245,464.— | 235,317.22 |
| Financial Director's Office | 92,950.— | 88,950.— | 86,942.55 |
| TOTAL: General Organisation | 1,850,944.— | 1,846,944.— | 1,771,125.04 |
| II. Internal Services. | | | |
| Accounting Branch | 89,679.— | 89,670.— | 84,487.95 |
| Internal Control | 63,634.— | 67,634.— | 66,229.80 |
| Precis-Writing and Publication Department | 268,642.— | 268,642.— | 257,649.— |
| Indexing of Publications | 77,925.— | 77,925.— | 65,968.15 |
| Drafting Committee | 25,342.— | 25,342.— | 23,279.20 |
| Interpreting and Translating | 447,954.— | 437,954.— | 418,229.— |
| Library | 148,544.— | 148,454.— | 144,082.— |
| Registry | 202,496.— | 202,496.— | 188,538.50 |
| <i>Central Services.</i> | | | |
| Establishment Office | 80,570.— | 80,570.— | 78,496.20 |
| Pool of Typists | 453,773.— | 413,773.— | 394,476.80 |
| Duplicating and Multigraph Service | 173,901.— | 173,901.— | 149,971.45 |
| Distribution of Documents | 149,470.— | 149,470.— | 142,241.20 |
| Miscellaneous Services | 161,940.— | 161,940.— | 154,022.45 |
| Replacements, temporary engagements and overtime for all Internal Services. New miscellaneous services | 90,000.— | 100,000.— | 94,346.55 |
| TOTALS: Internal Services | 2,433,771.— | 2,397,771.— | 2,262,018.25 |
| TOTALS: General Organisation and Internal Services | 4,284,715.— | 4,244,715.— | 4,033,143.29 |
| <i>Deduct:</i> | | | |
| Reduction in salaries due to lower cost of living | 90,108.— | 90,108.— | — ² |
| GRAND TOTAL: | 4,194,607.— | 4,154,607.— | 4,033,143.29 |

SCHEDULE C TO CHAPTER II, ITEM 6. — *Latin-American Liaison Office.*

| | Original Appropriation | Appropriation as modified by transfers ³ | Actual Expenditure |
|--|---------------------------|---|-----------------------|
| | Gold francs | Gold francs | Gold francs |
| I. Secretariat: Salaries | 72,290.— | 72,290.— | 70,747.— |
| II. Other Expenses: | | | |
| (a) Cables, travelling and removal expenses, etc. | 30,000.— | 20,000.— | 12,869.09 |
| (b) Provision for the development of the Office | 34,000.— | 29,000.— | 21,492.90 |
| | 136,290.— | 121,290.— | 105,108.99 |

¹ See page 103.

² Deducted from each sub-head.

³ See page 102.

SCHEDULE D TO CHAPTER II, ITEM 7. — *Branch Offices.*

| | | Original Appropriation | Appropriation as modified by internal transfers ¹ | Actual Expenditure |
|--|----------------|---------------------------|--|-----------------------|
| | | Gold francs | Gold francs | Gold francs |
| I. London Sub-Office. | | | | |
| A. Staff: Salaries | | 25,472.— | 25,472.— | 23,012.45 |
| B. Property Account and General Office Expenses: | £ | | | |
| (i). Rent and Rates | 1,344 | 33,895.70 | 33,895.70 | 30,642.36 |
| (ii). Lighting | 25 | 630.50 | 630.50 | 374.20 |
| (iii). Heating | 30 | 756.60 | 756.60 | 750.68 |
| (iv). Cleaning | 75 | 1,891.50 | 1,891.50 | 2,084.31 |
| (v). Repairs and Re- newals | 100 | 2,522.— | 1,522.— | 150.10 |
| (vi). Telephones | 250 | 6,305.— | 5,905.— | 2,104.80 |
| (vii). Stationery | 105 | 2,648.10 | 3,648.10 | 2,566.95 |
| (viii). National Health and Unemployment Insurance | 15 | 378.30 | 778.30 | 462.40 |
| (ix). Postage | 72 | 1,815.84 | 1,815.84 | 1,037.85 |
| (x). Cables and tele- grams | 33 | 832.26 | 832.26 | 232.— |
| (xi). Newspapers | 40 | 1,008.80 | 1,008.80 | 943.60 |
| (xii). Miscellaneous ex- penses | 120 | 3,026.40 | 3,026.40 | 2,945.05 |
| | <u>£2,209</u> | | | |
| II. Paris Sub-Office. | | | | |
| A. Staff: Salaries | | 38,880.— | 38,880.— | 21,756.61 |
| B. Property Account and General Office Ex- penses: | Fr. fcs. | | | |
| (i). Rent | 42,000 | 16,800.— | 16,800.— | 10,045.40 |
| (ii). Lighting | 2,500 | 1,000.— | 1,000.— | 539.17 |
| (iii). Heating | 10,000 | 4,000.— | 4,000.— | 2,088.47 |
| (iv). Cleaning | 2,000 | 800.— | 800.— | 178.67 |
| (v). Repairs and Re- newals | 5,000 | 2,000.— | 2,000.— | 290.70 |
| (vi). Telephones | 35,000 | 14,000.— | 14,000.— | 3,403.95 |
| (vii). Cables and tele- grams | 500 | 200.— | 200.— | 31.85 |
| (viii). Stationery | 8,000 | 3,200.— | 3,200.— | 291.76 |
| (ix). Postage | 500 | 200.— | 200.— | 102.03 |
| (x). Miscellaneous ex- penses | 5,000 | 2,000.— | 2,000.— | 1,480.08 |
| (xi). Newspapers | 200 | 80.— | 80.— | 85.31 |
| | <u>110,700</u> | <u>164,343.—</u> | <u>164,343.—</u> | <u>107,600.75</u> |

SCHEDULE E TO CHAPTER II, ITEM 9. — *Frais de Représentation.*

| | Original Appropriation | Appropriation as modified by transfers | Actual Expenditure |
|---|---------------------------|--|-----------------------|
| | Gold francs | Gold francs | Gold francs |
| (a) Secretary-General (£2,500) | 63,050.— | 63,050.— | 63,050.— |
| (b) Deputy Secretary-General (£1,000) | 25,220.— | 25,220.— | 25,219.92 |
| (c) 2 Under-Secretaries-General (at £500) | 25,220.— | 25,220.— | 25,219.92 |
| (d) General Fund (£1,447 13s.) | 36,510.— | 36,510.— | 27,170.25 |
| | <u>150,000.—</u> | <u>150,000.—</u> | <u>140,660.09</u> |

¹ See page 103.

SCHEDULE F TO CHAPTER II, ITEM 10. — *Property Account, Maintenance.*

| | Original Appropriation Gold francs | Appropriation as modified by internal transfers ¹ Gold francs | Actual Expenditure Gold francs |
|--|--|---|--------------------------------------|
| <i>Headquarters at Geneva.</i> | | | |
| (a) Water rates | 4,500.— | 5,500.— | 5,344.60 |
| (b) Repairs and renewals: | | | |
| (i) Buildings | 30,000.— | 28,000.— | 25,913.— |
| (ii) Equipment | 18,500.— | 14,500.— | 13,935.45 |
| (iii) Furniture | 1,500.— | 5,000.— | 4,759.25 |
| (c) Lighting | 17,500.— | 17,800.— | 17,672.80 |
| (d) Heating | 34,000.— | 28,420.— | 25,189.20 |
| (e) Power: | | | |
| (i) Water power | 2,500.— | 2,000.— | 754.75 |
| (ii) Electric power (lift) | 2,000.— | 2,000.— | 1,996.95 |
| (f) Insurance and protection: | | | |
| (i) Buildings and furniture | 1,650.— | 1,730.— | 1,678.10 |
| (ii) Securitas (police) | 1,080.— | 1,080.— | 1,080.— |
| (iii) Villa | 270.— | 220.— | 217.55 |
| (g) Employer's liability | 675.— | 675.— | — |
| (h) Telephones, local service | 23,000.— | 24,000.— | 21,615.20 |
| (i) Uniforms | 3,000.— | 3,000.— | 2,507.15 |
| (j) Chimneys, repairs to flues | 1,200.— | 2,000.— | 1,722.05 |
| (k) Automobiles, replacements, upkeep and insurance | 7,500.— | 7,500.— | 5,392.60 |
| (l) Office laundry | 3,000.— | 4,950.— | 3,986.85 |
| (m) Sundry supplies | 7,500.— | 11,000.— | 10,580.80 |
| | 159,375.— | 159,375.— | 144,346.30 |

SCHEDULE G TO CHAPTER II, ITEM 11. — *Publications Department (Exclusive of Salaries).*

| | Original Appropriation Gold francs | Appropriation as modified by transfers ¹ and ² Gold francs | Actual Expenditure Gold francs |
|--|--|---|--------------------------------------|
| (a) General printing not covered by special appropriations: | | | |
| (i) Council documents and <i>Official Journal</i> | 130,000.— | 129,000.— | 83,474.25 |
| (ii) Internal Administration | 8,000.— | 8,000.— | 1,616.55 |
| (iii) Miscellaneous | 1,000.— | 1,000.— | 458.— |
| (b) <i>Treaty Series</i> | 115,000.— | 115,000.— | 109,535.55 |
| (c) <i>Treaty Series</i> : unpaid liability in respect of 1921. | 4,760.— | 4,760.— | 4,760.25 |
| (d) <i>Monthly Summary</i> and other publications of the Information Section | 75,000.— | 83,000.— | 71,145.55 |
| (e) Travelling, transport charges, advertising for Sales Department, catalogues, etc. | 30,000.— | 31,000.— | 31,223.15 |
| (f) Publications for free distribution | 4,000.— | 4,000.— | 3,918.40 |
| | 367,760.— | 375,760.— | 306,131.70 |

¹ See page 103 and 104.

² See page 102.

SCHEDULE H TO CHAPTER II, ITEM 12. — *General Office Expenses.*

| | Original Appropriation Gold francs | Appropriation as modified by transfers ¹ and ² Gold francs | Actual Expenditure Gold francs |
|--|--|---|--------------------------------------|
| (a) Upkeep of office equipment | 10,000.— | 10,000.— | 6,763.30 |
| (b) Stationery and stationery stores: | | | |
| (i) Ordinary | 38,000.— | 46,000.— | 43,981.25 |
| (ii) Roneo supplies | 60,000.— | 52,000.— | 40,869.75 |
| (c) Head Office cables and telegrams, long- distance telephones on general business . . | 45,000.— | 35,500.— | 21,943.16 |
| (d) Postage | 99,000.— | 122,000.— | 121,643.09 |
| (e) Freight and carriage | 4,000.— | 6,000.— | 5,338.82 |
| (f) Newspapers: | | | |
| (i) General | 12,000.— | 12,000.— | 1,835.90 |
| (ii) Information Section | | | 4,290.01 |
| (iii) Library and Reading-room | | | 1,654.55 |
| (g) Press reports and cuttings | 27,500.— | 31,500.— | 30,541.— |
| (h) Purchase of miscellaneous publications of non-capital value | 3,000.— | 4,000.— | 2,998.70 |
| (i) Courier Service between Geneva and Paris. | 25,000.— | 25,000.— | 20,060.80 |
| (j) Advertising, etc., for tenders | 400.— | 900.— | 644.55 |
| (k) Miscellaneous: petty cash disbursements . . | 1,100.— | 1,100.— | 981.06 |
| | 325,000.— | 345,000.— | 303,545.94 |

SCHEDULE J TO CHAPTER II, ITEM 13. — *Special Staff Charges.*

| | Original Appropriation Gold francs | Appropriation as modified by transfers ¹ and ² Gold francs | Actual Expenditure Gold francs |
|---|--|---|--------------------------------------|
| (a) Indemnities provided for in the Staff Regu- lations | 10,000.— | 28,500.— | 28,069.45 ³ |
| (b) Contribution to Sickness Insurance Asso- ciation | 20,000.— | 20,000.— | 19,996.50 |
| (c) Fidelity guarantee | 2,500.— | 2,500.— | 2,379.50 |
| (d) Welfare, drugs, etc. | 4,000.— | 2,200.— | 1,530.20 |
| (e) Gratuities to House Staff and others on New Year's Day | 4,500.— | 4,500.— | 4,500.— |
| (f) Recruitment of Staff: advertising expenses of examinations; special travelling | 4,000.— | 8,300.— | 8,235.05 |
| | 45,000.— | 66,000.— | 64,710.70 |

SCHEDULE K TO CHAPTER III, ITEM 18. — *Administrative Commissions and Minorities Questions.*

| | Original Appropriation Gold francs | Appropriation as modified by internal transfers ² Gold francs | Actual Expenditure Gold francs |
|---|--|---|--------------------------------------|
| 1. Salaries | 258,981.— | 253,981.— | 212,204.85 |
| 2. Travelling and removal expenses | 40,000.— | 40,000.— | 24,673.24 |
| 3. Printing and documentation | 10,000.— | 15,000.— | 11,064.60 |
| 4. Cables, telegrams and long-distance telephones | 1,500.— | 1,500.— | 1,611.85 |
| 5. Miscellaneous expenses, replacements, tem- porary engagements | 5,000.— | 5,000.— | 240.50 |
| 6. Provision for development of the Section . . | 15,000.— | 15,000.— | — |
| | 330,481.— | 330,481.— | 249,801.04 |

¹ See page 102.

² See page 104.

³ This figure does not represent the total sum paid for indemnities during 1925. Transfers from one chapter to another not being allowed by the Financial Regulations, it was decided to charge to a special new sub-item of the Health Organisation the indemnities, amounting to 26,634.50 Swiss francs, paid to the relatives of the officials of the Health Organisation killed in a motor accident near Beirut in May 1925 (see Schedule O).

SCHEDULE L TO CHAPTER III, ITEM 19. — *Economic and Financial Organisation.*

| | Original Appropriation • Gold francs | As modified by transfers ¹ Gold francs | Actual Expenditure Gold francs |
|--|--|---|--------------------------------------|
| 1. General Conference and preparatory work. . . | 100,000.— | 5,000.— | — |
| 2. Sessions of the Economic and Financial Committees and of Sub-Committees of Experts: | | | |
| (a) Subsistence, travelling and other expenses | 200,000.— | 150,000.— | 99,566.50 |
| (b) Printing for the Committees | 60,000.— | 60,000.— | 29,314.60 |
| 3. Administrative Expenses: | | | |
| (a) Salaries of Secretariat | 576,127.— | 576,127.— | 545,037.29 |
| (b) Travelling and removal expenses of secretariat | 50,000.— | 50,000.— | 36,164.77 |
| (c) Printing and publishing | 127,500.— | 117,500.— | 91,937.35 |
| (d) Cables, telegrams and long-distance telephones | 17,500.— | 17,500.— | 6,562.53 |
| 4. Miscellaneous and unforeseen expenses . . . | 40,000.— | 150,000.— | 150,881.84 ² |
| | <u>1,171,127.—</u> | <u>1,126,127.—</u> | <u>959,464.88</u> |

SCHEDULE M TO CHAPTER III, ITEM 20. — *Mandates.*

| | | | |
|--|------------------|------------------|-------------------|
| 1. Sessions of Permanent Mandates Commission. | 60,000.— | 47,000.— | 41,091.10 |
| 2. Salaries of Secretariat | 129,857.— | 109,857.— | 96,005.85 |
| 3. Travelling and removal expenses. | 5,000.— | 13,000.— | 11,831.13 |
| 4. Printing and documentation. | 28,000.— | 33,000.— | 22,818.30 |
| 5. Cables, telegrams long-distance telephones, unforeseen contingencies, and miscellaneous petty expenses. | 2,000.— | 2,000.— | 926.35 |
| | <u>224,857.—</u> | <u>204,857.—</u> | <u>172,672.73</u> |

SCHEDULE N TO CHAPTER III, ITEM 21. — *Communications and Transit Organisation.*

| | | | |
|---|------------------|------------------|-------------------------|
| 1. Regional Conferences | 50,000.— | 10,000.— | 8,953.75 |
| 2. Sessions of the Advisory and Technical Committee | 95,000.— | 68,500.— | 62,611.85 |
| 3. Temporary Committees of Experts | 31,940.— | 31,940.— | 30,577.80 |
| 4. Printing of documents for the meetings of the Committee | 15,000.— | 21,000.— | 16,899.95 |
| 5. Conciliation of disputes submitted to the Committee: fees of technical advisers and experts and other expenditure arising out of the necessary enquiries | 30,000.— | 20,000.— | 19,454.50 |
| 6. Publication and transmission of information to Governments, technical work of experts, etc. | 15,000.— | 6,000.— | 5,098.10 |
| 7. Salaries of permanent secretariat | 110,633.— | 106,633.— | 102,933.60 |
| 8. Travelling and removal expenses of the Secretariat | 17,500.— | 17,500.— | 14,013.20 |
| 9. Cablegrams, telegrams and long-distance telephones | 1,500.— | 3,000.— | 3,006.85 |
| 10. Miscellaneous petty expenses and unforeseen contingencies. | 1,000.— | 1,000.— | 24.— |
| 11. Supplementary credits provided in order to allow of the carrying-out of the resolution of the Second Committee of Third Assembly concerning the work provided for by the resolution of the Genoa Conference, as forwarded by the Council: Special correspondents and enquiries; Conference of Experts, as provided for in Article 8 of the Genoa resolution | 40,000.— | 115,000.— | 110,910.77 ³ |
| | <u>407,573.—</u> | <u>400,573.—</u> | <u>374,484.37</u> |

¹ See pages 102, 104 and 105.

² This sum includes: (a) the expenses of the Layton-Rist mission to Austria, amounting to 87,941.60 francs, and charged to the budget of the Economic and Financial Organisation in accordance with the decision taken by the Council at its 35th Session (Minute 1584); (b) the expenses connected with the final liquidation of the offices of the International Credits Commission. The arrears of rent due from the late lessees of these offices, the payment of which will, in all probability, be spread over a long period, will be treated as appropriations in aid to future budgets.

³ This sum includes the expenses, amounting to 92,331 francs, of the Walker Hines Danube mission.

SCHEDULE O TO CHAPTER II, ITEM 22. — *International Health Organisation.*

| | Original Appropriation Gold francs | As modified by transfers ¹ Gold francs | Actual Expenditure Gold francs |
|---|--|---|--------------------------------------|
| I. Secretariat: | | | |
| 1. Salaries of the Health Section | 264,514.— | 247,514.— | 249,037.45 |
| Indemnities | — | 27,000.— | 26,634.50 ² |
| 2. Salaries of Temporary Staff. 200,364.50 | | | |
| <i>Deduct:</i> Appropriation in aid: part of Rockefeller Foun- dation Grants I, II and III 200,364.50 | | | 132,457.98 |
| 3. Travelling and removal expenses . . . | 40,000.— | 47,000.— | 45,570.94 |
| 4. General printing and documentation . . | 6,000.— | 2,000.— | 1,296.55 |
| 5. Cables, telegrams and telephones . . . | 10,000.— | 10,000.— | 8,848.31 |
| 6. Miscellaneous petty expenses and un- foreseen contingencies | 5,000.— | 5,000.— | 929.89 |
| II. Epidemiological and Public Health Intelli- gence: | | | |
| 1. Special reports and enquiries 70,003.69 | | | |
| <i>Deduct:</i> Appropriation in aid: part of Rockefeller Grant II 52,753.69 | 17,250.— | 22,250.— | 125,558.34 |
| 2. Publications | 60,000.— | 70,000.— | 69,541.64 |
| 3. Sanitary notifications and notifications in case of epidemics | 15,000.— | 1,000.— | 5,000.— |
| 4. Grant to Epidemic Commission for epidemiological enquiries. | 50,000.— | 50,000.— | 50,000.03 |
| 5. Collective and individual studies of public health statistics. . 82,921.60 | | | |
| <i>Deduct:</i> Appropriation in aid: part of Rockefeller Grant III 82,921.60 | | | 78,045.34 |
| III. Health Committee and Conferences: | | | |
| 1. Sessions of Health Committee | 50,000.— | 63,000.— | 58,521.— |
| 2. Special investigations (this includes expenses of technical sub-committee appointed by the Health Commit- tee) and technical conferences. . . . | 142,000.— | 142,000.— | 133,414.03 |
| IV. Interchange of Public Health Personnel: | | | |
| 1. Expenses in connection with a system of liaison between the various na- tional public health services | 150,000.— | 150,000.— | 147,623.94 |
| 2. Collective, specialised and individual interchanges. . 461,251.40 | | | |
| <i>Deduct:</i> Appropriation in Aid: part of Rockefeller Grant I 461,251.40 | | | 411,651.59 |
| Gross Expenditure | 809,764.— | 836,764.— | 1,544,131.53 |

Summary of Appropriations in Aid.

Rockefeller Foundation Grants:

| | | |
|--|------------------|-------------------|
| I. For Interchanges of Public Health Personnel \$100,000.— | 518,260.— | 459,445.16 |
| II. For Epidemiological Intelli- gence Service \$ 32,840.— | 170,196.58 | 167,969.62 |
| III. For Study of Demographic and Public Health Sta- tistics \$ 21,000.— | 108,834.61 | 103,106.17 |
| Net Expenditure | 809,764.— | 813,610.58 |

¹ See pages 102 and 105.

² See note 3, page 88.

SCHEDULE P TO CHAPTER III, ITEM 23. — *Social Questions (including Suppression of Traffic in Women and Children, and Supervising of Opium Traffic, etc.).*

| | Original Appropriation Gold francs | As modified by transfers ¹ Gold francs | Actual Expenditure Gold francs |
|---|---------------------------------------|--|-----------------------------------|
| 1. <i>Salaries of Secretariat.</i> | 129,921.— | 129,921.— | 117,578.— |
| 2. <i>Travelling and removal expenses</i> | 6,000.— | 6,000.— | 4,315.50 |
| 3. <i>Control of opium traffic:</i> | | | |
| (i) Sessions of the Advisory Committee | 20,000.— | 10,000.— | 7,323.50 |
| (ii) Printing and documentation of the Committee | 22,500.— | 25,000.— | 17,947.60 |
| (iii) Cables, telegrams, etc. | 1,000.— | 1,000.— | 850.85 |
| (iv) Miscellaneous petty expenses and unforeseen contingencies | 500.— | 500.— | 68.85 |
| (v) Conferences | 30,000.— | 115,000.— | 113,483.42 |
| 4. <i>Suppression of traffic in women and children:</i> | | | |
| (i) Sessions of the Advisory Committee | 3,000.— | 3,000.— | 440.— |
| (ii) Printing and documentation for Committee and experts | 15,000.— | 17,500.— | 10,893.25 |
| (iii) Cables, telegrams, etc. | 1,000.— | 1,000.— | 697.20 |
| (iv) Miscellaneous petty expenses and unforeseen contingencies | 500.— | 500.— | 63.— |
| (v) Enquiry into traffic in women and children (<i>ad memoriam</i>). | | | |
| 5. <i>Protection of children</i> | 10,000.— | 5,000.— | 1,443.10 |
| 6. <i>Other social questions entrusted to the Section, and unforeseen contingencies</i> | 2,500.— | 2,500.— | 944.50 |
| Gross Expenditure | | | 276,048.77 |
| <i>Appropriation in Aid:</i> | | | |
| Contribution of the U.S.A. delegation towards expenses of the Second Opium Conference | | | 11,903.55 |
| Net Expenditure | 241,921.— | 316,921.— | 264,145.22 |

SCHEDULE Q TO CHAPTER III, ITEM 25. — *Reduction of Armaments.*

| | | | |
|--|-------------|-------------|------------|
| I. <i>Secretariat:</i> | | | |
| 1. Salaries of Secretariat | 220,795.— | 220,295.— | 177,438.30 |
| 2. Travelling and removal expenses | 12,000.— | 12,000.— | 5,499.40 |
| II. <i>Permanent Advisory Committee:</i> | | | |
| 1. Meetings of the Permanent Advisory Committee | 10,000.— | 10,000.— | 519.50 |
| 2. Printing and documentation. | 500.— | 500.— | — |
| 3. Cables, telegrams, etc. | 1,500.— | 2,000.— | 1,317.85 |
| III. <i>Investigations</i> | 250,000.— | 250,000.— | 4,685.90 |
| IV. <i>Co-ordination Commission:</i> | | | |
| 1. Meetings of the Commission | 90,000.— | 90,000.— | 10,484.55 |
| 2. Printing and documentation. | 500.— | 500.— | — |
| 3. Cables, telegrams, etc. | 1,500.— | 1,500.— | 135.65 |
| V. <i>Statistical Year-Book:</i> | | | |
| 1. "Armaments Year-Book" | 36,000.— | 36,000.— | 934.75 |
| 2. "Statistical Information on the Trade in Arms, Ammunition and Material of War" | 4,000.— | 4,000.— | — |
| VI. <i>Conference on the Control of the International Trade in Arms, Munitions and Implements of War (including preparatory studies)</i> | 100,000.— | 140,000.— | 131,493.75 |
| VII. <i>International Disarmament Conference:</i> | | | |
| 1. Preparatory Studies | 100,000.— | 100,000.— | 5,559.25 |
| 2. General Conference. | 400,000.— | 330,000.— | — |
| Gross Expenditure | | | 338,068.90 |
| <i>Appropriation in Aid:</i> | | | |
| Contribution of U.S.A. delegation towards the expenses of the Conference on Arms Traffic | | | 13,878.— |
| Net Expenditure | 1,226,795.— | 1,196,795.— | 324,190.90 |

¹ See pages 102 and 105.

SCHEDULE R TO CHAPTER III, ITEM 27. — *Intellectual Co-operation, etc.*

| | Original Appropriation Gold francs | As modified by internal transfers ¹ Gold francs | Actual Expenditure Gold francs |
|---|--|--|--------------------------------------|
| <i>A. Intellectual Co-operation:</i> | | | |
| 1. Salaries of Secretariat | 30,185.— | 30,185.— | 29,211.65 |
| 2. Plenary Sessions (including travelling expenses and subsistence allowances) and Sub-Com- mittee meetings | 45,000.— | 60,000.— | 53,046.50 |
| 3. Conference of Experts on Questions of Scien- tific Property | 8,000.— | 6,500.— | — |
| 4. Grant to the Commission for Co-ordination of Bibliographical Work in Field of Social Sciences | 8,000.— | 8,000.— | — |
| 5. Experts and correspondents | 28,800.— | 13,800.— | 14,689.— |
| 6. Travelling expenses (secretariat) | 6,000.— | 7,500.— | 8,138.55 |
| 7. Printing | 14,000.— | 12,100.— | 11,728.30 |
| 8. Grant towards the publication of an <i>Index</i> <i>Bibliographicus</i> | 1,000.— | 1,000.— | 208.20 |
| 9. Miscellaneous petty and unforeseen expenses . | 5,000.— | 4,400.— | 1,383.05 |
| <i>B. International University Information Office.</i> | | | |
| | 14,920.— | 17,420.— | 17,207.50 |
| | 160,905.— | 160,905.— | 134,582.75 |

¹ See page 106.

II.

SECRETARIAT AND SPECIAL ORGANISATIONS OF THE LEAGUE.

STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31ST, 1925

| | | LIABILITIES. | | |
|---|--|--------------|--------------|-----------------------------------|
| International Labour Organisation. | | Gold francs | Gold francs | Gold francs |
| <i>Third Financial Period:</i> | | | | |
| Balance as per last account | | 218,497.52 | | |
| Less payments during year | | 149,772.14 | | |
| | | <hr/> | 68,725.38 | |
| <i>Fourth Financial Period:</i> | | | | |
| Balance as per last account | | 148,657.10 | | |
| Less payments during year | | 35,672.11 | | |
| | | <hr/> | 112,984.99 | |
| <i>Fifth Financial Period:</i> | | | | |
| Balance as per last account | | 918,828.56 | | |
| Less payments during year | | 217,993.63 | | |
| | | <hr/> | 700,834.93 | |
| <i>Sixth Financial Period:</i> | | | | |
| Balance as per last account | | 1,174,856.90 | | |
| Less payments during year | | 551,391.44 | | |
| | | <hr/> | 623,465.46 | |
| <i>Seventh Financial Period:</i> | | | | |
| Amount as per Budget appropriation | | 7,340,595.— | | |
| Less payments during year | | 6,183,266.86 | | |
| | | <hr/> | 1,157,328.14 | |
| <i>Compounded Arrears:</i> | | | | |
| Balance as per last account | | 87,309.51 | | |
| Less payments during year | | 7,568.81 | | |
| | | <hr/> | 79,740.70 | |
| | | | <hr/> | 2,743,079.60 |
| Permanent Court of International Justice. | | | | |
| <i>Fifth Financial Period:</i> | | | | |
| Balance as per last account | | 210,646.49 | | |
| Less payments during year | | 49,976.20 | | |
| | | <hr/> | 160,670.29 | |
| <i>Sixth Financial Period:</i> | | | | |
| Balance as per last account | | 329,380.75 | | |
| Less payments during year | | 159,145.87 | | |
| | | <hr/> | 170,234.88 | |
| <i>Seventh Fiscal Period:</i> | | | | |
| Amount as per Budget appropriation | | 1,908,209.— | | |
| Less payments during year | | 1,607,357.89 | | |
| | | <hr/> | 300,851.11 | |
| <i>Compounded Arrears:</i> | | | | |
| Balance as per last account | | 1,991.53 | | |
| Less payments during year | | 199.15 | | |
| | | <hr/> | 1,792.38 | |
| | | | <hr/> | 633,548.66 |
| Working Capital Account (Definite) | | | | |
| Balance as per last account | | | 4,456,754.62 | |
| Allocation for Seventh Financial Period | | | 50,000.— | |
| | | | <hr/> | 4,506,754.62 |
| Working Capital Account (Temporary) | | | | |
| Restoration Account ¹ , as per budget allocation | | | 1,197,441.23 | |
| Loan Refund Account ² , as per budget allocation | | | 437,833.18 | |
| | | | <hr/> | |
| | | | 1,635,274.41 | |
| Less refunds ³ | | | 1,479,117.56 | |
| | | | <hr/> | 156,156.85 |
| | | | <hr/> | 8,039,539.73 |
| | | | <hr/> | <i>Carried forward.</i> |

¹ *I.e.*, to restore the share of Working Capital standing in the name of the International Labour Organisation.

² *I.e.*, to repay to the Secretariat the temporary loans made to the International Labour Organisation out of the Secretariat's share of Working Capital.

³ This sum represents the share of the States in the "Temporary Contribution to the Working Capital Fund", which was reimbursed to them during 1924 and 1925 in accordance with the decision of the Fifth Assembly.

ASSETS.

| | Gold francs | Gold francs | Gold francs |
|--|--------------|--------------|---------------|
| Property Account | | | |
| Hotel National | | 5,328,933.95 | |
| Armleder Property | | 41,890.92 | |
| | | <hr/> | 5,370,824.87 |
| Building Fund Account | | | |
| Cash in hand | | | 10,187,801.14 |
| Capital Account | | | |
| <i>Furniture, Fittings, Typewriters, etc.:</i> | | | |
| Balance as per last account | 902,321.25 | | |
| Add additions less sales during year | 42,761.55 | | |
| | <hr/> | 945,082.80 | |
| <i>Library (Books):</i> | | | |
| Balance as per last account | 457,034.68 | | |
| Add additions during year | 76,056.31 | | |
| | <hr/> | 533,090.99 | |
| <i>Library (Shelving):</i> | | | |
| Balance as per last account | 71,188.33 | | |
| Add additions during year | 6,710.20 | | |
| | <hr/> | 77,898.53 | |
| <i>Capital Installation:</i> | | | |
| Balance as per last account | 101,113.62 | | |
| Add additions during year | 15,390.— | | |
| | <hr/> | 116,503.62 | |
| | | <hr/> | 1,672,575.94 |
| Sundry Debtors — States Members | | | |
| <i>Compounded Arrears Account:</i> | | | |
| Guatemala | 15,370.77 | | |
| Honduras | 55,326.58 | | |
| Liberia | 95,923.17 | | |
| Nicaragua | 55,326.58 | | |
| Paraguay | 20,494.40 | | |
| Salvador | 42,595.— | | |
| | <hr/> | 285,036.50 | |
| <i>Second Financial Period:</i> | | | |
| Peru | 29,947.47 | | |
| | <hr/> | 29,947.47 | |
| <i>Third Financial Period:</i> | | | |
| Peru | 208,333.— | | |
| | <hr/> | 208,333.— | |
| <i>Fourth Financial Period:</i> | | | |
| China | 182,119.— | | |
| Peru | 202,267.— | | |
| | <hr/> | 384,386.— | |
| <i>Fifth Financial Period:</i> | | | |
| Bolivia | 100,000.— | | |
| China | 1,767,773.28 | | |
| Honduras | 27,196.51 | | |
| Nicaragua | 27,196.51 | | |
| Peru | 271,965.12 | | |
| | <hr/> | 2,194,131.42 | |
| <i>Sixth Financial Period:</i> | | | |
| Bolivia | 124,643.97 | | |
| China | 1,620,371.61 | | |
| Honduras | 24,928.79 | | |
| Nicaragua | 24,928.79 | | |
| Paraguay | 24,928.79 | | |
| Peru | 294,287.94 | | |
| | <hr/> | 2,069,089.89 | |
| <i>Carried forward.</i> | | <hr/> | 17,231,201.95 |
| | | 5,170,924.28 | |

LIABILITIES (continued).

| | Gold francs | Gold francs | Gold francs |
|---|--------------|---------------|---------------|
| <i>Brought forward</i> | | | 8,039,539.73 |
| Depreciation Reserve Fund | | | |
| <i>Hotel National:</i> | | | |
| Balance as per last account | 1,065,786.80 | | |
| Add 10 per cent on original value | 532,893.40 | | |
| | <hr/> | 1,598,680.20 | |
| <i>Furniture, Fittings, Typewriters, etc.:</i> | | | |
| Balance as per last account | 596,760.20 | | |
| Add 20% on value as at December 31st, 1925. | 189,016.56 | | |
| | <hr/> | 785,776.76 | |
| <i>Library (Books):</i> | | | |
| Balance as per last account | 241,259.21 | | |
| Add 20% on value as at December 31st, 1925 | 106,618.19 | | |
| | <hr/> | 347,877.40 | |
| <i>Library (Shelving):</i> | | | |
| Balance as per last account | 36,706.16 | | |
| Add 20% on value as at December 31st, 1925 | 15,579.70 | | |
| | <hr/> | 52,285.86 | |
| <i>Capital Installation:</i> | | | |
| Balance as per last account | 20,222.72 | | |
| Add 20% on value as at December 31st, 1925 | 23,300.72 | | |
| | <hr/> | 43,523.44 | |
| | | | 2,828,143.66 |
| Income and Expenditure Account | | | |
| Balance from last year | | 15,873,439.98 | |
| Add contributions received from Argentine Republic | | 2,799,692.14 | |
| | | <hr/> | |
| | | 18,673,132.12 | |
| Add refunds of sundry receipts in respect of Sixth Financial Period | | 877.39 | |
| | | <hr/> | |
| | | 18,674,009.51 | |
| Add cash surplus as at December 31st, 1924: | | | |
| International Labour Organisation. | | 2,400,652.10 | |
| Permanent Court of International Justice. | | 1,020,788.74 | |
| | | <hr/> | |
| | | 22,095,450.35 | |
| Less payment to International Labour Organisation in respect of Building Account. | | 3,250,000.— | |
| | | <hr/> | |
| | | 18,845,450.35 | |
| Add balance of income over expenditure in respect of Seventh Financial Period | | 3,027,315.72 | |
| | | <hr/> | |
| | | | 21,872,766.07 |
| | | | <hr/> |
| | | | 32,740,449.46 |

ASSETS (continued).

| | Gold francs | Gold francs | Gold francs |
|--|--------------|--------------|----------------------|
| <i>Brought forward</i> | | 5,170,924.28 | 17,231,201.95 |
| Sundry Debtors — States Members (Continued) | | | |
| <i>Seventh Financial Period:</i> | | | |
| Albania | 7,258.16 | | |
| Argentina | 848,165.60 | | |
| Bolivia. | 121,166.51 | | |
| China | 1,211,665.15 | | |
| Colombia. | 160,319.39 | | |
| France | 367,363.76 | | |
| Guatemala | 6,058.32 | | |
| Honduras | 24,233.30 | | |
| Lithuania | 68,014.30 | | |
| Nicaragua | 24,233.30 | | |
| Panama | 24,233.30 | | |
| Peru. | 242,333.03 | | |
| Poland. | 467,268.60 | | |
| | <hr/> | 3,572,312.72 | 8,743,237.— |
| Working Capital Account (Definite) | | | |
| Cash Balance | | 4,136,722.59 | |
| Advances. | | 252,774.42 | |
| | | <hr/> | 4,389,497.01 |
| Working Capital Account (Temporary) | | | |
| Cash Balance | | | 10,527.52 |
| <i>Cash in hand and at Banks.</i> | | | 2,365,985.98 |
| | | | <hr/> |
| | | | <u>32,740,494.46</u> |

April 1st, 1926.

(Signed) P. G. WATTERSON,
Chief Accountant.

III.

LEAGUE OF NATIONS. WORKING CAPITAL STATEMENT
AS AT DECEMBER 31ST, 1925.

| | Gold francs | Gold francs |
|--|----------------------|-----------------------|
| <i>Budget Allocation.</i> | | |
| In respect of second financial period | 10,104,360.— | |
| Less contributions written off | <u>313,800.—</u> | 9,790,560.— |
| In respect of third financial period | 21,249,988.32 | |
| Less contributions written off | <u>993,085.77</u> | 20,256,902.55 |
| In respect of fifth financial period | 25,673,507.30 | |
| Less contributions written off | <u>54,845.82</u> | 25,618,661.48 |
| In respect of sixth financial period | | 23,233,635.70 |
| In respect of seventh financial period | | <u>22,658,138.—</u> |
| | | <u>101,557,897.73</u> |
| <i>Receipts from States Members:</i> | | |
| In respect of second financial period | 9,760,612.53 | |
| In respect of third financial period | 20,048,569.55 | |
| In respect of fifth financial period | 23,424,530.06 | |
| In respect of sixth financial period | 21,164,545.81 | |
| In respect of seventh financial period | <u>19,085,825.28</u> | <u>93,484,083.23</u> |
| <i>Working Capital authorised by Vote of Assembly:</i> | | |
| In respect of second financial period | 1,725,000.— | |
| Less allocation in contributions written off | <u>53,571.45</u> | 1,671,428.55 |
| In respect of third financial period | 1,890,000.— | |
| Less allocation in contributions written off | <u>84,863.60</u> | 1,805,136.40 |
| In respect of fifth financial period | 500,000.— | |
| Less allocation in contributions written off | <u>538.48</u> | 499,461.52 |
| In respect of sixth financial period | | 442,500.— |
| In respect of seventh financial period | | <u>50,000.—</u> |
| | | <u>4,468,526.47</u> |
| <i>Working Capital received:</i> | | |
| In respect of second financial period, including voluntary contributions | 1,684,157.76 | |
| In respect of third financial period, including voluntary contributions | 1,801,912.80 | |
| In respect of fifth financial period, including voluntary contributions | 458,216.73 | |
| In respect of sixth financial period | 403,093.07 | |
| In respect of seventh financial period | <u>42,116.65</u> | <u>4,389,497.01</u> |
| <i>Working Capital receivable:</i> | | |
| <i>In respect of second financial period:</i> | | |
| Amount authorised, including voluntary contributions | 1,689,270.31 | |
| Amount received, including voluntary contributions | <u>1,684,157.76</u> | 5,112.55 |
| <i>In respect of third financial period:</i> | | |
| Amount authorised, including voluntary contributions | 1,823,559.57 | |
| Amount received, including voluntary contributions | <u>1,801,912.80</u> | 21,646.77 |
| <i>In respect of fifth financial period:</i> | | |
| Amount authorised, including voluntary contributions | 501,424.74 | |
| Amount received, including voluntary contributions | <u>458,216.73</u> | 43,208.01 |
| <i>In respect of sixth financial period:</i> | | |
| Amount authorised | 442,500.— | |
| Amount received | <u>403,093.07</u> | 39,406.93 |
| <i>In respect of seventh financial period:</i> | | |
| Amount authorised | 50,000.— | |
| Amount received | <u>42,116.65</u> | 7,883.35 |
| | | <u>117,257.61</u> |

April 1st, 1926.

(Signed) P. G. WATTERSON,
Chief Accountant.

STATEMENT SHOWING HOW AMOUNT SHOWN AS WORKING CAPITAL IS MADE UP.

| | Gold francs | Gold francs |
|---|-------------|---------------------|
| Cash in hand and at banks | | 4,136,722.59 |
| <i>Advances:</i> | | |
| Expenses of the High Commissioner at Danzig | 40,588.17 | |
| Polish Postal Service in Danzig: Delimitation of the Port of Danzig | 5,273.45 | |
| Question of the Frontier between Turkey and Iraq: Expenses of the Committee of Enquiry appointed by the Council in 1924 not already reimbursed by the Governments concerned | 206,912.80 | 252,774.42 |
| | | <u>4,389,497.01</u> |
| <i>Note.</i> — The following are the voluntary contributions of Working Capital included in the above figures: | | |
| In respect of second financial period | 17,841.76 | |
| In respect of third financial period | 18,423.17 | |
| In respect of fifth financial period | 1,963.22 | 38,228.15 |

April 1st, 1926.

(Signed) P. G. WATTERSON,
Chief Accountant.

IV.

RECOVERABLE ADVANCES MADE FROM THE WORKING CAPITAL FUND.

(See Memorandum, page 99).

| | Gold francs |
|---|-------------------|
| Saar Basin: Expenses of mission sent in connection with the preservation of documents in view of the Plebiscite <i>(Repaid during the year.)</i> | |
| Polish Postal Service in Danzig: Delimitation of the Port of Danzig | 5,273.45 |
| Expenses of the High Commissioner at Danzig | 40,588.17 |
| Question of the Frontier between Turkey and Iraq: Expenses of the Committee of Enquiry appointed by the Council in 1924 not already reimbursed by the Governments concerned | 206,912.80 |
| | <u>252,774.42</u> |

V.

ADVANCES ORIGINALLY THOUGHT TO BE RECOVERABLE AND ULTIMATELY CONSIDERED BY THE COUNCIL TO BE IRRECOVERABLE.

(See Memorandum, page 100).

| | Swiss francs |
|---|--------------|
| Loan to Dr. Nansen for Greek refugees | 50,125.— |

VI.

EXPENSES BORNE ON THE VOTE FOR UNFORESEEN EXPENDITURE INCURRABLE ONLY BY SPECIAL RESOLUTION OF THE COUNCIL.

(See Memorandum, page 100).

| | Gold francs |
|---|-------------------|
| Progressive Codification of International Law: Additional grant voted by the Council | 1,892.75 |
| Asia Minor Refugees: Administrative expenses | 12,568.— |
| Expulsion of Ecumenical Patriarch from Constantinople: Expenses to Geneva of a neutral member of the Mixed Commission | 1,916.25 |
| Question of the Frontier between Turkey and Iraq: Honoraria of the members of the Commission appointed by the Council in 1924 | 91,693.15 |
| Protection of Moslems of Albanian Origin in Greece: Expenses of the mandatories of the League | 16,551.35 |
| Armenian Refugees Settlement Scheme | 22,901.30 |
| Question of the Frontier between Turkey and Iraq: Expenses of the representative of the League appointed by the Council in 1925 | 98,744.05 |
| Greco-Bulgarian Dispute: Expenses of the Commission of Enquiry | 117,995.25 |
| Total | <u>364,262.10</u> |

VII.

RECOVERABLE ADVANCES, UNFORESEEN* EXPENDITURE
AND TRANSFERS.

Memorandum by the Secretary-General.

Paragraph 3 of Article 36 of the Regulations for the Financial Administration of the League of Nations reads as follows:

"There shall be attached to the account as annexes a memorandum showing for the past financial year the resolutions of the Council with reference to: (a) any recoverable advances made from the Working Capital Fund; and (b) any advances originally thought to be recoverable and ultimately considered by the Council to be irrecoverable; and of the competent authority with reference to: (c) any expenses borne on a vote for unforeseen expenses incurable only by special resolution of a competent authority; and (d) any transfers made in the Budget."

The present memorandum also includes for the sake of completeness a list of internal transfers approved by the Secretary-General.

A. RECOVERABLE ADVANCES MADE FROM THE WORKING CAPITAL FUND.

1. *Saar Basin: Measures to be taken for the Preservation of Documents in View of the Plebiscite.*

On June 10th, 1925, the Council of the League of Nations adopted the following resolution:

"1. The Council invites M. Bonzon, former provisional Records Commissioner for the Saar Basin plebiscite, to proceed to the Saar to examine the documents delivered to the Governing Commission of the Saar by the Prussian and Bavarian Governments in view of the plebiscite, and to submit to the Council a report on this subject, particularly as regards the preservation of these documents by the local authorities.

"2. The cost of this mission, which will be of short duration, will be met by the Saar Territory. The Secretary-General is authorised to take the necessary sums from the Working Capital Fund, in conformity with the second paragraph of Article 33 of the Regulations for the Financial Administration of the League of Nations, and to recover these sums from the Governing Commission of the Saar Basin when M. Bonzon's mission has come to an end. While carrying out his duties in conformity with the present resolution, the Commissioner will receive, in addition to his travelling expenses, a daily allowance calculated on the basis of the salary which he received during his first mission to the Saar."

(34th Session, Minute 1510.)

On December 10th, 1925, the Council adopted the following resolution:

"1. The Council requests Colonel James de Reynier, formerly President of the Danzig Harbour Board, to proceed to the Saar to complete the work begun by M. Alfred Bonzon.

"2. The cost of this mission will be met by the Saar Territory. The Secretary-General is authorised to take the necessary sums from the Working Capital Fund, in conformity with the second paragraph of Article 33 of the Regulations for the Financial Administration of the League of Nations, and to recover these sums from the Governing Commission of the Saar Basin when M. de Reynier's mission has come to an end."

(37th Session, Minute 1620.)

2. *Polish Postal Service in Danzig: Delimitation of the Port of Danzig.*

The Council adopted the following resolution on June 11th, 1925:

"The Council decides . . . to appoint three experts who will be asked to submit to the Council for consideration at its next session, through the High Commissioner, proposals regarding the delimitation of the port of Danzig, in conformity with paragraph 2 of the present resolution.

"4. The expenses of the mission of experts shall be borne in equal parts by the two parties. The Secretary-General is authorised to advance the necessary sums from the Working Capital Fund, in conformity with Article 33, paragraph 2, of the Regulations concerning the Financial Administration of the League of Nations, and to ask the two Governments to refund these expenses."

(34th Session, Minute 1515.)

3. *Free City of Danzig: Appointment of the High Commissioner.*

On December 12th, 1925, the Council adopted the following resolution:

" 2. Dr. van Hamel is hereby appointed High Commissioner at Danzig for a period of three years, beginning on February 22nd, 1926. . . .

" 4. The funds allocated for the maintenance of this post shall be advanced to the High Commissioner, as hitherto, by the Financial Department of the League of Nations. The High Commissioner shall present a report to the Financial Department on the employment of these funds, which will be utilised as far as possible in accordance with the general rules applied by the League of Nations in this domain. The advances thus granted to the High Commissioner will be repaid in equal parts by the Danzig and Polish Governments, in accordance with the agreement which they have concluded on this subject."

(37th Session, Minute 1627.)

4. *The Question of the Frontier between Turkey and Iraq: Expenses of the Committee of Enquiry.*

On September 30th, 1924, the Council adopted the following resolution:

" With a view to collecting the facts and data which it requires to fulfil the mission entrusted to it under Article 3, paragraph 2, of the Treaty of Lausanne:

" Decided to set up a special Committee of three members.

" . . . the Secretary-General shall furnish it with the necessary staff and shall advance it the funds which it may require, such advances to be refunded to the League in equal proportions by the Governments concerned."

(30th Session, Minute 1320.)

B. ADVANCES ORIGINALLY THOUGHT TO BE RECOVERABLE AND ULTIMATELY CONSIDERED BY THE COUNCIL TO BE IRRECOVERABLE.

I. *Loan of 50,125 Swiss Francs to Dr. Nansen for Greek Refugees: Question of Reimbursement.*

The Council adopted the following proposal on June 11th, 1925:

" In view of these circumstances and of the fact that the sum was not advanced by the League of Nations but was regularly charged, in conformity with the Council resolution, to the budget of a financial year the accounts of which are already closed, the Council will perhaps not wish to insist on the repayment of this sum of 50,125 Swiss francs."

(34th Session, Minute 1524.)

C. EXPENSES BORNE ON THE VOTE FOR UNFORESEEN EXPENDITURE INCURRABLE ONLY BY SPECIAL RESOLUTION OF THE COUNCIL.

I. *Committee for the Progressive Codification of International Law.*

On December 12th, 1924, the Council adopted a report on the Committee for the Progressive Codification of International Law, of which the following is an extract:

" As the Assembly had voted the sum of 29,550 francs for the cost of this Committee (Chapter III, Item 30, of the Budget), possibly allowing only for a smaller Committee, the additional expenses incurred by the meetings of this Committee must be charged, up to an amount of 30,000 francs, to Chapter III, Item 33, of the Budget, under ' Unforeseen Expenditure, subject to special vote of the Council '."

(32nd Session, Minute 1409, Annex 719.)

2. *Administrative Expenses connected with the Work for Asia Minor Refugees.*

On March 9th, 1925, the Council adopted the following resolution:

" 5. The Council decides to repay to the High Commissioner for Refugees the sum of £500 which was borrowed in 1924 to meet expenses incurred in 1923 which could not be settled in that year, and to charge this payment of £500 to Article 33 of the Budget for 1925, ' Unforeseen Expenditure, subject to special vote of the Council '."

(33rd Session, Minute 1432.)

3. *Expulsion of the Œcumenical Patriarch: Appeal of the Greek Government under Paragraph 2 of Article II of the Covenant.*

The Council adopted the following resolution on March 14th, 1925:

" The Council authorises the Secretary-General to place under Article 33 of the Budget for 1925, ' Unforeseen Expenditure, subject to special vote of the Council ', and up to an amount of 2,000 Swiss francs, the expenses involved by the presence at Geneva, at the invitation of the Rapporteur, of General de Lara, neutral member of the Mixed Commission for the Exchange of Greek and Turkish Populations."

(33rd Session, Minute 1477.)

4. *Question of Frontier between Turkey and Iraq: Honoraria to the Members of the Commission appointed by the Council in 1924.*

On June 8th, 1925, the Council adopted the following resolution:

"(c) Decides to increase from 53,000 to 100,000 francs the maximum sum which may be drawn, in accordance with the Council's resolution of December 8th, 1924, on Item 33 of the 1925 budget, 'Unforeseen Expenditure, subject to special vote of the Council', for the honoraria of the members of the Iraq Commission."

(34th Session, Minute 1484.)

5. *Protection of Moslems of Albanian Origin in Greece: Expenses incurred by the Mandatories of the League of Nations.*

On June 11th, 1925, the Council adopted the following resolution:

"The Council authorises the Secretary-General to reimburse to the mandatories of the Council for the protection of Moslems of Albanian origin in Greece:

"(1) Salary (amounting to £30 sterling per month) to the Greek assistant of Albanian origin of the agent of the mandatories in Epirus during his term of service;

"(2) Expenditure up to 10,000 Swiss francs incurred for the journey to be undertaken by the mandatories of the Council in Epirus;

and to charge the expenditure covered by the present resolution to Item 33 of the Budget for 1925, 'Unforeseen Expenditure, subject to special vote of the Council'."

(34th Session, Minute 1519.)

6. *Settlement of Armenian Refugees: Resolution of the Sixth Assembly.*

The Council adopted the following resolution on September 26th, 1925:

"(2) The Council decides, in accordance with the invitation of the Assembly, to appoint not more than five commissioners

"(4) To charge the expenses of the Commission appointed under paragraph (2) above to be incurred during 1925, up to a sum not exceeding 50,000 francs, to Item 33 of the Budget for 1925, 'Unforeseen Expenditure, subject to special vote of the Council'."

(35th Session, Minute 1572.)

7. *Questions of the Frontier between Turkey and Iraq: (a) Expenses of the Representative of the League of Nations appointed by the Council in 1925.*

On September 28th, 1925, the Council adopted the following resolution:

"The Council decides to charge to Item 33 of the budget for 1925, 'Unforeseen Expenditure, subject to special vote of the Council', and to the corresponding item of the budget for 1926, up to an amount of 100,000 gold francs, the expenses of the representative of the League of Nations instructed to keep the Council informed of the situation in the locality of the Provisional Line fixed at Brussels on October 29th, 1924;

"Instructs the Secretary-General to forward the present report to the two Governments concerned with the request that they should inform him before the next session of the Council whether they agree to repay in equal proportions the advances provided for in the first paragraph of this resolution."

(35th Session, Minute 1589.)

The Council adopted the following resolution on December 16th, 1925:

"The Council decides to increase from 100,000 to 125,000 francs the maximum credit chargeable to 'Unforeseen Expenditure' (Item 33 of the budget of 1925) for the expenses of the representative of the League of Nations who was instructed to keep the Council informed of the situation in the locality of the Provisional Line fixed at Brussels on October 29th, 1924;

"Authorises the Secretary-General to charge, after December 31st, 1925, to the corresponding item of the 1926 budget whatever expenditure may be required for the further work of the Commission."

(37th Session, Minute 1648.)

8. *Appeal by the Bulgarian Government under Articles 10 and 11 of the Covenant: Expenses of the Commission of Enquiry.*

On October 30th, 1925, the Council adopted the following resolution:

"The Council decides:

"(1) To approve the report of the British representative;

"(2) To appoint a Commission to carry out a full enquiry into the recent incidents on the frontier between Bulgaria and Greece to the north-east of Salonica, and to ascertain as exactly as possible the origin of these incidents and all the facts in relation thereto which have given rise to the intervention of the Council."

The following is an extract of the British representative's report which is mentioned above:

"The Secretary-General will supply the Commission with all necessary staff and

with all documents. The Council authorises the expenses of the Commission to be charged to Item 33 of the budget for 1925, 'Unforeseen Expenditure, subject to special vote of the Council', up to an amount of 100,000 gold francs."

(36th Session, Minute 1596.)

On December 14th, 1925, the Council adopted the following resolution:

"The Council decides to increase to 160,000 francs the sum set aside for the expenditure incurred in connection with the Greco-Bulgarian dispute and charged, in accordance with the decision taken on October 29th, 1925, to Item 33 of the budget for 1925."

(37th Session, Minute 1641.)

D. TRANSFERS IN THE BUDGET APPROVED BY THE COUNCIL.

1. On March 9th, 1925, the Council adopted the following resolution:

"4. The Council of the League of Nations decides to transfer from Item 25 in the 1925 Budget, 'Reduction of Armaments', to Item 23, 3 (v), 'Opium Conferences', a sum not exceeding 30,000 gold francs."

(33rd Session, Minute 1432.)

2. On June 8th, 1925, the Council adopted the following resolution:

"The Council of the League of Nations decides to transfer from Item 15 of the 1925 budget, 'Unforeseen Expenses of the Secretariat', the sum of 12,000 francs, and to distribute it in the following manner:

"Add: 8,000 francs to the sub-heading (d) (*Monthly Summary* and other publications of the Information Section) of Item 11, 'Publications Department'.

"Add: 4,000 francs to sub-heading (g) (Press Reports and Cuttings) of Item 12, 'General Office Expenses'."

(34th Session, Minute 1484.)

3. On September 2nd, 1925, the Council adopted the following resolution:

"The Council decides to make the following transfers in the budget for the current financial year (1925):

"1. 40,000 francs from Item 4 (a), 'Salaries, wages and allowances of the Secretariat at Geneva', to Item 8 (a), 'Travelling expenses and subsistence allowances in connection with the general services'.

"2. 45,000 francs to Item 23, 3 (v), 'Opium Conferences', this sum being taken from the following items of the same chapter:

"Item 20, 2, 'Mandates—Salaries of the Secretariat': 20,000 francs.

"Item 19, 2 (a), 'Economic and Financial Committees: Subsistence allowances, etc.': 25,000 francs.

"3. 10,000 francs from Item 36, 'Additions to property of a permanent character', to Item 37, 'Furniture, fittings and additional equipment'.

"4. 16,000 francs to Item 12 (d), 'Postal charges', this sum being taken from the following items:

"Item 14, 'Interest charges; bank account': 9,000 francs.

"Item 16, 'Unpaid Liabilities Fund': 7,000 francs."

(35th Session, Minute 1539.)

4. On September 9th, 1925, the Council adopted the following resolution:

"The Council of the League of Nations decides to make the following transfers in the budget for 1925:

"(1) 15,000 francs from Item 6, 'Latin-American Liaison Office', to Item 13 (a), 'Special Staff Charges (Indemnities provided for in the Staff Regulations)', in order to pay the indemnity granted by the Council to M. François Monod;

"(2) 20,000 francs from Item 19 (1), 'Economic and Financial Organisation: General Conference', and 7,000 francs from Item 21, 'Transit Organisation', making a total of 27,000 francs, to Item 22, 1/1, 'International Health Organisation: Salaries of the Health Section, *Indemnities*', in order to pay the indemnities granted to the families of the two members of the Health Section victims of the Beirut motor accident."

(35th Session, Minute 1552.)

5. On December 9th, 1925, the Council adopted the following resolution:

"The Council decides to make the following transfers in the budget of the present financial year:

"(1) 6,000 francs from Item 15 of the budget of 1925, 'Unforeseen Expenses of the Secretariat', to sub-head A (Indemnities provided for in the Staff Regulations) of Item 13, 'Special Staff Charges';

"(2) 2,500 francs from Item 31, 'Expert Committee to consider Amendments to the Covenant', to Item 28, 'Temporary Commission on Slavery'."

(37th Session, Minute 1608.)

E. INTERNAL TRANSFERS APPROVED BY THE SECRETARY-GENERAL.
(External transfers not accounted for.)

The following internal transfers within the various items of the budget for 1925 were approved by the Secretary-General:

| Sub-head No. | Sub-head | Original figure | Add | Subtract | New figure |
|--|--|------------------|---------------|---------------|------------------|
| | | | Francs | | |
| Item 4 (a). SALARIES, WAGES AND ALLOWANCES : SECRETARIAT AT GENEVA: | | | | | |
| I. General Organisation of the Secretariat: | | | | | |
| 4. | Deputy Secretary-General's Office | 88,564 | 2,000 | — | 90,564 |
| 8. | Under-Secretary-General's Office. | 71,980 | — | 2,000 | 69,980 |
| 10. Information Section: | | | | | |
| (i) | Geneva Office | 582,701 | 5,000 | — | 587,701 |
| (iii) | Paris Office | 25,000 | — | 5,000 | 20,000 |
| 12. | Financial Director's Office | 92,950 | — | 4,000 | 88,950 |
| II. Internal Services of the Secretariat: | | | | | |
| 2. | Internal Control. | 63,634 | 4,000 | — | 67,634 |
| 6. | Interpreting and Translating | 447,954 | — | 10,000 | 437,954 |
| 10. | Replacements, temporary engagements and overtime for all internal services | 90,000 | 10,000 | — | 100,000 |
| | | 1,462,783 | 21,000 | 21,000 | 1,462,783 |
| Item 7. BRANCH OFFICES: | | | | | |
| I. London Sub-Office. | | | | | |
| B. Property account and general office expenses: | | | | | |
| (v) | Repairs and renewals. | 2,522 | — | 1,000 | 1,522 |
| (vi) | Telephones | 6,305 | — | 400 | 5,905 |
| (vii) | Stationery | 2,468.10 | 1,000 | — | 3,648.10 |
| (viii) | National Health and Unemployment Insurance | 378.30 | 400 | — | 778.30 |
| | | 11,853.40 | 1,400 | 1,400 | 11,853.40 |
| Item 8. TRAVELLING EXPENSES OF OFFICIALS OF THE LEAGUE: | | | | | |
| (a) | Travelling expenses and subsistence allowances in connection with general services | 135,000 | 10,000 | — | 145,000 |
| (b) | Travelling expenses of members of the Secretariat returning home on leave | 60,000 | — | 10,000 | 50,000 |
| | | 195,000 | 10,000 | 10,000 | 195,000 |
| Item 10 (a). PROPERTY ACCOUNT: MAINTENANCE. | | | | | |
| Headquarters at Geneva: | | | | | |
| (a) | Water rates | 4,500 | 1,500 | 500 | 5,500 |
| (b) | (i) Building | 30,000 | — | 2,000 | 28,000 |
| | (ii) Furniture. | 18,500 | — | 4,000 | 14,500 |
| | (iii) Equipment | 1,500 | 3,500 | — | 5,000 |
| (c) | Lighting | 17,500 | 1,000 | 700 | 17,800 |
| (d) | Heating | 34,000 | — | 5,580 | 28,420 |
| (e) | (i) Water power | 2,500 | — | 500 | 2,000 |
| (f) | Insurance and Protection: | | | | |
| | (i) Building and furniture | 1,650 | 80 | — | 1,730 |
| | (iii) Villa | 270 | — | 50 | 220 |
| (h) | Telephones, local service | 23,000 | 1,000 | — | 24,000 |
| (j) | Chimneys, repairs to flues | 1,200 | 800 | — | 2,000 |
| (l) | Office laundry | 3,000 | 1,950 | — | 4,950 |
| (m) | Sundry supplies. | 7,500 | 3,500 | — | 11,000 |
| | | 145,120 | 13,330 | 13,330 | 145,120 |

| Sub-head No. | Sub-head | Original figure | Add | Subtract | New figure |
|--|---|-----------------|---------|----------|------------|
| | | | Francs | | |
| Item 11. PUBLICATIONS DEPARTMENT (EXCLUSIVE OF SALARIES): | | | | | |
| (a) | General printing not covered by special appropriations: | | | | |
| | (i) Council Documents and <i>Official Journal</i> | 130,000 | — | 1,000 | 129,000 |
| (c) | Travelling, transport charges, advertising for Sales Department, catalogues, etc. | 30,000 | 1,000 | — | 31,000 |
| | | 160,000 | 1,000 | 1,000 | 160,000 |
| Item 12. GENERAL OFFICE EXPENSES: | | | | | |
| (b) | Stationery and stationery stores: | | | | |
| | 1. Ordinary | 38,000 | 8,000 | — | 46,000 |
| | 2. Roneo supplies | 60,000 | — | 8,000 | 52,000 |
| (c) | Head office cables and telegrams, long-distance telephones on general business. | 45,000 | — | 9,500 | 35,500 |
| (d) | Postage | 99,000 | 7,000 | — | 106,000 |
| (e) | Freight and carriage | 4,000 | 2,000 | — | 6,000 |
| (h) | Purchase of miscellaneous publications of non-capital value | 3,000 | 1,000 | — | 4,000 |
| (i) | Courier service between Geneva and Paris | 25,000 | — | 1,000 | 24,000 |
| (j) | Advertising, etc., for tenders | 400 | 500 | — | 900 |
| | | 274,400 | 18,500 | 18,500 | 274,400 |
| Item 13. SPECIAL STAFF CHARGES: | | | | | |
| (a) | Indemnities provided for in the Staff Regulations | 10,000 | — | 2,500 | 7,500 |
| (d) | Welfare, drugs, etc. | 4,000 | — | 1,800 | 2,200 |
| (f) | Recruitment of staff (advertising expenses of examinations, special travelling) | 4,000 | 4,300 | — | 8,300 |
| | | 18,000 | 4,300 | 4,300 | 18,000 |
| Item 17. SUPERVISION OF REVENUE AND EXPENDITURE: | | | | | |
| (b) | Expenses of Supervisory Commission | 15,000 | 2,500 | — | 17,500 |
| (d) | Expenses of Committee on Allocation of Expenses | 10,000 | — | 2,500 | 7,500 |
| | | 25,000 | 2,500 | 2,500 | 25,000 |
| Item 18. ADMINISTRATIVE COMMISSIONS AND MINORITIES QUESTIONS: | | | | | |
| 1. | Salaries. | 258,891 | — | 5,000 | 253,981 |
| 3. | Printing and documentation. | 10,000 | 5,000 | — | 15,000 |
| | | 268,981 | 5,000 | 5,000 | 268,981 |
| Item 19. ECONOMIC AND FINANCIAL ORGANISATION: | | | | | |
| 1. | General Conference (and preparatory work). | 100,000 | — | 75,000 | 25,000 |
| 2. | Sessions of the Economic and Financial Committees and of Sub-Committees of Experts: | | | | |
| | (a) Subsistence, travelling and other expenses | 200,000 | — | 25,000 | 175,000 |
| 3. | Administrative expenses: | | | | |
| | (c) Printing and publishing. | 127,500 | — | 10,000 | 117,500 |
| 4. | Miscellaneous and unforeseen expenses | 40,000 | 110,000 | — | 150,000 |
| | | 467,500 | 110,000 | 110,000 | 467,500 |

| Sub-head No. | Sub-head | Original figure | Add | Subtract | New figure |
|--|---|-----------------|--------|----------|------------|
| | | | Francs | | |
| Item 20. MANDATES: | | | | | |
| 1. | Sessions of Permanent Mandates Commission | 60,000 | — | 13,000 | 47,000 |
| 3. | Travelling and removal expenses. . . | 5,000 | 8,000 | — | 13,000 |
| 4. | Printing and documentation. | 28,000 | 5,000 | — | 33,000 |
| | | 93,000 | 13,000 | 13,000 | 93,000 |
| Item 21. TRANSIT: | | | | | |
| 1. | Regional Conferences. | 50,000 | — | 40,000 | 10,000 |
| 2. | Sessions of the Advisory and Technical Committee | 95,000 | — | 26,500 | 68,500 |
| 4. | Printing of documents for the meetings of the Committee. | 15,000 | 6,000 | — | 21,000 |
| 5. | Conciliation of disputes submitted (fees of technical advisers and experts and other expenditure arising out of the necessary enquiries) . | 30,000 | — | 10,000 | 20,000 |
| 6. | Publication and transmission of information to Governments, technical work of experts, etc. | 15,000 | — | 6,000 | 9,000 |
| 9. | Cablegrams, telegrams and long-distance telephone communications | 1,500 | 1,500 | — | 3,000 |
| II. | Supplementary credits provided in order to allow of the carrying-out of the resolution of the Second Committee of the Third Assembly concerning the work provided for by the resolution of the Genoa Conference, as forwarded by the Council: | | | | |
| | Special correspondents and enquiries | | | | |
| | Conference of Experts as provided in Article 8 of the Genoa resolution. | 40,000 | 75,000 | — | 115,000 |
| | | 246,500 | 82,500 | 82,500 | 246,500 |
| Item 22. INTERNATIONAL HEALTH ORGANISATION: | | | | | |
| I. Secretariat: | | | | | |
| 1. | Salaries of the Health Section | 264,514 | — | 17,000 | 247,514 |
| 3. | Travelling and removal expenses. . . | 40,000 | 7,000 | — | 47,000 |
| 4. | General printing and documentation | 6,000 | — | 4,000 | 2,000 |
| II. Epidemiological and Public Health Intelligence: | | | | | |
| 1. | Special reports and enquiries 70,000 } Deduct: Appropriation in aid: part of Rockefeller Grant II 52,750 } | 17,250 | 5,000 | — | 22,250 |
| 2. | Publications. | 60,000 | 10,000 | | 70,000 |
| 3. | Sanitary notifications and notifications in case of epidemics | 15,000 | — | 14,000 | 1,000 |
| III. Health Committee and Conferences: | | | | | |
| 1. | Sessions of Health Committee. | 50,000 | 13,000 | — | 63,000 |
| | | 452,764 | 35,000 | 35,000 | 452,764 |

| Sub-head No. | Sub-head | Original figure | Add | Subtract | New figure |
|--------------|---|-----------------|--------|----------|------------|
| | | | Francs | | |
| Item 23. | SOCIAL QUESTIONS: SUPPRESSION OF TRAFFIC IN WOMEN AND CHILDREN, SUPERVISION OF OPIUM TRAFFIC, ETC.: | | | | |
| 3. | <i>Control of Opium Traffic:</i> | | | | |
| (i) | Sessions of the Advisory Committee | 20,000 | — | 10,000 | 10,000 |
| (ii) | Printing and documentation of the Committee | 22,500 | 2,500 | — | 25,000 |
| (v) | Conferences | 30,000 | 10,000 | — | 40,000 |
| 4. | <i>Suppression of Traffic in Women and Children:</i> | | | | |
| (ii) | Printing and documentation for Committee and experts | 15,000 | 2,500 | — | 17,500 |
| 5. | <i>Protection of Children.</i> | 10,000 | — | 5,000 | 5,000 |
| | | 97,000 | 15,000 | 15,000 | 97,500 |
| Item 25. | REDUCTION OF ARMAMENTS. | | | | |
| I. | <i>Secretariat:</i> | | | | |
| I. | Salaries of the Secretariat | 220,795 | — | 500 | 220,295 |
| II. | <i>Permanent Advisory Commission:</i> | | | | |
| 3. | Cables, telegrams, etc. | 1,500 | 500 | — | 2,000 |
| VI. | <i>Conference on the Control of the International Trade in Arms, Munitions and Implements of War (including preparatory studies).</i> | 100,000 | 40,000 | — | 140,000 |
| VII. | <i>International Disarmament Conference:</i> | | | | |
| 2. | General Conference | 400,000 | — | 40,000 | 360,000 |
| | | 722,295 | 40,500 | 40,500 | 722,295 |
| Item 27. | INTELLECTUAL CO-OPERATION AND INTERNATIONAL UNIVERSITY INFORMATION OFFICE: | | | | |
| A. | <i>Intellectual Co-operation:</i> | | | | |
| 2. | Plenary sessions (including travelling expenses and subsistence allowances) and sub-committee meetings | 45,000 | 15,000 | — | 60,000 |
| 3. | Conference of Experts on Question of Scientific Property | 8,000 | — | 1,500 | 6,500 |
| 5. | Experts and correspondents | 28,800 | — | 15,000 | 13,800 |
| 6. | Travelling expenses (Secretariat) | 6,000 | 1,500 | — | 7,500 |
| 7. | Printing | 14,000 | — | 1,900 | 12,100 |
| 9. | Miscellaneous, petty and unforeseen expenses | 5,000 | — | 600 | 4,400 |
| B. | <i>International University Information Office.</i> | 14,920 | 2,500 | — | 17,420 |
| | | 121,720 | 19,000 | 19,000 | 121,720 |
| Item 38. | LIBRARY: | | | | |
| (a) | Books, maps | 50,000 | — | 10,700 | 39,300 |
| (b) | Binding | 17,000 | 8,000 | — | 25,000 |
| (c) | Periodicals | 13,000 | 1,000 | — | 14,000 |
| (d) | Equipment | 5,000 | 1,700 | — | 6,700 |
| | | 85,000 | 10,700 | 10,700 | 85,000 |

Part II.

INTERNATIONAL LABOUR OFFICE.

BUDGET ACCOUNTS FOR THE SEVENTH FINANCIAL PERIOD.

January 1st to December 31st, 1925.

SUMMARY OF CHAPTERS.

| | Original Appropriation Swiss Francs | Appropriation as amended by Transfers Swiss Francs | Actual Expenditure Swiss Francs |
|---|---|---|---------------------------------------|
| <i>Section I. — Ordinary Expenditure.</i> | | | |
| Chapter I: Sessions of the Conference and of the Governing Body | 369,000.— | 369,000.— | 365,277.42 |
| Chapter II: General Services of the International Labour Office | 6,668,595.— | 6,668,595.— | 6,478,107.13 |
| Chapter II <i>a</i> : Extraordinary and Temporary Expenditure. | | | |
| Work on behalf of Russian and Armenian Refugees | 203,000.— | 217,035.20 | 217,035.20 |
| Enquiry into the possibility of settling Armenian Refugees | 50,000.— | 35,964.80 | 35,964.80 |
| Chapter III: Profit and Loss on Exchange . | — | — | — |
| <i>Section II. — Capital Expenditure.</i> | | | |
| Chapter IV: Ordinary Expenditure (buildings, permanent equipment, etc.) . . . | 65,000.— | 65,000.— | 64,834.86 |
| Total | 7,355,595.— | 7,355,595.— | 7,161,219.41 |
| Chapter IV: Extraordinary Expenditure (interest charges and occupation of new building) | 65,000.— | 65,000.— | 19,995 10 |
| | 7,420,595.— | 7,420,595.— | 7,181,214.51 |
| Deduct: (a) Estimated receipts from sale of publications . . | 80,000.— | 80,000.— | 110,934.25 |
| (b) German contribution . . | — | — | — |
| Net total. | 7,340,595.— | 7,340,595.— | 7,070,280.26 |

Geneva, March 23rd, 1926.

(Signed) F. M. COLLINS,
Chief Accountant.

SECTION I. — ORDINARY EXPENDITURE.

CHAPTER I. — SESSIONS OF THE CONFERENCE AND OF THE GOVERNING BODY.

| | Original Appropriation Swiss Francs | Appropriation as amended by Transfers Swiss Francs | Actual Expenditure Swiss Francs |
|--|---|---|---------------------------------------|
| 1. Sessions of the Conference (see Schedule A) | 264,000.— | 284,000.— | 282,391.67 |
| 2. Sessions of the Governing Body (see Schedule B) | 105,000.— | 85,000.— | 82,885.75 |
| Total of Chapter I | 369,000.— | 369,000.— | 365,277.42 |

CHAPTER II. — GENERAL SERVICES OF THE INTERNATIONAL LABOUR OFFICE.

| | | | |
|--|-------------|-------------|--------------|
| 3. Salaries, wages, and allowances: | | | |
| (a) Salaries, diminished by reductions due to anticipated fall in cost of living (fr. 103,000) | 4,545,295.— | 4,545,295.— | 4,521,481.75 |
| (b) Expenditure incurred on account of officers dismissed or resigned | — | — | — |
| (c) Contribution towards Provident Fund | 210,000.— | 210,000.— | 195,681.83 |
| 4. Travelling expenses of officials: | | | |
| (a) Removal expenses to and from Geneva | 12,000.— | 10,140.— | 10,132.15 |
| (b) Travelling expenses and allowances of officials (and their families) proceeding to Geneva to take up their posts | 12,000.— | 15,300.— | 15,294.45 |
| (c) Travelling expenses and subsistence allowances occasioned in connection with General Services | 110,000.— | 125,000.— | 124,477.80 |
| (d) Travelling expenses of officials on leave | 40,000.— | 38,560.— | 37,667.61 |
| (e) Passports and Visas | — | — | — |
| 5. Entertainment allowances (see Schedule D) | 85,000.— | 85,000.— | 84,917.65 |
| 6. Property Account, Maintenance of Geneva Office (see Schedule E) | 118,000.— | 133,000.— | 127,708.70 |
| 7. Printing (see Schedule F) | 475,000.— | 475,000.— | 474,471.80 |
| 8. General Office expenses (see Schedule G) | 223,000.— | 223,000.— | 221,624.85 |
| 9. Special Staff charges (see Schedule H) | 85,300.— | 91,000.— | 85,035.15 |
| 10. Unpaid Liabilities Fund | — | — | — |
| 11. Supervision of Revenue and Expenditure: | | | |
| (a) Auditors' travelling and subsistence allowance | 10,000.— | 10,000.— | 5,677.65 |
| (b) Expenses of Financial Supervisory Commission | 5,000.— | 5,000.— | 4,483.50 |
| (c) Expenses of Salaries Adjustment Committee | 500.— | 500.— | — |
| 12. Enquiries and Investigations | 20,000.— | 35,000.— | 24,493.30 |
| 13. Commissions (see Schedule I) | 80,000.— | 80,000.— | 49,596.45 |
| 14. Correspondents and Collection of Information (see Schedule J) | 537,500.— | 537,500.— | 495,362.49 |
| 15. Unforeseen Expenditure | 100,000.— | 49,300.— | — |
| Total of Chapter II | 6,668,595.— | 6,668,595.— | 6,478,107.13 |

CHAPTER II a. — EXTRAORDINARY AND TEMPORARY EXPENDITURE

| | | | |
|--|-----------|------------|------------|
| Work on behalf of Russian and Armenian Refugees | 203,000.— | 217,035.20 | 217,035.20 |
| Enquiry into the possibility of settling Armenian Refugees | 50,000.— | 35,964.80 | 35,964.80 |
| Total of Chapter II a | 253,000.— | 253,000.— | 253,000.— |

CHAPTER III.

| | | | |
|---|---|---|---|
| 16. Profit and Loss on Exchange | — | — | — |
|---|---|---|---|

SECTION II. — CAPITAL EXPENDITURE.

CHAPTER IV. — ORDINARY EXPENDITURE (BUILDINGS, PERMANENT EQUIPMENT, ETC.).

| | Original Appropriation Swiss Francs | Appropriation as amended by Transfers Swiss Francs | Actual Expenditure Swiss Francs |
|---|---|---|---------------------------------------|
| 17. Furniture, fittings and additional equipment | 20,000.— | 17,000.— | 16,918.05* |
| 18. Typewriters, calculating machines, duplicators, and dictaphones | 20,000.— | 20,000.— | 19,922.65 |
| 19. Library: Books, periodicals, cards | 25,000.— | 28,000.— | 27,994.16 |
| 20. Premises for the Rome Office | — | — | — |
| 21. Architects' competition | — | — | — |
| Total | 65,000.— | 65,000.— | 64,834.86 |

CHAPTER IV. — EXTRAORDINARY EXPENDITURE (INTEREST CHARGES AND OCCUPATION OF NEW BUILDINGS).

| | | | |
|--|--------------------------|--------------------------|---------------------------|
| 22. Interest charges (construction of new building) | 45,000.— | 45,000.— | — |
| 23. Removal expenses | 20,000.— | 20,000.— | 19,995.10 |
| 24. Cost of installation: | | | |
| (a) Library | — | — | — |
| (b) Furniture | — | — | — |
| 25. First payment on account of cost of construction of new building | 1,139,580.— | 1,139,580.— | 1,132,412.10 |
| Deduct: Appropriation in aid: balance of surplus of 1923 financial period applied towards cost of construction of new building | 1,139,580.— ¹ | 1,139,580.— ¹ | 1,132,412.10 ¹ |
| Total | 65,000.— | 65,000.— | 19,995.10 |

SCHEDULE A

To Chapter I, Item 1.

SESSIONS OF THE CONFERENCE.

| | | | |
|---|------------------|------------------|-------------------|
| (a) Salaries of additional temporary staff, etc. | 50,000.— | 58,895.— | 58,805.75 |
| (b) Travelling expenses and subsistence allowances of temporary staff brought to Geneva | 8,000.— | 12,090.— | 12,074.50 |
| (c) Conference Hall, rent, heat, light, equipment, etc. | 35,000.— | 36,500.— | 36,412.65 |
| (d) Special printing (reports for the Conference, Director's report, final and provisional records and miscellaneous) | 160,000.— | 167,015.— | 166,890.22 |
| (e) Hire of office equipment and furniture | 5,000.— | 3,200.— | 1,920.10 |
| (f) Automobile and cyclist services | 6,000.— | 6,300.— | 6,288.45 |
| (g) Additional expenses | — | — | — |
| Total | 264,000.— | 284,000.— | 282,391.67 |

SCHEDULE B

To Chapter I, Item 2.

SESSIONS OF THE GOVERNING BODY.

| | | | |
|---|------------------|-----------------|------------------|
| (a) Travelling expenses and allowances of members of the Governing Body | 65,000.— | 64,300.— | 62,227.90 |
| (b) Printing of documents for the Governing Body | 40,000.— | 20,700.— | 20,657.85 |
| Total | 105,000.— | 85,000.— | 82,885.75 |

¹ The amount voted by the Fifth Assembly towards the construction of the new building was 1,139,580 gold francs. This amount of gold francs realised 1,132,412.10 Swiss Francs.

SCHEDULE D

To Chapter II, Item 5.

ENTERTAINMENT ALLOWANCES.

| | Original Appropriation | Appropriation as amended by Transfers | Actual Expenditure |
|--|---------------------------|---|-----------------------|
| | Swiss Francs | Swiss Francs | Swiss Francs |
| (a) Director | 30,000.— | 30,000.— | 30,000.— |
| (b) Deputy-Director | 12,500.— | 12,500.— | 12,500.— |
| (c) Chairman of the Governing Body | 12,500.— | 12,500.— | 12,500.— |
| (d) Entertainment Fund | 30,000.— | 30,000.— | 29,917.65 |
| Total | 85,000.— | 85,000.— | 84,917.65 |

SCHEDULE E

To Chapter II, Item 6.

PROPERTY ACCOUNT: MAINTENANCE OF GENEVA OFFICE.

| | | | |
|---|-----------|-----------|------------|
| (a) Rent (Main Building) | 35,000.— | 50,600.— | 50,600.— |
| (b) Rent (Annexes) | 7,500.— | 9,334.— | 9,333.35 |
| (c) Water rate | 1,000.— | 1,300.— | 1,299.60 |
| (d) Heating | 22,000.— | 22,000.— | 21,918.05 |
| (e) Lighting | 6,500.— | 6,500.— | 5,918.60 |
| (f) Repairs and renovations to buildings | 5,000.— | 5,000.— | 3,695.15 |
| (g) Insurance (fire, water, loss of effects, civil responsibility, etc.) | 3,000.— | 2,860.— | 2,506.50 |
| (h) Insurance (domestic staff and chauffeurs) | 1,000.— | 1,140.— | 1,132.65 |
| (i) Upkeep of office furniture and equipment (including automobiles) | 15,000.— | 12,266.— | 9,998.85 |
| (j) Laundry and cleaning of premises | 20,000.— | 20,000.— | 19,449.55 |
| (k) Uniforms | — | — | — |
| (l) Sundry supplies | 2,000.— | 2,000.— | 1,856.40 |
| Total | 118,000.— | 133,000.— | 127,708.70 |

SCHEDULE F

To Chapter II, Item 7.

PRINTING.

| | | | |
|--|-----------|-----------|------------|
| (a) <i>Industrial and Labour Information</i> | 80,000.— | 75,830.— | 75,688.15 |
| (b) <i>Official Bulletin</i> | 40,000.— | 11,220.— | 11,123.95 |
| (c) <i>International Labour Review</i> | 130,000.— | 93,300.— | 93,153.43 |
| (d) <i>Legislative Series</i> | 40,000.— | 78,300.— | 78,287.80 |
| (e) <i>Studies and Reports</i> | 60,000.— | 143,450.— | 143,375.45 |
| (f) Special publications | 40,000.— | | |
| (g) General printing (circulars, questionnaires, reports, etc.) | 65,000.— | 52,900.— | 52,867.47 |
| (h) Travelling, advertising for Sales Branch | 20,000.— | 20,000.— | 19,975.55 |
| (i) Publications for free distribution | — | — | — |
| Total | 475,000.— | 475,000.— | 474,471.80 |

SCHEDULE G

To Chapter II, Item 8.

GENERAL OFFICE EXPENSES.

| | | | |
|---|-----------|-----------|------------|
| (a) Stationery, office supplies | 60,000.— | 60,000.— | 59,719.95 |
| (b) Postage, courier Geneva-Paris | 105,000.— | 107,270.— | 107,259.80 |
| (c) Cables and telegrams | 12,000.— | 15,810.— | 15,806.65 |
| (d) Telephones (subscriptions and surcharges) | 18,000.— | 16,770.— | 16,570.45 |
| (e) Papers and Press-cuttings of non-permanent value | 14,000.— | 14,000.— | 13,909.73 |
| (f) Additional miscellaneous expenses: | | | |
| (i) Freight and carriage | 12,000.— | 7,150.— | 6,802.47 |
| (ii) Other expenses | 2,000.— | 2,000.— | 1,555.80 |
| Total | 223,000.— | 223,000.— | 221,624.85 |

SCHEDULE H

To Chapter II, Item 9.

SPECIAL STAFF CHARGES.

| | Original Appropriation Swiss Francs | Appropriation as amended by Transfers Swiss Francs | Actual Expenditure Swiss Francs • |
|--|---|---|---|
| (a) Indemnities provided for in the Staff Regulations | 10,000.— | 10,000.— | 6,455.05 |
| (b) Contribution to Sickness Insurance Fund | 18,000.— | 17,600.— | 16,976.— |
| (c) Upkeep of sick-room | 500.— | 500.— | 474.75 |
| (d) Nurse | 6,300.— | 6,560.— | 6,560.— |
| (e) Medical adviser's fees | 2,500.— | 2,500.— | 2,500.— |
| (f) Welfare | 1,000.— | 1,140.— | 1,127.80 |
| (g) Subsidy to Office restaurant | 14,000.— | 14,000.— | 14,000.— |
| (h) Transportation: Motor-bus service | 22,000.— | 26,550.— | 26,373.25 |
| (i) New Year's Day gratuities | — | — | — |
| (j) Recruitment of staff (advertising, expenses of examinations, special travelling, etc.) | — | — | — |
| (k) Cantonal and communal subscriptions and other miscellaneous expenses | 3,500.— | 4,650.— | 4,648.45 |
| (l) Pension of the child of the late Dr. Pardo | 7,500.— | 7,500.— | 5,919.85 |
| Total | 85,300.— | 91,000.— | 85,035.15 |

SCHEDULE I

To Chapter II, Item 13.

COMMISSIONS.

1. *Joint Maritime Commission:*

| | | | |
|---|----------|----------|----------|
| (a) Travelling expenses and allowances of members | 10,000.— | 10,000.— | 9,965.90 |
| (b) Printing, publications and miscellaneous | 5,000.— | 5,350.— | 5,330.05 |

2. *Agricultural Commission:*

| | | | |
|---|----------|----------|----------|
| (a) Travelling expenses and allowances of members | 12,000.— | 12,000.— | 4,764.40 |
| (b) Printing, publications and miscellaneous | 4,000.— | 3,650.— | 7.40 |

3. *Social Insurance Commission:*

| | | | |
|---|---------|---------|----------|
| (a) Travelling expenses and allowances of members | 8,000.— | 8,000.— | 4,733.35 |
| (b) Printing, publications and miscellaneous | 4,000.— | 4,000.— | 3,049.35 |

4. *Meeting of Experts to study questions concerning Disabled Men:*

| | | | |
|---|---------|---------|------|
| (a) Travelling expenses and allowances of members | 5,000.— | 5,000.— | — |
| (b) Printing, publications and miscellaneous | 1,000.— | 1,000.— | 40.— |

5. *Meeting of Experts on Industrial Hygiene:*

| | | | |
|---|---------|---------|----------|
| (a) Travelling expenses and allowances of members | 8,000.— | 6,750.— | 4,468.60 |
| (b) Printing, publications and miscellaneous | 3,000.— | 4,250.— | 4,246.20 |

6. *Anthrax Commission:*

| | | | |
|---|---|---|---|
| (a) Travelling expenses and allowances of members | — | — | — |
| (b) Travelling expenses and allowances of staff | — | — | — |
| (c) Printing, publications and miscellaneous | — | — | — |

| | | | |
|---------------------------|----------|----------|-----------|
| Carried forward | 60,000.— | 60,000.— | 36,605.25 |
|---------------------------|----------|----------|-----------|

SCHEDULE I (continued)

To Chapter II, Item 13.

COMMISSIONS.

| | Original Appropriation Swiss Francs | Appropriation as amended by Transfers Swiss Francs | Actual Expenditure Swiss Francs |
|---|---|---|---------------------------------------|
| <i>Brought forward</i> | 60,000.— | 60,000.— | 36,605.25 |
| 7. <i>Emigration Commission:</i> | | | |
| (a) Travelling expenses and allowances of members | — | — | — |
| (b) Travelling expenses and allowances of staff | — | — | — |
| (c) Printing, publications and miscel- laneous | — | — | — |
| 8. <i>Joint Commission on Economic Crises.</i> . . . | 5,000.— | 5,000.— | 2,273.— |
| 9. <i>Other Commissions or Meetings of Experts</i> . . | 15,000.— | 15,000.— | 10,718.20 |
| 10. <i>Printing of Publications and Miscellaneous Documents for all Commissions</i> | — | — | — |
| Total | 80,000.— | 80,000.— | 49,596.45 |

SCHEDULE J

To Chapter II, Item 14.

CORRESPONDENTS AND COLLECTION OF INFORMATION.

| | | | |
|--|------------------|------------------|-------------------|
| (a) Paris Office | 60,000.— | 49,340.— | 44,532.25 |
| (b) London Office | 95,000.— | 99,720.— | 99,660.38 |
| (c) Washington Office | 105,000.— | 105,000.— | 95,679.20 |
| (d) Rome Office | 27,500.— | 27,500.— | 25,227.85 |
| (e) Berlin Office | 50,000.— | 55,940.— | 55,930.13 |
| (f) Tokio Office | 75,000.— | 75,000.— | 64,722.90 |
| (g) Correspondents and collection of outside in- formation (normal and exceptional) . . . | 110,000.— | 110,000.— | 109,609.78 |
| (h) Provision to meet fluctuations in exchange . | 15,000.— | 15,000.— | — |
| Total | 537,500.— | 537,500.— | 495,362.49 |

INTERNATIONAL LABOUR OFFICE

TRANSFER OF CREDITS FROM ITEM TO ITEM EFFECTED BY THE GOVERNING BODY OF THE INTERNATIONAL LABOUR OFFICE.

Twenty-eighth Session, Geneva, June 1925.

| | Swiss Francs | | Swiss Francs |
|----------------------------------|--------------|---|--------------|
| <i>From Chapter II, Item 15.</i> | | <i>To Chapter II, Item 4 (c).</i> | |
| Unforeseen expenditure . . . | 15,000.— | Travelling expenses and subsistence allowances occasioned in connection with General Services | 15,000.— |

Twenty-ninth Session, Geneva, October 1925.

| | | | |
|---|----------|---|----------|
| <i>From Chapter I, Item 2 (b).</i> | | <i>To Chapter I, Item 1 (d).</i> | |
| Printing of documents for the Governing Body . . | 20,000.— | Special printing (reports for the Conference, Director's report, final and provisional records and miscellaneous) | 20,000.— |
| <i>From Chapter II, Item 15.</i> | | <i>To Chapter II, Item 9 (h).</i> | |
| Unforeseen expenditure . . | 5,700.— | Transportation: Motor-bus service | 5,700.— |
| <i>From Chapter II, Item 15.</i> | | <i>To Chapter II, Item 12.</i> | |
| Unforeseen expenditure . . | 15,000.— | Enquiries and investigations | 15,000.— |
| <i>From Chapter IV, Item 17</i> | | <i>To Chapter IV, Item 19.</i> | |
| Furniture, fittings, and additional equipment | 3,000.— | Library: Books, periodicals, cards | 3,000.— |

Thirtieth Session, Geneva, January 1926.

| | | | |
|----------------------------------|----------|-----------------------------------|----------|
| <i>From Chapter II, Item 15.</i> | | <i>To Chapter II, Item 6 (a).</i> | |
| Unforeseen expenditure . . | 15,000.— | Rent: Main building . . . | 15,000.— |

INTERNATIONAL LABOUR OFFICE

TRANSFER OF CREDITS FROM PARAGRAPH TO PARAGRAPH WITHIN THE SAME BUDGET ITEM
AUTHORISED BY THE DIRECTOR IN THE 1925 BUDGET.

Chapter I, Item 1: Sessions of the Conference.

| | Swiss Francs | | Swiss Francs |
|--|----------------|---|----------------|
| <i>From § d:</i> | | <i>To § a:</i> | |
| Special printing for the Conference | 12,985.— | Salaries of additional temporary staff | 8,895.— |
| | | <i>§ b:</i> | |
| | | Travelling expenses and subsistence allowances of temporary staff brought to Geneva | 4,090.— |
| <i>From § e:</i> | | <i>To § c:</i> | |
| Hire of office equipment and furniture | 1,800.— | Conference hall, rent, heat, light, etc. | 1,500.— |
| | | <i>§ f:</i> | |
| | | Automobile and cyclist service | 300.— |
| | <hr/> 14,785.— | | <hr/> 14,785.— |

Chapter I, Item 2: Sessions of the Governing Body.

| | | | |
|---|-------|--|-------|
| <i>From § a:</i> | | <i>To § b:</i> | |
| Travelling expenses and allowances of Members of the Governing Body | 700.— | Printing of documents for the Governing Body | 700.— |

Chapter II, Item 3: Salaries, Wages and Allowances.

| | | | |
|----------------------------------|---------|--------------------|---------|
| <i>From § A (b):</i> | | <i>To § A (g):</i> | |
| Administrative Section | 3,000.— | Overtime | 3,000.— |

Chapter II, Item 4: Travelling Expenses of Officials.

| | | | |
|---|---------------|---|---------------|
| <i>From § a:</i> | | <i>To § b:</i> | |
| Removal expenses to and from Geneva | 2,000.— | Travelling expenses and allowances of officials proceeding to Geneva to take up their posts | 2,000.— |
| <i>From § d:</i> | | <i>To § a:</i> | |
| Travelling expenses of officials on leave | 1,440.— | Removal expenses to and from Geneva | 140.— |
| | | <i>§ b:</i> | |
| | | Travelling expenses and allowances of officials proceeding to Geneva to take up their posts | 1,300.— |
| | <hr/> 3,440.— | | <hr/> 3,440.— |

Chapter II, Item 6: Property Account: Maintenance of Geneva Office.

| | | | |
|--|---------------|---|---------------|
| <i>From § i:</i> | | <i>To § a:</i> | |
| Upkeep of office furniture and equipment | 2,734.— | Rent (main building) | 600.— |
| | | <i>§ b:</i> | |
| | | Rent (annexes) | 1,834.— |
| | | <i>§ c:</i> | |
| | | Water rate | 300.— |
| <i>From § g:</i> | | <i>To § h:</i> | |
| Insurance (fire, water, loss of effects, civil responsibility) | 140.— | Insurance (domestic staff and chauffeurs) | 140.— |
| | <hr/> 2,874.— | | <hr/> 2,874.— |

Chapter II, Item 7: Printing.

| | Swiss Francs | | Swiss Francs |
|---|-----------------|--------------------------------|-----------------|
| <i>From</i> § a: | | <i>To</i> § d: | |
| Industrial and Labour Information | 4,170.— | Legislative Series | 38,300.— |
| § b: | | | |
| Official Bulletin | 22,030.— | | |
| § g: | | | |
| General printing | 12,100.— | | |
| § b: | | §§ e, f: | |
| Official Bulletin | 6,750.— | Studies and Reports | 43,450.— |
| § c: | | Special publications | |
| International Labour Review | 36,700.— | | |
| | <u>81,750.—</u> | | <u>81,750.—</u> |

Chapter II, Item 8: General Office Expenses.

| | | | |
|--------------------------------|----------------|--------------------------------|----------------|
| <i>From</i> § d: | | <i>To</i> § c: | |
| Telephones | 2,000.— | Telegrams and cables | 2,000.— |
| § f (a): | | § b: | |
| Freight and carriage | 4,850.— | Postage and courier | |
| | | Geneva-Paris | 2,270.— |
| | | § c: | |
| | | Telegrams and cables | 1,810.— |
| | | § d: | |
| | | Telephones | 770.— |
| | <u>6,850.—</u> | | <u>6,850.—</u> |

Chapter II, Item 9: Special Staff Charges.

| | | | |
|---|----------------|--|----------------|
| <i>From</i> § b: | | <i>To</i> § d: | |
| Contribution to Sickness Insurance Fund | 400.— | Nurse | 260.— |
| § h: | | § f: | |
| Transportation: Motor-bus service | 1,150.— | Welfare | 140.— |
| | | § k: | |
| | | Cantonal and communal subscriptions and other miscellaneous expenses | 1,150.— |
| | <u>1,550.—</u> | | <u>1,550.—</u> |

Chapter II, Item 13: Commissions.

| | | | |
|---|----------------|--|----------------|
| <i>From</i> § 2 (b): | | <i>To</i> § 1 (b): | |
| Agricultural Commission printing | 350.— | Joint Maritime Commission printing | 350.— |
| § 5 (a): | | § 5 (b): | |
| Meeting of Experts on Industrial Hygiene, travelling expenses | 1,250.— | Meeting of Experts on Industrial Hygiene, printing | 1,250.— |
| | <u>1,600.—</u> | | <u>1,600.—</u> |

Chapter II, Item 14: Correspondents and Collection of Information.

| | | | |
|------------------------|-----------------|-------------------------|-----------------|
| <i>From</i> § a: | | <i>To</i> § b: | |
| Paris Office | 10,660.— | London Office | 4,720.— |
| | | § e: | |
| | | Berlin Office | 5,940.— |
| | <u>10,660.—</u> | | <u>10,660.—</u> |

Chapter II a: Extraordinary and Temporary Expenditure.

| | | | |
|--|-----------|---|-----------|
| <i>From</i> : Enquiry into possibility of settling Armenian refugees | 14,035.20 | <i>To</i> : Work on behalf of Russian and Armenian refugees | 14,035.20 |
|--|-----------|---|-----------|

INTERNATIONAL LABOUR OFFICE.

SEVENTH FINANCIAL PERIOD, JANUARY 1ST TO DECEMBER 31ST, 1925.

Balance Sheet, December 31st, 1925.

LIABILITIES

Suspense Accounts as per Contra:

| | Swiss francs | Swiss-francs |
|--|--------------|--------------|
| New Building Account | 1,228,019.40 | |
| New Building Grounds Account | 12,826.80 | |
| Russian and Armenian Refugees Account | 36,209.22 | |
| German contribution for year 1922 | 277,501.20 | |
| German contribution for year 1924 | 261,377.85 | |
| Legacy from Mrs. Mather, deceased | 1,440.— | |
| Grant from British Legion towards cost of album on prosthesis | 3,086.25 | |
| Grant from "Union fédérale des associations françaises des blessés" towards cost of study on "The rates of war pensions in connection with the cost of living" | 1,325.— | |
| Balance of grant from National Board of Economic Research for enquiry into the history of migration statistics | 6,322.50 | 1,828,108.22 |

Contribution in respect of 1926 Budget:

| | |
|---|------------|
| German contribution for 1925 carried forward as appropriation-in-aid of 1926 Budget | 273,782.20 |
|---|------------|

| | |
|----------------------------------|--------------|
| <i>Carried forward</i> | 2,101,890.42 |
|----------------------------------|--------------|

INTERNATIONAL LABOUR OFFICE.

SEVENTH FINANCIAL PERIOD, JANUARY 1ST TO DECEMBER 31ST, 1925.

Balance Sheet, December 31st, 1925.

| ASSETS | | | |
|--|----------------------------|--|--------------|
| <i>Buildings:</i> | | | |
| | Swiss francs | | Swiss francs |
| New Building at Geneva | 2,014,609.60 | | |
| Temporary buildings | nil | | |
| Rome Office premises | 19,626.— | | |
| | <hr/> | | 2,034,235.60 |
| <i>Furniture, Machines and Library:</i> | | | |
| Furniture and fittings at Head Office and branches . . | 251,873.— | | |
| Typewriters, duplicating and other machines at Head Office and branches | 51,816.— | | |
| Library: Books at Head Office and branches | 68,344.— | | |
| | <hr/> | | 372,033.— |
| <i>Contributions due from Nations, Third Financial Period (1921):</i> | | | |
| | Gold francs | | |
| Peru (\$ = 5.17 Swiss francs) | 68,725.38 | | |
| | <hr/> | | 68,558.43 |
| <i>Contributions due from Nations, Fourth Financial Period (1922):</i> | | | |
| China | 53,531.38 | | |
| Peru | 59,453.61 | | |
| | <hr/> | | |
| (\$ = 5.17 Swiss francs) | 112,984.99 | | 112,710.29 |
| <i>Contributions due from Nations, Fifth Financial Period (1923):</i> | | | |
| Bolivia | 31,941.33 | | |
| China | 564,650.44 | | |
| Honduras | 8,686.93 | | |
| Nicaragua | 8,686.93 | | |
| Peru | 86,869.30 | | |
| | <hr/> | | |
| (\$ = 5.17 Swiss francs) | 700,834.93 | | 699,131.08 |
| <i>Contributions due from Nations, Sixth Financial Period (1924):</i> | | | |
| Bolivia | 37,558.16 | | |
| China | 488,256.09 | | |
| Honduras | 7,511.63 | | |
| Nicaragua | 7,511.63 | | |
| Paraguay | 7,511.63 | | |
| Peru | 75,116.32 | | |
| | <hr/> | | |
| (\$ = 5.17 Swiss francs) | 623,465.46 | | 621,949.59 |
| <i>Contributions due from Nations, Seventh Financial Period (1925):</i> | | | |
| Albania | 2,351.43 | | |
| Argentine Republic | 274,781.63 | | |
| Bolivia | 39,254.52 | | |
| China | 392,545.19 | | |
| Colombia | 51,938.95 | | |
| France | 119,015.45 | | |
| Guatemala | 1,962.71 | | |
| Honduras | 7,850.90 | | |
| Lithuania | 22,034.72 | | |
| Nicaragua | 7,850.90 | | |
| Panama | 7,850.90 | | |
| Peru | 78,509.04 | | |
| Poland | 151,381.80 | | |
| | <hr/> | | |
| (\$ = 5.17 Swiss francs) | 1,157,328.14 | | 1,154,513.73 |
| | | | <hr/> |
| | <i>Carried forward . .</i> | | 5,063,131.72 |

INTERNATIONAL LABOUR OFFICE

SEVENTH FINANCIAL PERIOD, JANUARY 1ST TO DECEMBER 31ST, 1925.

Balance Sheet, December 31st, 1925 (continued).

LIABILITIES (*continued*).

| | |
|--|--------------|
| | Swiss francs |
| <i>Brought forward</i> . . . | 2,101,890.42 |
| Balance being excess of Assets over Liabilities. | 5,601,411.69 |

7,703,302.11

INTERNATIONAL LABOUR OFFICE

SEVENTH FINANCIAL PERIOD, JANUARY 1ST TO DECEMBER 31ST, 1925.

Balance Sheet, December 31st, 1925 (continued).

| ASSETS (continued). | | Gold Francs | Swiss Francs |
|--|--------------------------|--------------|--------------|
| <i>Brought forward</i> | | | 5,063,131.72 |
| <i>Contributions due from Nations: Arrears Account:</i> | | | |
| Guatemala | | 4,125.90 | |
| Honduras | | 14,850.98 | |
| Liberia | | 30,078.39 | |
| Nicaragua | | 14,850.98 | |
| Paraguay | | 5,501.20 | |
| Salvador | | 10,333.25 | |
| | (\$ = 5.17 Swiss francs) | 79,740.70 | 79,546.82 |
| <i>Stocks:</i> | | | |
| | | Swiss Francs | |
| Printing paper | | 20,318.40 | |
| Stationery | | 30,075.15 | |
| | | 50,393.55 | |
| <i>Cash in Hand at Banks and with Correspondents:</i> | | | |
| A. Cash surplus of Seventh Financial Period refundable to Secretary-General of the League of Nations | | | 408,339.60 |
| <i>B. Contribution in respect of 1926 Budget:</i> | | | |
| German contribution for 1925 carried forward as appropriation in aid to 1926 Budget | | | 273,782.20 |
| <i>C. Cash on Suspense Accounts as per Contra:</i> | | | |
| New Building account | | 1,228,019.40 | |
| New Building Grounds account | | 12,826.80 | |
| Russian and Armenian Refugees account | | 36,209.22 | |
| German contribution for year 1922 | | 277,501.20 | |
| German contribution for year 1924 | | 261,377.85 | |
| Legacy from Mrs. Mather, deceased | | 1,440.— | |
| Grant from British Legion towards cost of album on prosthesis | | 3,086.25 | |
| Grant from "Union fédérale des associations françaises des blessés" towards cost of study on "The rates of war pensions in connection with the cost of living" | | 1,325.— | |
| Balance of grant from National Board of Economic Research for enquiry into the history of migration statistics | | 6,322.50 | |
| | | 1,828,108.22 | 1,828,108.22 |
| | | | 7,703,302.11 |

Geneva, March 24th, 1926.

(Signed) F. M. COLLINS,
Chief Accountant.

INTERNATIONAL LABOUR OFFICE.

SEVENTH FINANCIAL PERIOD. — JANUARY 1st TO DECEMBER 31st, 1925.

CONTRIBUTIONS TABLE.

| Country | Contributions due January 1st, 1925 | | | Contributions paid between January 1st and December 31st, 1925 | | | Contributions still due on December 31st, 1925 | | |
|------------------------------|-------------------------------------|----------------------------|--------------------------------|--|----------------------------------|-------------|--|------------------------|--------------|
| | Arrears due on January 1st, 1925 | Contributions due for 1925 | Total due on January 1st, 1925 | Arrears | Contributions on account of 1925 | Total Paid | Arrears | 1925 Contributions due | Total |
| | Gold Francs | Gold Francs | Gold francs | Gold Francs | Gold Francs | Gold Francs | Gold Francs | Gold Francs | Gold Francs |
| Abyssinia | — | 15,701.81 | 15,701.81 | — | 15,701.80 | 15,701.80 | — | — | — |
| Albania | — | 7,850.90 | 7,850.90 | — | 5,499.47 | 5,499.47 | — | 2,351.43 | 2,351.43 |
| Argentine Republic | — | 274,781.63 | 274,781.63 | — | — | — | — | 274,781.63 | 274,781.63 |
| Australia | — | 204,123.50 | 204,123.50 | — | 204,123.50 | 204,123.50 | — | — | — |
| Austria | 533.02 | 7,850.90 | 8,383.92 | 533.03 | 7,850.93 | 8,383.96 | — | — | — |
| Belgium | — | 117,763.56 | 117,763.56 | — | 117,763.57 | 117,763.57 | — | — | — |
| Bolivia | 116,664.92 | 39,254.52 | 155,919.44 | 47,165.43 | — | 47,165.43 | 69,499.49 | 39,254.52 | 108,754.01 |
| Brazil | — | 259,079.82 | 259,079.82 | — | 259,079.83 | 259,079.83 | — | — | — |
| Bulgaria | — | 54,956.33 | 54,956.33 | — | 54,956.33 | 54,956.33 | — | — | — |
| Canada | — | 274,781.63 | 274,781.63 | — | 274,781.63 | 274,781.63 | — | — | — |
| Chile | — | 117,763.56 | 117,763.56 | — | 117,763.57 | 117,763.57 | — | — | — |
| China | 1,106,437.91 | 392,545.19 | 1,498,983.10 | — | — | — | 1,106,437.91 | 392,545.19 | 1,498,983.10 |
| Colombia | 52,581.43 | 54,956.33 | 107,537.76 | 52,581.42 | 3,017.38 | 55,598.80 | — | 51,938.95 | 51,938.95 |
| Costa Rica | — | 7,850.90 | 7,850.90 | — | 7,850.91 | 7,850.91 | — | — | — |
| Cuba | — | 70,658.13 | 70,658.13 | — | 70,658.13 | 70,658.13 | — | — | — |
| Czechoslovakia | — | 259,079.82 | 259,079.82 | — | 259,079.82 | 259,079.82 | — | — | — |
| Denmark | — | 94,210.85 | 94,210.85 | — | 94,210.84 | 94,210.84 | — | — | — |
| Dominican Republic | — | 7,850.90 | 7,850.90 | — | 7,850.90 | 7,850.90 | — | — | — |
| Estonia | — | 23,552.71 | 23,552.71 | — | 23,552.71 | 23,552.71 | — | — | — |
| Finland | — | 78,509.04 | 78,509.04 | — | 78,509.04 | 78,509.04 | — | — | — |
| France | 283,517.97 | 612,370.49 | 895,888.46 | 283,517.97 | 493,355.04 | 776,873.01 | — | 119,015.45 | 119,015.45 |
| Great Britain | — | 690,879.53 | 690,879.53 | — | 690,879.55 | 690,879.55 | — | — | — |
| Greece | — | 62,807.23 | 62,807.23 | — | 62,807.23 | 62,807.23 | — | — | — |
| Guatemala | 7,379.09 | 7,850.90 | 15,229.99 | 3,253.20 | 5,888.19 | 9,141.39 | 4,125.89 | 1,962.71 | 6,088.60 |
| Haiti | 332.77 | 7,850.90 | 8,183.67 | 332.78 | 7,850.90 | 8,183.68 | — | — | — |
| Honduras | 31,049.54 | 7,850.90 | 38,900.44 | — | — | — | 31,049.54 | 7,850.90 | 38,900.44 |

| | | | | | | | | | |
|--|--------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Hungary | — | 23,552.71 | 23,552.71 | — | 23,552.72 | 23,552.72 | — | — | — |
| India | — | 471,054.22 | 471,054.22 | — | 471,054.23 | 471,054.23 | — | — | — |
| Irish Free State | — | 78,509.04 | 78,509.04 | — | 78,509.05 | 78,509.05 | — | — | — |
| Italy | — | 478,905.13 | 478,905.13 | — | 478,905.14 | 478,905.14 | — | — | — |
| Japan | — | 478,905.13 | 478,905.13 | — | 478,905.14 | 478,905.14 | — | — | — |
| Latvia | — | 23,552.71 | 23,552.71 | — | 23,552.72 | 23,552.72 | — | — | — |
| Liberia | 33,420.44 | 7,850.90 | 41,271.34 | 3,342.05 | 7,850.91 | 11,192.96 | 30,078.39 | — | 30,078.39 |
| Lithuania | 6,621.93 | 31,403.62 | 38,025.55 | 6,621.94 | 9,368.90 | 15,990.84 | — | 22,034.72 | 22,034.72 |
| Luxemburg | — | 7,850.90 | 7,850.90 | — | 7,850.91 | 7,850.91 | — | — | — |
| Netherlands | — | 157,018.08 | 157,018.08 | — | 157,018.08 | 157,018.08 | — | — | — |
| New Zealand | — | 78,509.04 | 78,509.04 | — | 78,509.04 | 78,509.04 | — | — | — |
| Nicaragua | 31,049.54 | 7,850.90 | 38,900.44 | — | — | — | 31,049.54 | 7,850.90 | 38,900.44 |
| Norway | — | 78,509.04 | 78,509.04 | — | 78,509.04 | 78,509.04 | — | — | — |
| Panama | — | 7,850.90 | 7,850.90 | — | — | — | — | 7,850.90 | 7,850.90 |
| Paraguay | 14,388.12 | 7,850.90 | 22,239.02 | 1,375.29 | 7,850.91 | 9,226.20 | 13,012.83 | — | 13,012.83 |
| Persia | — | 39,254.52 | 39,254.52 | — | 39,254.52 | 39,254.52 | — | — | — |
| Peru | 290,164.61 | 78,509.04 | 368,673.65 | — | — | — | 290,164.61 | 78,509.04 | 368,673.65 |
| Poland | 157,807.18 | 196,272.59 | 354,079.77 | 157,807.22 | 44,890.79 | 202,698.01 | — | 151,381.80 | 151,381.80 |
| Portugal | — | 54,956.33 | 54,956.33 | — | 54,956.32 | 54,956.32 | — | — | — |
| Roumania | 206,500.31 | 211,974.40 | 418,474.71 | 206,500.30 | 211,974.41 | 418,474.71 | — | — | — |
| Salvador | 11,809.43 | 7,850.90 | 19,660.33 | 1,476.18 | 7,850.91 | 9,327.09 | 10,333.25 | — | 10,333.25 |
| Kingdom of the Serbs, Croats and Slovenes | 48,119.24 | 196,272.59 | 244,391.83 | 48,119.25 | 196,272.60 | 244,391.85 | — | — | — |
| Siam | — | 78,509.04 | 78,509.04 | — | 78,509.04 | 78,509.04 | — | — | — |
| South Africa | 149,772.14 | 117,763.56 | 267,535.70 | 149,772.15 | 117,763.56 | 267,535.71 | — | — | — |
| Spain | — | 314,036.15 | 314,036.15 | — | 314,036.17 | 314,036.17 | — | — | — |
| Sweden | — | 141,316.27 | 141,316.27 | — | 141,316.27 | 141,316.27 | — | — | — |
| Switzerland | — | 117,763.56 | 117,763.56 | — | 117,763.55 | 117,763.55 | — | — | — |
| Uruguay | — | 54,956.33 | 54,956.33 | — | 54,956.33 | 54,956.33 | — | — | — |
| Venezuela | — | 39,254.52 | 39,254.52 | — | 39,254.51 | 39,254.51 | — | — | — |
| Total (Members of the League of Nations) | 2,548,149.59 | 7,340,595.— | 9,888,744.59 | 962,398.21 | 6,183,267.04 | 7,145,665.25 | 1,585,751.45 | 1,157,328.14 | 2,743,079.59 |
| Germany | 836,212.11 | 274,781.63 | 1,110,993.74 | 836,212.11 | 274,781.63 | 1,110,993.74 | — | — | — |
| Grand Total | 3,384,361.70 | 7,615,376.63 | 10,999,738.33 | 1,798,610.32 | 6,458,048.67 | 8,256,658.99 | 1,585,751.45 | 1,157,328.14 | 2,743,079.59 |

Part III.

PERMANENT COURT OF INTERNATIONAL JUSTICE.
BUDGET ACCOUNT FOR THE SEVENTH FINANCIAL PERIOD
January 1st to December 31st, 1925.

I. ACCOUNTS.

A. Summary of Chapters.

| | Original Credits. | Credits and Transfers. Dutch Florins. | Expenditure. |
|---|-------------------|---------------------------------------|-------------------|
| SECTION I. — ORDINARY EXPENDITURE. | | | |
| <i>Chapter.</i> | | | |
| I. Sessions of the Court | 498,600.— | 498,600.— | 438,750.17 |
| II. General Services of the Court | 420,446.76 | 420,446.76 | 407,955.46 |
| III. Cost of administration of the Court's Funds | 2,150.— | 2,150.— | 1,874.74 |
| IV. Contribution towards the constitution of a Fund to defray the expenses resulting from the Pensions Regulations for the personnel of the Court | 10,000.— | 10,000.— | 10,000.— |
| SECTION 2. | | | |
| V. Capital Account | 1,500.— | 1,500.— | 1,320.71 |
| | <u>932,696.76</u> | <u>932,696.76</u> | <u>859,901.08</u> |
| <i>Receipts to be deducted:</i> | | | |
| Bank interest | 1,500.— | 1,500.— | 9,653.78 |
| Profit on exchange | — | — | 2,296.82 |
| | <u>931,196.76</u> | <u>931,196.76</u> | <u>847,950.48</u> |
| <i>Sums recoverable:</i> | | | |
| Subscriptions from non-members Fl. 7,600.— | | | |
| Assessors » 7,800.— | 15,400.— | 15,400.— | — |
| | <u>915,796.76</u> | <u>915,796.76</u> | <u>847,950.48</u> |

B. Summary of Articles.

SECTION I. — ORDINARY EXPENDITURE.

Chapter I.

| | | | |
|--|-----------|-----------|------------|
| I. Sessions of the Court (see Table A) | 498,600.— | 498,600.— | 438,750.17 |
|--|-----------|-----------|------------|

Chapter II.

General Services of the Court.

| | | | |
|--|-------------------|-------------------|-------------------|
| 2. Annual salaries: | | | |
| (a) Annual salaries (see Table B) | 319,044.88 | 319,044.88 | 318,377.57 |
| (b) Contribution to the Pension Fund | 4,201.88 | 4,201.88 | 4,153.66 |
| (c) Indemnities provided for in the Staff Regulations | 400.— | 400.— | 37.85 |
| (d) Contribution towards sickness insurance | 400.— | 400.— | 63.41 |
| 3. Travelling expenses of Registrar and officials of the Registry: | | | |
| (a) Travelling expenses and subsistence allowance of the Registrar and officials of the Registry (on duty) (see Table C) | 2,400.— | 3,400.— | 2,518.50 |
| (b) Travelling expenses of Registrar and officials of the Registry on leave to native country | 1,000.— | 1,000.— | 866.70 |
| (c) Removal expenses | 2,000.— | 2,000.— | 639.27 |
| 4. Contribution to the Carnegie Foundation: | | | |
| (a) Repayment of the expenditure contemplated in Article I of the contract | 21,000.— | 21,000.— | 21,000.— |
| (b) Supplementary credit contemplated by Article VI of the contract | 19,000.— | 19,000.— | 19,000.— |
| 5. Administrative expenses (see Table D) | 18,000.— | 17,000.— | 13,268.60 |
| 6. Printing | 30,000.— | 30,000.— | 26,539.77 |
| 7. Unpaid Liabilities Fund | 3,000.— | 3,000.— | 1,490.13 |
| | <u>420,446.76</u> | <u>420,446.76</u> | <u>407,955.46</u> |

| | Original Credits. | Credits and Transfers. Dutch Florins. | Expenditure. |
|--|----------------------|--|--------------|
| <i>Chapter III.</i> | | | |
| Cost of administration of the Court's Funds: | | | |
| 8. (a) Loss on exchange (Working Capital Fund) | 2,000.— | 2,000.— | 1,834.54 |
| 9. (b) Bank charges | 150.— | 150.— | 40.20 |
| | <hr/> | <hr/> | <hr/> |
| | 2,150.— | 2,150.— | 1,874.74 |
| <i>To be deducted:</i> | | | |
| Profit on exchange | — | — | 2,296.82 |
| | <hr/> | <hr/> | <hr/> |
| Net profit on exchange | — | — | 422.08 |
| <i>Chapter IV.</i> | | | |
| Contribution towards the constitution of a Fund to defray the expenses resulting from the Pensions Regulations for the personnel of the Court | 10,000.— | 10,000.— | 10,000.— |

SECTION 2.

Capital Account.

| | | | |
|--|---------|---------|----------|
| <i>Chapter V.</i> | | | |
| Permanent installations, etc. | | | |
| 10. Furniture and installation of additional fittings | 1,000.— | 1,300.— | 1,238.87 |
| 11. Library | 500.— | 200.— | 81.84 |
| | <hr/> | <hr/> | <hr/> |
| | 1,500.— | 1,500.— | 1,320.71 |

(Signed) D. J. BRUINSMA,
Accountant-Establishment Officer.

(Signed) A. HAMMARSKJÖLD,
Registrar of the Court.

TABLE A, CHAPTER I, ARTICLE I.

Sessions of the Court.

| | Original Credits. | Credits and Transfers. Dutch Florins. | Expenditure |
|---|-------------------|---------------------------------------|-------------------|
| 1. Duty and subsistence allowances of Judges (see annexed Table No. 1) | 390,000.— | 390,000.— | 381,050.— |
| 2. Salaries of temporary staff and overtime pay (permanent and temporary staff) (see annexed Table No. 2) | 54,200.— | 54,200.— | 26,493.63 |
| 3. Travelling expenses of Judges and temporary staff (see annexed Table No. 3) | 53,600.— | 53,600.— | 31,008.84 |
| 4. Taxis to convey female staff to their homes after nightwork | 600.— | 600.— | 132.25 |
| 5. Welfare of staff | 200.— | 200.— | 65.45 |
| | <u>498,600.—</u> | <u>498,600.—</u> | <u>438,750.17</u> |

ANNEXED TABLE NO. 1 TO TABLE A.

Duty and Subsistence Allowances of Judges.

| | | | |
|---|------------------|------------------|------------------|
| Vice-President (duty allowance) | 30,000.— | 29,550.— | 29,550.— |
| Judges (duty allowance) | 140,000.— | 142,100.— | 142,100.— |
| Judges (subsistence allowance) | 80,000.— | 68,450.— | 68,450.— |
| Deputy-Judges (duty allowance) | 60,000.— | 88,200.— | 88,200.— |
| Deputy-Judges (subsistence allowance) | 20,000.— | 25,550.— | 25,550.— |
| National Judges (duty allowance) | 30,000.— | 26,650.— | 20,700.— |
| National Judges (subsistence allowance) | 10,000.— | 8,500.— | 6,500.— |
| Assessor (subsistence allowance) | 20,000.— | 1,000.— | — |
| | <u>390,000.—</u> | <u>390,000.—</u> | <u>381,050.—</u> |

ANNEXED TABLE NO. 2 TO TABLE A.

Salaries of Temporary Staff and Overtime Pay (Permanent and Temporary Staff).

| | | | |
|---|-----------------|-----------------|------------------|
| Salaries of Temporary Staff | 52,200.— | 52,200.— | 25,450.63 |
| Overtime pay, Permanent Staff | 1,000.— | 1,200.— | 1,021.— |
| Overtime pay, Temporary Staff | 1,000.— | 800.— | 22.— |
| | <u>54,200.—</u> | <u>54,200.—</u> | <u>26,493.63</u> |

ANNEXED TABLE NO. 3 TO TABLE A.

Travelling Expenses of Judges and Temporary Staff.

| | | | |
|---------------------------|-----------------|-----------------|------------------|
| Judges | 24,000.— | 24,000.— | 20,858.37 |
| Deputy-Judges | 8,000.— | 8,000.— | 6,956.39 |
| National Judges | 6,400.— | 6,400.— | 900.04 |
| Assessors | 11,200.— | 11,200.— | — |
| Temporary Staff | 4,000.— | 4,000.— | 2,294.04 |
| | <u>53,600.—</u> | <u>53,600.—</u> | <u>31,008.84</u> |

TABLE B.

Annual Salaries.

| | | | |
|---------------------------------------|-------------------|-------------------|-------------------|
| President of the Court | 60,000.— | 60,000.— | 60,000.— |
| Judges | 150,000.— | 150,000.— | 150,000.— |
| Registrar | 25,007.39 | 25,007.39 | 25,007.39 |
| Permanent Staff of Registry | 84,037.49 | 84,037.49 | 83,370.18 |
| | <u>319,044.88</u> | <u>319,044.88</u> | <u>318,377.57</u> |

TABLE C.

Travelling Expenses and Subsistence Allowance of Registrar and Officials of the Registry (on duty).

| | Original Credits. | Credits and Transfers. Dutch Florins. | Expenditure. |
|--------------------------|-------------------|---------------------------------------|-----------------|
| Travelling expenses: | | | |
| Registrar | 450.— | 950.— | 646.70 |
| Permanent Staff. | 450.— | 950.— | 419.30 |
| Subsistence allowance: | | | |
| Registrar | 900.— | 900.— | 862.50 |
| Permanent Staff. | 600.— | 600.— | 590.— |
| | <u>2,400.—</u> | <u>3,400.—</u> | <u>2,518.50</u> |

TABLE D.

Administrative Expenses.

| | | | |
|--|-----------------|-----------------|------------------|
| Cost of distribution of documents | 1,500.— | 2,000.— | 923.36 |
| Supplies | 10,000.— | 8,500.— | 6,424.81 |
| Post, telephone, telegraph | 5,000.— | 5,000.— | 4,812.95 |
| Fire insurance | 90.— | 90.— | 37.70 |
| Gratuities at the New Year | 150.— | 150.— | 150.— |
| Financial control and salaries adjustment. | 1,260.— | 1,260.— | 919.78 |
| | <u>18,000.—</u> | <u>17,000.—</u> | <u>13,268.60</u> |

II. TRANSFERS.

(a) *Transfers in the Budget approved by the Court.*

Extract from the Minutes of fifteenth meeting of the Court's Eighth Session (ordinary).

"43. — *Transfers in the Budget.*

"The Registrar submitted for the approval of the Court the transfers indicated in document Distr. No. 736. These transfers were approved."

Document Distr. No. 736, which is referred to above, is as follows:

"(a) The Court's Budget for 1925 contains an item 3a: 'Travelling expenses and subsistence allowance of Registrar and officials of the Registry (on duty)'.

"The details of this item are given in Table C of that Budget, which is as follows:

| Travelling expenses: | Dutch Florins. |
|--------------------------|-------------------|
| Registrar | 450.— |
| Permanent Staff. | 450.— |
| Subsistence allowance: | |
| Registrar | 900.— |
| Permanent Staff. | 600.— |
| | 2,400.— |

"At the end of the month of July, the balances remaining available for travelling expenses of the Registrar and permanent staff were fl. 6.41 and fl. 121.92 respectively. It seems therefore desirable to increase the amount of each of these two items by fl. 500.—; this would bring the total of Table C (item 3a of the Budget) to fl. 3,400.—.

"The sum of fl. 1,000.— required to effect this increase could be taken from Item No. 5: 'Administrative Expenses'.

"Table D of the Budget for 1925 gives the following details regarding this item:

| | Dutch Florins. |
|--|-------------------|
| Cost of distribution of documents | 1,500.— |
| Supplies | 10,000.— |
| Post, telegraph, telephone | 5,000.— |
| Entertainment expenses | — |
| Fire insurance | 90.— |
| Gratuities at New Year | 150.— |
| Financial control and salaries adjustment. | 1,260.— |
| | 18,000.— |

"The sum of fl. 1,000.— might be taken from the item 'Supplies', which would thus be reduced to fl. 9,000.—. The total of Table D (item No. 5) would consequently be reduced to fl. 17,000.—.

"(b) Furthermore, it appears desirable to make the following transfer in Section 2 (Capital Account):

"Fl. 300.— from item No. 11 'Library' (which would then be reduced to fl. 200.—) to item No. 10 'Furniture and installation of additional fittings' (which would be raised to fl. 1,300.—).

"The reason for this is that at the end of July only fl. 102.48 remained available for the purchase of furniture, etc., and this would not suffice for the purchases which it may be necessary to make before the end of the year."

(b) *Transfers within one and the same Article of the Budget approved by the Registrar.*

1. On May 15th, 1925:

ANNEXED TABLE No. 1 TO TABLE A.

Duty and Subsistence Allowances of Judges.

| | Original figure. | Added | Deducted. | New figure. |
|---|------------------|----------------|-----------|-------------|
| | | Dutch Florins. | | |
| Vice-President (duty allowance) | 30,000.— | | | 30,000.— |
| Judges (duty allowance) | 140,000.— | | | 140,000.— |
| Judges (subsistence allowance) | 80,000.— | | | 80,000.— |
| Deputy-Judges (duty allowance) | 60,000.— | 15,000.— | | 75,000.— |
| Deputy-Judges (subsistence allowance) | 20,000.— | | | 20,000.— |
| National Judges (duty allowance) | 30,000.— | | | 30,000.— |
| National Judges (subsistence allowance) | 10,000.— | | | 10,000.— |
| Assessors (subsistence allowance) | 20,000.— | | 15,000.— | 5,000.— |
| | 390,000.— | 15,000.— | 15,000.— | 390,000.— |

2. On August 14th, 1925: .

ANNEXED TABLE No. 1 TO TABLE A.

Duty and Subsistence Allowances of Judges.

| | Amount after any previous transfers. | Added. | Deducted. | New figure. |
|---|--------------------------------------|----------------|-----------|-------------|
| | | Dutch Florins. | | |
| Vice-President (duty allowance) | 30,000.— | | | 30,000.— |
| Judges (duty allowance) | 140,000.— | | | 140,000.— |
| Judges (subsistence allowance) | 80,000.— | | | 80,000.— |
| Deputy-Judges (duty allowance) | 75,000.— | | | 75,000.— |
| Deputy-Judges (subsistence allowance) | 20,000.— | 4,000.— | | 24,000.— |
| National Judges (duty allowance) | 30,000.— | | | 30,000.— |
| National Judges (subsistence allowance) | 10,000.— | | | 10,000.— |
| Assessors (subsistence allowance) | 5,000.— | | 4,000.— | 1,000.— |
| | 390,000.— | 4,000.— | 4,000.— | 390,000.— |

3. On October 31st, 1925:

(a) ANNEXED TABLE No. 1 TO TABLE A.

Duty and Subsistence Allowances of Judges.

| | | | | |
|---|-----------|----------|----------|-----------|
| Vice-President (duty allowance) | 30,000.— | | | 30,000.— |
| Judges (duty allowance) | 140,000.— | 2,000.— | | 142,000.— |
| Judges (subsistence allowance) | 80,000.— | | 12,000.— | 68,000.— |
| Deputy-Judges (duty allowance) | 75,000.— | 13,000.— | | 88,000.— |
| Deputy-Judges (subsistence allowance) | 24,000.— | 1,500.— | | 25,500.— |
| National Judges (duty allowance) | 30,000.— | | 3,000.— | 27,000.— |
| National Judges (subsistence allowance) | 10,000.— | | 1,500.— | 8,500.— |
| Assessors (subsistence allowance) | 1,000.— | | | 1,000.— |
| | 390,000.— | 16,500.— | 16,500.— | 390,000.— |

(b) ANNEXED TABLE No. 2 TO TABLE A.

Salaries of Temporary Staff and Overtime Pay (of Permanent and Temporary Staff).

| | Original figure. | Added | Deducted. | New figure. |
|---|------------------|----------------|-----------|-------------|
| | | Dutch Florins. | | |
| Salaries of Temporary Staff | 52,200.— | | | 52,200.— |
| Overtime pay, Permanent Staff | 1,000.— | 200.— | | 1,200.— |
| Overtime pay, Temporary Staff | 1,000.— | | 200.— | 800.— |
| | 54,200.— | 200.— | 200.— | 54,200.— |

(c) TABLE D.

Administrative Expenses.

| | Amount after any previous transfers. | Added. | Deducted. | New figure. |
|---|---|--------|-----------|-------------|
| Dutch Florins. | | | | |
| Cost of distribution of documents | 1,500.— | 500.— | | 2,000.— |
| Supplies | 9,000.— | | 500.— | 8,500.— |
| Post, telephone, telegraph | 5,000.— | | | 5,000.— |
| Fire insurance | 90.— | | | 90.— |
| Gratuities at the New Year | 150.— | | | 150.— |
| Financial control and salaries adjustment | 1,260.— | | | 1,260.— |
| | 17,000.— | 500.— | 500.— | 17,000.— |

4. On December 31st, 1925:

ANNEXED TABLE NO. I TO TABLE A.

Duty and Subsistence Allowances of Judges.

| | | | | |
|---|-----------|-------|-------|-----------|
| Vice-President (duty allowance) | 30,000.— | | 450.— | 29,550.— |
| Judges (duty allowance) | 142,000.— | 100.— | | 142,100.— |
| Judges (subsistence allowance) | 68,000.— | 450.— | | 68,450.— |
| Deputy-Judges (duty allowance) | 88,000.— | 200.— | | 88,200.— |
| Deputy-Judges (subsistence allowance) | 25,500.— | 50.— | | 25,550.— |
| National Judges (duty allowance) | 27,000.— | | 350.— | 26,650.— |
| National Judges (subsistence allowance) | 8,500.— | | | 8,500.— |
| Assessors (subsistence allowance) | 1,000.— | | | 1,000.— |
| | 390,000.— | 800.— | 800.— | 390,000.— |

PERMANENT COURT OF INTERNATIONAL JUSTICE.

BALANCE SHEET TO DECEMBER 31ST, 1925.

| | | ASSETS. | Dutch Florins | Dutch Florins |
|---|-------------|------------|---------------|---------------|
| <i>Furniture, typewriters; etc.:</i> | | | | |
| Balance from the preceding financial year | | | 56,404.24 | |
| Purchases during financial year 1925 | | | 1,238.62 | |
| | | | <hr/> | 57,642.86 |
| <i>Library:</i> | | | | |
| Balance from the preceding financial year | | | 1,862,14½ | |
| Purchases during financial year 1925 | | | 81,74 | |
| | | | <hr/> | 1,943.88½ |
| <i>Compounded arrears of contributions account:</i> | | | | |
| Liberia | Gold francs | 1,792.38 | | 892.28 |
| <i>Contributions to be received for fifth financial period:</i> | | | | |
| Bolivia | Gold francs | 7,322.73 | | |
| China | » » | 129,449.14 | | |
| Honduras | » » | 1,991.53 | | |
| Nicaragua | » » | 1,991.53 | | |
| Peru | » » | 19,915.25 | | |
| | | <hr/> | | |
| | Gold francs | 160,670.18 | | |
| Rectification to be added | » » | 0.11 | | |
| | | <hr/> | | |
| | Gold francs | 160,670.29 | | 79,711.04 |
| <i>Contributions to be received for sixth financial period:</i> | | | | |
| Bolivia | Gold francs | 10,255.25 | | |
| China | » » | 133,318.31 | | |
| Honduras | » » | 2,051.05 | | |
| Nicaragua | » » | 2,051.05 | | |
| Paraguay | » » | 2,051.05 | | |
| Peru | » » | 20,510.51 | | |
| | | <hr/> | | |
| | Gold francs | 170,237.22 | | |
| Rectification to be deducted | » » | 2.34 | | |
| | | <hr/> | | |
| | Gold francs | 170,234.88 | | 81,637.51 |
| <i>Contributions to be received for seventh financial period:</i> | | | | |
| Albania | Gold francs | 611.27 | | |
| Argentina | » » | 71,430.28 | | |
| Bolivia | » » | 10,204.33 | | |
| China | » » | 102,043.26 | | |
| Colombia | » » | 13,501.68 | | |
| France | » » | 30,938.48 | | |
| Guatemala | » » | 510.23 | | |
| Honduras | » » | 2,040.87 | | |
| Latvia | » » | 4,148.66 | | |
| Lithuania | » » | 1,579.36 | | |
| Nicaragua | » » | 2,040.87 | | |
| Panama | » » | 2,040.87 | | |
| Peru | » » | 20,408.65 | | |
| Poland | » » | 39,352.13 | | |
| | | <hr/> | | |
| | Gold francs | 300,850.94 | | |
| Rectification to be added | » » | 1.17 | | |
| | | <hr/> | | |
| | Gold francs | 300,852.11 | | 144,141.51 |
| <i>Cash in hand and at Bank</i> | | | | 25,085.25 |
| | | | | <hr/> |
| | | | | 391,054.33½ |

(Signed) D. J. BRUINSMA,
Accountant-Establishment Officer.

(Signed) Å. HAMMARSKJÖLD,
Registrar of the Court.

PERMANENT COURT OF INTERNATIONAL JUSTICE

BALANCE SHEET TO DECEMBER 31ST, 1925.

LIABILITIES.

Depreciation account:

| | Dutch Florins | Dutch Florins | Dutch Florins |
|--|------------------|---------------|-------------------|
| (a) Furniture, typewriters, etc., to December 31st, 1924 | 33,483.63 | | |
| plus depreciation to December 31st, 1925. | <u>11,498.67</u> | 44,982.30 | |
| (b) Library: | | | |
| To December 31st, 1924 | 1,074.16½ | | |
| plus depreciation to December 31st, 1925. | <u>388.77</u> | 1,462.93½ | |
| | | | 46,445.23½ |
| Surplus of assets over liabilities | | | <u>344,609.10</u> |

391,054.33½

B.

AUDIT OF THE LEAGUE OF NATIONS ACCOUNTS FOR THE SEVENTH FINANCIAL PERIOD.

(January 1st — December 31st, 1925.)

REPORT BY M. A. CERESA (Auditor).

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LETTER FROM THE AUDITOR TO THE SECRETARY-GENERAL.

Geneva, April 19th, 1926.

In conformity with Article 44 of the Regulations for the Financial Administration of the League of Nations, I have the honour to transmit to you herewith my report on the audit of the accounts of the League for the financial year 1925.

(Signed) A. CERESA, Auditor.

Report by M. A. Ceresa.

INTRODUCTION.

Before analysing the accounts for the financial year 1925, I might perhaps allude to a general observation which was made on the occasion of last year's audit and which related to the absence of any general statement of the League's assets and liabilities at the end of each financial period¹.

This deficiency had already attracted the attention of the Financial Director, who had, indeed, with his usual penetration, made proposals to remedy it. These proposals, however, which were forwarded to me for preliminary examination, could not, as I thought, be put into effect until a number of legal points had been cleared up. For this and other reasons they were temporarily held over.

The need for such a statement is, however, becoming continually greater, particularly in view of the acquisition of large properties paid for out of funds derived from the contributions of the States Members of the League, and therefore indisputably belonging to the League itself. The point has also been brought into relief by the clause in the Financial Regulations now in force to the effect that a surplus of actual receipts over expenditure for the Secretariat and the autonomous organisations in any one year must be used in its entirety to effect a corresponding reduction of the contributions due from the States Members.

It therefore seems desirable to deal with the question at this juncture in order to obviate any confusion between fundamental legal relations which it is essential to keep perfectly clear and distinct.

This would not entail any amendment to the existing Financial Regulations.

Such a decision might also help to solve the long-outstanding question of the adoption of a single currency in the accounts of the three League organisations in order to prevent the same item being shown in gold francs in the Secretariat accounts, in Swiss francs in the accounts of the Labour Office, and in Dutch florins in those of the Permanent Court, as is now sometimes the case.

As I have previously had occasion to point out, the problem is not a simple one, but, in view of the ability of the officials who have to deal with it, I am of the opinion that it can be solved without any undue temporary disturbance in the books and accounts of the various organisations.

I. GENERAL BUDGET OF THE LEAGUE.

The general budget for the financial year 1925 shows credits voted by the Fifth Assembly on September 29th, 1924, for the expenditure of the Secretariat, the International Labour Office and the Permanent Court of International Justice, amounting to 22,658,138 gold francs, as follows:

| | Gold francs |
|--------------------------------|-------------|
| Ordinary expenditure | 21,333,013 |
| Capital expenditure | 1,275,125 |
| Working Capital Fund | 50,000 |

The total contributions required from States Members were fixed at the same figure (22,658,138 gold francs).

INCOME.

Contributions in Respect of 1925.

Of the 22,658,138 gold francs voted as contributions for the financial year 1925, 19,085,825.28 gold francs, or 84 ¼ per cent of the estimate, were received during the year. This percentage was a slight improvement on that of the previous year (83.20 per cent).

The contributions in respect of 1925 remaining unpaid at December 31st last amounted to 3,572,312.72 gold francs.

¹ The Secretariat, the International Labour Office and the Permanent Court of International Justice present separate statements of their assets and liabilities. A General Statement of the League's assets and liabilities at the end of 1925 is being compiled by the Secretariat on the instructions of the Supervisory Commission (see Report on 18th of 19th Sessions, para. 8) and will be submitted for the approval of the Seventh Assembly.

Appropriations-in-Aid.

The following other receipts are shown in the general budget in addition to the contributions received for 1925¹:

| | Gold francs |
|---|-------------|
| Annual grants from the Rockefeller Foundation to the International Health Organisation | 730,520.95 |
| Contribution by the United States delegation to the expenses of the Opium Conference | 11,903.55 |
| Contribution by the United States delegation to the expenses of the Conference on the Control of the International Trade in Arms and Ammunition and Implements of War | 13,878.00 |
| Share of the contribution of the Italian Red Cross to the expenses of a Provisional Committee appointed to study the scheme for an International Federation for the Relief of Peoples overtaken by Disaster . . | 2,683.00 |
| | 758,985.50 |

Adding this amount to the sums received by way of contributions for the financial year 1925, we obtain for that period a total income of 19,844,810.78 gold francs actually received. This figure is less by 2,813,327.22 gold francs than the estimate for annual contributions alone.

EXPENDITURE.

As compared with the authorised total of 22,658,138 gold francs, the expenditure actually incurred in 1925 was 20,663,537.27 gold francs, or 1,994,600.73 below the estimate.

It should be noted that the expenditure in respect of the two autonomous organisations (the International Labour Office and the Permanent Court of International Justice) corresponds to the respective shares in the contributions for the year as due to them for that year according to the budget.²

| | Gold francs |
|--|---------------|
| Comparing with the income received | 19,844,810.78 |
| the expenditure incurred | 19,197,474.67 |
| | 647,336.11 |
| we obtain a surplus of | 647,336.11 |

On December 31st, 1925, however, 1,466,062.60 gold francs were still due by the Secretariat to the autonomous organisations and to the Working Capital Fund. To set off against this, there were, however, outstanding contributions for that financial year amounting to 3,572,312.75 gold francs. This gave a further surplus of 2,106,250.12 gold francs. Adding this figure to the 647,336.11 gold francs shown above, we obtain a total of 2,753,586.23, representing the complete surplus in respect of the financial year.

This is shown more clearly in the following table:

| | Gold francs |
|---|---------------|
| 1925 Contributions paid and outstanding | 22,658,138.00 |
| Appropriations in aid for 1925 | 758,985.50 |
| | 23,417,123.50 |
| Expenditure (paid and unpaid) | 20,663,537.27 |
| | 2,753,586.23 |
| Surplus | 2,753,586.23 |

II. SECRETARIAT ACCOUNTS.

BUDGET ACCOUNTS.

The Secretariat, as is well known, administers the income of the League. It receives from the States Members the contributions levied on them by the Assembly's vote and allocates these contributions, retaining its own share and paying to the International Labour Office and Permanent

¹ Other additional receipts derived from the sale of publications, interest earned, and other sources are deducted directly from certain items of expenditure. As I explained in previous reports, I am not in favour of this system of setting off receipts against expenditure. It would be better that both receipts and expenditure should be shown in the budget at their actual complete value.

² The actual expenditure of the two organisations is seen in their respective budgets, to which reference will be made below.

Court of International Justice the shares respectively due to them for their own expenditure. The Secretariat also administers the Working Capital Fund, to which it allots the proportions of the contributions paid for that purpose. It is, further, the duty of the Secretariat to employ the Fund in making advances as authorised by the Financial Regulations.

INCOME.

The income on the 1925 budget has already been mentioned in the section dealing with the general budget of the League.

At this point we must summarise the position in regard to arrears of contributions, which have a very important influence on the accounts of the Secretariat and the two autonomous organisations.

Contributions in Arrears.

A distinction must be drawn between contributions in arrears, which were dealt with in 1923 by the settlement referred to in my report on the accounts of that year, and other contributions in respect of which the League retains the right to exact full payment.

For the former class we have the following figures in gold francs:

| | December 31st, 1924 | December 31st, 1925 | Difference at December 31st, 1925 |
|---------------------|------------------------|------------------------|--------------------------------------|
| Guatemala | 20,494.40 | 15,370.77 | — 5,123.63 |
| Honduras | 55,326.58 | 55,326.58 | — |
| Liberia | 106,581.30 | 95,923.17 | — 10,658.13 |
| Nicaragua | 55,326.58 | 55,326.58 | — |
| Paraguay | 25,618.— | 20,494.40 | — 5,123.60 |
| Salvador | 48,680.— | 42,595.— | — 6,085.— |
| | <u>312,026.86</u> | <u>285,036.50</u> | <u>— 26,990.36</u> |

It will be seen that Honduras and Nicaragua made no payment during 1925 on account of their debt, as shown in the above table, while the other States paid 26,990.36 gold francs out of a total debt of 201,373.70.

The other arrears of contributions outstanding at December 31st, 1925, amounted to 8,458,200.50 gold francs. They were due as to 3,572,312.72 gold francs in respect of the last financial year (1925), and as to 4,885,887.78 gold francs in respect of previous years from 1920 onwards.

The division of the sum of 4,885,887.78 gold francs among the various financial periods in respect of which the contributions were due is shown in the following table, in which are also included, for purposes of comparison, the corresponding figures at the end of the previous financial year (1924):

| | December 31st, 1924 | December 31st, 1925 | Difference at December 31st, 1925 |
|--|------------------------|------------------------|--------------------------------------|
| | | Gold francs | |
| Second financial period (1920) | 29,947.47 | 29,947.47 | — |
| Third " " (1921) | 662,349.88 | 208,333.— | — 454,016.88 |
| Fourth " " (1922) | 505,746.— | 384,386.— | — 121,360.— |
| Fifth " " (1923) | 2,876,612.60 | 2,194,131.42 | — 682,481.18 |
| Sixth " " (1924) | 3,898,988.39 | 2,069,089.89 | — 1,829,898.50 |
| | <u>7,973,644.34</u> | <u>4,885,887.78</u> | <u>— 3,087,756.56</u> |

In 1925, therefore, 3,087,756.56 gold francs were received on account of contributions in respect of periods from the third to the sixth inclusive. The contributions still outstanding at the end of the year were as follows:

- 961,800.53 gold francs due from Peru (whose indebtedness dates from 1920);
- 3,570,263.89 gold francs from China, who, after paying a large part of the 1922 instalment, has made no payment on account of her subsequent contributions;
- 353,823.36 gold francs from Bolivia, Honduras, Nicaragua and Paraguay.

In the case of the last two of these Latin-American Republics, non-payment of their contributions to the League has now become a regular habit.

To recapitulate: the total amount of contributions in arrears at December 31st, 1925, was 8,743,237 gold francs, made up as follows:

| | |
|---|---------------------|
| Contributions for the payment of which special facilities were granted | Gold francs |
| Other contributions in respect of financial years from 1920 to 1924 inclusive | 285,036.50 |
| Other contributions in respect of 1925 | 4,885,887.78 |
| | <u>3,572,312.72</u> |
| | <u>8,743,237.00</u> |

EXPENDITURE.

The budget account shows the following final figures for expenditure in 1925:

| | Credits voted | Expenditure Gold francs | Difference |
|--|---------------------|----------------------------|-----------------------|
| 1. Assembly and Council sessions . . . | 774,500.— | 373,644.72 | — 400,855.28 |
| 2. General services of the Secretariat | 6,196,861.— | 5,166,601.30 | — 1,030,259.70 |
| 3. Special organisations | 5,245,973.— | 4,564,078.02 | — 681,894.98 |
| 4. Profit and loss on exchange . . . | — | 119,271.17 | + 119,271.17 |
| 5. Capital expenditure | 1,142,000.— | 1,141,138.06 | — 861.94 |
| 6. Working Capital Fund | 50,000.— | 50,000.— | — |
| | <u>13,409,334.—</u> | <u>11,414,733.27</u> | <u>— 1,994,600.73</u> |
| <i>Share of contributions due to the autonomous organisations:</i> | | | |
| Labour Office | 7,340,595.— | 7,340,595.— | — |
| Permanent Court | 1,908,209.— | 1,908,209.— | — |
| | <u>22,658,138.—</u> | <u>20,663,537.27</u> | <u>— 1,994,600.73</u> |

The saving on Chapter 1 in the above table is mainly due to the fact that, as against an estimate of 250,000 francs, only 15,807.52 gold francs were disbursed for preliminary expenses in connection with the erection of a new conference hall, as the matter was still in its early stages.

The saving on Chapter 2 is partly due to general retrenchment, but principally to appropriations-in-aid which were far in excess of the estimates, as appears from the following figures:

| Appropriations-in-aid | Estimates | Actual receipts Gold francs |
|--------------------------------|------------------|--------------------------------|
| Sale of publications | 115,000.— | 149,601.66 |
| Interest earned | 50,000.— | 657,999.89 |
| Miscellaneous | 5,000.— | 7,735.65 |
| | <u>170,000.—</u> | <u>815,337.20</u> |

The remarkable figure for interest earned is proportionate to the large balances on current account at banks.

It should here be noted that the Sixth Assembly decided, on the proposal of the Supervisory Commission, that, as from 1926, interest accruing on the Working Capital Fund and on the Building Fund should be credited to those special accounts instead of being deducted from the expenditure of the Secretariat. We may therefore expect that the amounts credited to this chapter will be considerably smaller in future.

As regards expenditure under Chapter 3, it should be noted that this is shown in the form of gross expenditure, *i.e.*, the additional revenue, amounting to 730,520.95 gold francs, derived from the annual grants from the Rockefeller Foundation to the International Health Organisation is ignored.

In view of the impossibility of making any estimate for *losses on exchange* (Chapter 4), a sum of 100,000 gold francs was included in the 1925 budget for this item, an equal amount being set against it as profit on exchange under the head of appropriations-in-aid.

In actual fact, exchange fluctuations caused a loss of 142,435.92 francs, which could be met only as to 23,164.75 francs out of profits, so that on the 1925 accounts there was a net loss of 119,271.17 francs¹.

The total expenditure for 1925 may be divided as follows:

| | Gold francs |
|---|----------------------|
| Paid | 19,197,474.67 |
| Unpaid at December 31st, 1925 | 1,466,062.60 |
| Total | <u>20,663,537.27</u> |

The amount unpaid represents the shares of contributions for 1925 which the Secretariat was unable to pay over to the autonomous organisations because the money had not been received from the States Members, 1,458,179.25 gold francs², and the balance of the amount allotted to the Working Capital Fund for 1925³, 7,883.35 gold francs.

¹ The dollar rate underwent the following fluctuations during 1925:

| | |
|---------------------|--------|
| Maximum | 5.2075 |
| Minimum | 5.1275 |
| Mean rate | 5.1675 |

² This sum was due as follows:

| | Gold francs |
|------------------------------|--------------|
| To Labour Office | 1,157,328.14 |
| To Permanent Court | 300,851.11 |

³ This figure represents the difference between the contribution of 50,000 gold francs voted to the Working Capital Fund for 1925 and the sum of 42,116.65 gold francs actually paid by the States Members in respect of that contribution.

Statement of Assets and Liabilities as at December 31st, 1925.

The first point on which one's attention is drawn in the balance-sheet of the Secretariat as at December 31st, 1925, is that the Hotel National property, the seat of the League, is now free of all charges, the last instalment (1,000,000 francs) of the purchase price having been paid¹.

Another event of even greater importance from the financial point of view is the formation of the "Building Fund", in pursuance of the decision adopted by the Sixth Assembly on September 26th, 1925.

The composition of the Fund is as follows:

Surplus of actual revenue over expenditure for the financial year 1924:

| | Gold francs |
|--|----------------------|
| Secretariat | 5,974,280.51 |
| International Labour Office | 2,400,652.10 |
| Permanent Court of International Justice | 1,020,788.74 |
| Total | <u>9,395,721.35</u> |
| <i>Less:</i> | |
| Amount paid by the Secretariat to the International Labour Office, being the balance of the credit of 3,250,000 francs granted to the latter for the payment of the cost of its new building | 2,110,419.55 |
| | <u>7,285,301.80</u> |
| <i>Add:</i> | |
| Contributions paid by the Argentine: | |
| (a) On account of the fourth and fifth financial periods (1922 and 1923) | 1,927,184.35 |
| (b) For the sixth financial period (1924) | 872,507.79 |
| | <u>2,799,692.14</u> |
| | 10,084,993.94 |
| <i>Add:</i> | |
| Interest for the period October 20th, 1925, to December 31st, 1925 | 102,807.20 |
| | <u>10,187,801.14</u> |

A considerable part of the Secretariat's assets is represented by contributions outstanding at the end of the financial period under consideration. In another part of this report I have explained the position of the unpaid contributions account and need therefore only refer to my observations under that head. At this juncture I will merely observe that the total amount to the credit of the League for contributions due up to December 31st of the previous financial period (1924), but unpaid at that date, had fallen from 8,285,671.20 gold francs to 5,170,924.28 at December 31st, 1925, as the result of the payment of 3,114,746.92 francs (about 37.59 per cent).

The following variations occur from one year to the next in the assets falling under the head of "Capital Account"²:

| | Gold francs |
|---|-------------------|
| Furniture, miscellaneous equipment, typewriters and calculating machines—increases less decreases net increase of | 42,761.55 |
| Library (books) — increase of | 76,056.31 |
| Library (shelving) — increase of | 6,710.20 |
| Additions to property (Capital Account) — increase of | 15,390.— |
| Total increase | <u>140,918.06</u> |

The liabilities side of the balance-sheet shows the amounts due by the Secretariat to the autonomous organisations (International Labour Office and Permanent Court of International Justice) in respect of their proportions of contributions unpaid at December 31st, 1925. The total of these amounts is 3,376,628.66 francs, which is to be set off against the sum of 8,743,237 francs, representing the total arrears of contributions in respect of all financial periods, entered as assets in the statement of assets and liabilities.

¹ This instalment was paid in advance during the financial year 1924, there being no reason, in view of the ample funds available, to wait until it fell due in 1925. A saving was thus made on interest. The amount in question was paid on Suspense Account because, since it actually fell due in the financial year 1925, it would not be charged to the budget for 1924. In 1925 it was transferred from the Suspense Account to the Budget Account.

² These assets are shown on the assets side at cost price, while there are set off against them on the liabilities side the amounts written off by year for depreciation.

Depreciation Reserve Fund.

The proportionate depreciation funds calculated at the normal rate had risen to 2,828,143.66 francs at December 31st, 1925, as compared with 1,960,734.09 francs at the same date in the previous year.

It may be of interest to compare the constantly increasing amounts set aside to make good depreciation with the corresponding assets as shown in the 1925 balance-sheet (Capital Account):

| | Entered in balance-sheet at | Written off for depreciation Gold francs | Percentage |
|--|--------------------------------|--|------------|
| Hotel National | 5,328,933.95 | 1,598,680.20 | 30 |
| Furniture and miscellaneous equipment | 945,082.80 | 785,776.76 | 83 |
| Library (books) | 533,090.99 | 347,877.40 | 65.25 |
| Library (shelving) | 77,898.53 | 52,285.86 | 67 |
| Miscellaneous | 116,503.62 | 43,523.44 | 37.35 |
| | <hr/> 7,001,509.89 | <hr/> 2,828,143.66 | |

It will be seen that the rule of annual depreciation adopted at my suggestion, with a view to making sounder the League situation, has already yielded good results. I am of opinion that this rule should be maintained, but that consideration should be given to the desirability, in view of the circumstances, of reducing the depreciation rate on the Hotel National, for instance, from 10 to 5 per cent of the cost price.

The *Working Capital Fund* will be dealt with elsewhere. For the moment I will merely reproduce the figures shown for it on the liabilities side of the balance-sheet at December 31st, 1925:

| | Gold francs |
|------------------------------|--------------|
| Definitive account | 4,506,754.62 |
| Temporary account | 156,156.85 |

Cash Balance.

The balance-sheet at December 31st, 1925, shows a cash balance made up as follows:

| | Gold francs |
|--|----------------------------------|
| Building Fund | 10,187,801.14 |
| Working Capital Account (definitive) | 4,136,722.59 |
| Working Capital Account (temporary) | 10,527.52 |
| Cash in hand and at bank | 2,365,985.98 |
| | <hr/> 16,701,037.23 ¹ |

as compared with a corresponding figure of 14,634,902.98 francs at the end of the previous financial year.

The figure of 2,365,985.98 francs shown in the above table is the net result of the considerable changes in the cash position which took place during the financial year 1925, and which are summarised below.

In the first place, the balance-sheet of the Secretariat at December 31st of the previous year (1924) showed cash in hand and at bank

| | Gold francs |
|------------------------|--------------|
| amounting to | 9,147,858.94 |

To this was added in 1925 the cash in hand and at bank of the autonomous organisations at that date:

| | | |
|--|--------------------|---------------------|
| International Labour Office | 2,400,652.10 | |
| Permanent Court of International Justice | 1,020,788.74 | |
| | <hr/> 3,421,440.84 | |
| Making a total cash balance of | | <hr/> 12,569,299.78 |

The total receipts for 1925 amounted to 23,833,162.88 francs and expenditure to 34,036,467.68 francs, the excess of expenditure over receipts being 10,203,313.80 francs. Consequently, the cash in hand was reduced to the above-mentioned figure of 2,365,985.98 francs. This sum will form part of the League's credit balance of income over expenditure for 1925 (Article 38 a of the Financial Regulations).

¹ This amount yielded in 1925:

| | Gold francs |
|-----------------------------|--------------|
| 5 1/4 per cent on | 1,295,650.— |
| 5 " | 7,881,265.03 |
| 4 " | 2,579,075.80 |
| 2 1/4 " | 1,295,650.— |
| 2 " | 3,649,396.40 |

Receipts were as follows:

| I. Receipts on the 1925 budget: | | Gold francs |
|---|---------------|---------------|
| (a) Contributions for the financial year 1925 | 19,085,825.28 | |
| (b) Appropriations-in-aid | 758,985.50 | 19,844,810.78 |
| II. Contributions in respect of previous financial periods (arrears). | | 3,114,746.92 |
| III. Extraordinary receipts: | | |
| Contribution from the Argentine for the sixth financial period (1924) | 872,507.79 | |
| Miscellaneous receipts | 1,097.39 | 873,605.18 |
| | | 23,833,162.88 |

Expenditure was as follows:

| | | |
|---|------------|---------------|
| I. Payments chargeable to the budget for the financial year 1925 | | 19,197,474.67 |
| II. Payment to the autonomous organisations of their due proportions of arrears of contributions received: | | |
| To International Labour Office | 962,398.13 | |
| To Permanent Court of International Justice | 209,321.22 | 1,171,719.35 |
| III. Payment to Working Capital Fund of contributions due to the Fund in respect of financial years previous to 1925: | | |
| Definitive account. | 88,923.20 | |
| Temporary account | 128,795.40 | 217,718.60 |
| IV. Payments to the "Building Account" of the Labour Office and to the "Building Fund" of the Secretariat | | |
| | | 13,449,564.06 |
| | | 34,036,476.68 |

As regards Item IV, a distinction must be drawn and some explanation is desirable.

1. A credit of 3,200,000 francs had been granted to the Labour Office for the erection of its new office building; 50,000 francs were added to this sum as the share of the cost to be borne by the Secretariat for the construction of a main sewer. The total, therefore, was 3,250,000 francs, for which provision was made by the following decisions of the Fifth and Sixth Assemblies.

The Fifth Assembly, on September 29th, 1924, decided that the sum of 1,139,580.45 gold francs should be drawn from the consolidated surplus for the financial year 1923 to meet part of the cost of the erection of the new building for the Labour Office¹.

Subsequently, the Sixth Assembly, on September 26th, 1925, decided that from the consolidated 1924 surplus (amounting to 9,395,721.35 francs for the three organisations) there should be taken 2,110,420 francs in order to complete the sum of 3,200,000 francs voted for the Labour Office and to provide the additional 50,000 francs payable to the Labour Office as already mentioned.

2. A further sum of 11,762.92 francs was paid to the Labour Office in connection with the transfer to the Labour Organisation of the work of the High Commissariat for Russian Refugees.

This item represents the balance of the appropriations-in-aid allotted to the High Commissariat.

3. Lastly, 10,187,801.14 francs were set aside for the formation of the Secretariat Building Fund, to which I have already referred.

This sum and the two others mentioned (3,250,000 francs and 11,762.92 francs) constitute Item IV in the above table

¹ This surplus amounted to 2,774,854.86 gold francs for the Secretariat and the two autonomous organisations, and, as it had not yet been allotted, formed part of the cash in hand at December 31st, 1924. The Assembly decided to employ it, as to 1,635,274.41 gold francs, for the refund of the temporary contributions from States Members for the renewal of the Working Capital Fund, and as to the balance (1,139,580.45 francs) for the purpose explained above.

Final Figures.

The balance-sheet as at December 31st, 1925, may be summarised as follows:

| | Gold francs |
|-----------------------|---------------|
| Assets | 32,740,449.46 |
| Liabilities | 10,867,683.39 |
| | <hr/> |
| Surplus | 21,872,766.07 |

It should, however, be remembered that at the close of the preceding financial period there was already, according to the balance-sheet for that period, a surplus of 15,873,439.48 gold francs, in which the following increases and decreases must be noted before the final figures for assets and liabilities at the end of the financial year 1925 can be accurately worked out.

Increases :

| | Gold francs |
|--|--------------|
| (a) By consolidation of the 1924 surpluses of the two autonomous organisations with the 1924 surplus of the Secretariat ¹ | 3,421,440.84 |
| (b) By arrears of contributions from the Argentine, not budgeted for when received ² | 2,799,692.14 |
| (c) By inclusion in the 1925 budget of various receipts properly belonging to the previous financial period | . 877.39 |
| | <hr/> |
| | 6,222,010.37 |

Decreases :

| | |
|---|--------------|
| Payment to the Labour Office for the formation of the Account ³ for the construction of its building at Geneva | 3,250,000.— |
| | <hr/> |
| | 2,972,010.37 |

Adding this sum to the above-mentioned sum of 15,873,439.98 francs, we find that the actual surplus at December 31st, 1924, was 18,845,450.35 francs. Subtracting this from the surplus of 21,872,766.07 francs at December 31st, 1925, we find that the increase in the surplus as the result of the 1925 operations is 3,027,315.72 francs.

The figure of 3,027,315.72 francs is obtained as follows:

| | Gold francs |
|---|---------------|
| <i>Budget receipts</i> for the financial year 1925 (paid and unpaid) ⁴ | 23,417,123.50 |
| <i>Budget expenditure</i> for the financial year 1925 paid and unpaid) | 20,663,537.27 |
| Less that part of the above expenditure which represents <i>capital expenditure</i> and does not, by hypothesis, lessen the value of the property ⁵ but should improve and increase it | 1,141,138.06 |
| | <hr/> |
| | 19,522,399.21 |
| Budget surplus for the financial year 1925 | 3,894,724.29 |
| Less amount written off in respect of 1925 for depreciation of immovable and movable property (this figure does not appear in the budget account) | 867,408.57 |
| | <hr/> |
| Increases less decreases in assets for 1925 | 3,027,315.72 |

Working Capital Fund.

1. *Definitive Account.* — The Fund had a really important purpose when the financial position of the Secretariat was far from being what it is now, and when a discrepancy between the dates of receipts and outgoings might give rise to serious difficulties. The object with which the Fund was formed was to meet any temporary shortage of cash in hand and thus to ensure the regular payment of ordinary expenses.

The Second Assembly decided that the Fund, which was formed of special contributions from the States Members of the League, should be gradually increased up to a maximum of five million gold francs, which sum was thought necessary if the Fund was to be effectual.

¹ As already stated, this sum consists of 2,400,652.10 francs from the Labour Office and 1,020,788.74 francs from the Permanent Court.

² Out of this amount, 1,927,184.35 francs were received in 1924 and held in Suspense Account pending a decision by the Assembly as to their disposal, while 872,507.79 francs were received in 1925 on account of contributions for the previous financial period, to which they related.

³ As stated above, this sum was drawn from the 1923 and 1924 surpluses.

⁴ Compare the chapter in this report dealing with the budget account.

⁵ It may be held that this is normally the case with the expenditure referred to, in view of the fact that the greater part (1,000,000 francs) of the amount shown represents the final instalment of the purchase price of the Hôtel National, the payment of which entirely extinguished the debt upon it.

At the end of the financial year 1924 it amounted to 4,456,754.62 gold francs. The Sixth Assembly, in approving the budget for 1925, voted an appropriation of 50,000 francs to increase the Fund, as it considered that no larger amount was needed.

Accordingly, at December 31st last the Working Capital Fund had been increased, on paper, to 4,506,754.62 gold francs, at which figure it appears on the liabilities side of the Secretariat balance-sheet. In actual fact, however, the total amount paid by the States for the constitution of the Fund up to that date was 4,389,497.01 gold francs.

This sum was represented as to 4,136,722.59 gold francs by cash in hand or at the bank, while as to the balance of 252,774.42 francs it was employed in recoverable advances authorised by special decision of the Council in each individual case and made for the following purposes:

| | Gold francs |
|---|-------------|
| Expenses of the High Commissariat of the League at Danzig | 20,588.17 |
| Expenses of the Commission of Enquiry on the question of the frontier between Turkey and Irak ¹ | 206,912.80 |
| Advance for the expenses of the Committee of Experts appointed to delimit the port of Danzig for the purposes of the Polish Postal Service ² | 5,273.45 |

I may recall the fact that Article 31 of the Financial Regulations of the League contemplates the case of the Working Capital Fund being found to be no longer necessary, and accordingly empowers the Assembly to liberate all or part of the sums constituting the Working Capital Fund and to return those sums to the Members which contributed them and to whose credit they have in the meantime been placed.

2. *Temporary Account.* — The 1924 budget contained the following temporary contributions to the Working Capital Fund:

| | Gold francs |
|--|--------------|
| (a) To restore the share of working capital standing in the name of the International Labour Organisation | 1,197,441.23 |
| (b) To repay to the Secretariat the temporary loan made to the International Labour Organisation out of the Secretariat's share of working capital | 437,833.18 |
| Total | 1,635,274.41 |

The sums contributed by the States Members for this purpose amounted in 1924 to 1,360,849.68 gold francs, and in 1925 to 128,798.40 gold francs, making 1,489,648.08 francs in all.

In this connection it should be recalled that the Fifth Assembly, on September 29th, 1924, decided, in accordance with the proposal put forward by the Supervisory Commission and endorsed by the Fourth Committee, that part (1,635,274.41 gold francs) of the surplus for the financial year 1923 should be distributed to the Members of the League by way of refund of temporary contributions to the Working Capital Fund. This refund was to take place as from December 31st, 1924, and the amount repayable to each State was to be deducted from the contribution due by that State for 1925, provided that the State in question had already paid the whole of its contribution for 1924.

In pursuance of this decision, the Secretariat arranged to refund to the various States the amounts which stood to their credit as temporary contributions. As we have seen, these contributions amounted to 1,489,648.08 gold francs.

| | Gold francs |
|--|--------------|
| Out of this sum there was set off against the arrears of contributions due by Persia and Luxemburg | 12,282.10 |
| while there was placed at the disposal of the other creditor States | 1,466,835.46 |
| Total | 1,479,117.56 |

The League thus retained as cash in hand 10,527.52 gold francs, which appear on the assets side of the balance-sheet as at December 31st, 1925, as cash balance on the Working Capital Fund (Temporary)³.

¹ The advance for these expenses, which amounted to 75,245.35 gold francs at the end of 1924, showed an increase at December 31st last of 131,667.45 gold francs. The expenses of the Commission amounted in all to 394,944 francs, and the British Government has now paid the whole of its share.

² This advance was made in virtue of the Council's decision of June 11th, 1925. The advance is repayable by the Senate of the Free City of Danzig, the Polish Government having already paid its share.

³ This sum should have been allocated as follows:

| | Gold francs |
|----------------------|-------------|
| Costa Rica | 1,754.59 |
| Lithuania | 7,018.34 |
| Panama | 1,754.59 |

On the other hand, on the liabilities side of the balance-sheet, the Working Capital Fund (Temporary) is maintained in being by a sum of 156,156.85 francs, made up as follows:

| | Gold francs |
|--|--------------|
| Amount voted as stated above to restore the shares of working capital belonging to the Labour Office and the Secretariat | 1,635,274.41 |
| Amount refunded to the States Members | 1,479,117.56 |

The legal and practical situation as regards this sum of 156,156.85 francs¹ may be summarised as follows.

The Assembly decided that it was no longer necessary to reconstitute the Working Capital Fund, and that the sum of 1,635,274.41 francs which the States Members had been asked to contribute for that purpose should be refunded. Those contributions which were actually paid, amounting to 1,479,117.56 francs, have been so refunded. As regards the balance, the League retains the right to insist on its payment, but if it did so it would have first to collect the outstanding contributions and then to pay them back to the contributors in virtue of the above-mentioned decision of the Assembly.

It should also be remembered that the outstanding amount required to bring the temporary contribution up to its limit is due by States which are all, in varying degrees, in arrears on their ordinary contributions, so that it is more than doubtful whether the sum in question could be collected.

I would therefore suggest that, in order to make the balance-sheet more lucid and to bring it, into line with the facts, the Working Capital Fund (Temporary) should be entirely expunged., This would involve omitting from the assets: (a) the cash balance of 10,527.52 gold francs; and (b) the outstanding contributions to that Fund, amounting to 146,835.46 gold francs, and from the liabilities the item of 156,156.85 gold francs already referred to.

Pending a decision to this effect by the Supervisory Commission, the Accountants' Department of the Secretariat might for the present, in order to avoid alterations in the 1925 accounts, which have already been submitted, merely note the changes I have suggested and carry them out in the accounts for the present financial year².

Surplus of the League as a Whole.

Under Article 38 (a) of the Financial Regulations, the difference between the actual receipts and the expenditure for each completed financial year shall, if it constitutes a credit balance, be used to effect a corresponding reduction of the sum to be collected from the Members of the League by way of contribution for the second year following the year in which such difference occurs.

For this purpose the Secretariat collects the surplus of the autonomous organisations, out of which, together with its own surplus, it forms a single sum.

For the year 1925, as we have seen, the Secretariat surplus, as represented by the cash balance, amounted, according to the balance-sheet at December 31st of that year, to:

| | Gold francs |
|--|--------------|
| The surpluses of the two other organisations were: | 2,365,985.98 |
| Labour Office: 408,339.60 Swiss francs, which, converted at the rate of 1 dollar = 5.17 Swiss francs, is equivalent to | 409,334.78 |
| Permanent Court of International Justice, 25,085.25 Dutch florins, equivalent to | 52,334.05 |
| | 2,827,654.81 |

The sum of 409,334.78 gold francs shown above represents, however, the surplus as it appears from the Labour Office balance-sheet as at December 31st, 1925, and does not include the sums paid by Germany to the Labour Organisation by way of contributions for the financial years 1922 and 1924. These contributions, amounting in all to 538,879.05 Swiss francs, are at present held in Suspense Account, but, as I have already pointed out, should be paid over to the Secretariat in addition to the above-mentioned sum of 409,334.78 gold francs.

Taking this into account, we find that the League's surplus for 1925 amounts (subject to the conversion into gold francs of Germany's contributions in Swiss francs) to approximately 3,370,000 gold francs. This figure is considerably below that for the previous year, though the

¹ From this amount should be deducted the 10,527.52 gold francs referred to above. The balance of 145,629.33 gold francs is due by the following States:

| | Gold francs |
|---------------------|-------------|
| Bolivia | 8,772.93 |
| China | 114,046.77 |
| Honduras | 1,754.59 |
| Nicaragua | 1,754.59 |
| Paraguay | 1,754.59 |
| Peru | 17,545.86 |

² I learn from a recent communication from the Accountants Department of the Secretariat that the above item of 10,527.52 gold francs was put in order in January of this year.

latter must be regarded as an exceptionally good year for the League finances following upon a series of years by no means devoid of difficulties, which are now fortunately in process of being overcome.

In accordance with the recommendation of the Supervisory Commission, approved by the Fourth Committee and by the Sixth Assembly at its meeting on September 26th, 1925, the sum of 3,370,000 gold francs is to be added to and incorporated in the "Building Fund" administered by the Secretariat¹.

RECOMMENDATIONS CONCERNING THE ACCOUNTS.

Every item in the budget has been scrupulously examined with the help of the relevant documents by the Deputy Auditor (Dr. Vivaldi) in the course of the four audits carried out by him in 1925, as provided in Article 44 of the Financial Regulations. His examination gave rise to certain comments, which were submitted to the Supervisory Commission in accordance with the Financial Regulations.

Thanks to the diligence of the Internal Control Office, the efforts to secure a more accurate check on commitments have yielded satisfactory results. Although, owing to the sufficiency of the returns in the first half of the year, a list of expenditure incurred and not met could not be produced by January 15th, we may be confident that this essential part of the control will be successfully carried out in 1926.

The extension of the Internal Control Office's inspection to all the other accounting operations referred to in the Deputy Auditor's last quarterly report² also bids fair to be almost completed in the next financial year, and I need not therefore press the point.

As regards commitments, it must be admitted that, apart from certain special cases, the obligation of heads of services to notify the Financial Department of expenditure incurred by them has generally been observed.

At the same time, I need hardly add that too much emphasis cannot be laid upon this rule, since the maintenance of an orderly organisation depends upon it. This order will be the easier to secure if the rule is strictly adhered to, and at the same time too frequent changes in the budget appropriations during the year will be avoided.

The books call for no comment; they have been kept in perfect order. There is, however, one point: it would be desirable that in future the accounts in respect of each item should be definitely closed on the evening of February 15th by the dated signature of the Financial Director (or the Chief Accountant) and the Head of the Internal Control Office³.

The compilation of the inventory during the year is undoubtedly an administrative improvement. The inventory has yielded *practical* results, but these differ, as could have been foreseen, from those obtained in the previous financial years by purely arithmetical methods. This raises the serious though merely formal question of the checking of those results and their agreement with the books. In the balance-sheet for 1925 such agreement has not been secured; in reference to the movable property of the Secretariat, the balance-sheet still shows figures which do not correspond with the actual position, having been obtained, as always hitherto, simply by addition and subtraction on the basis of the rough and defective figures taken at the beginning.

We may be confident that such a situation will not be allowed to arise in 1926. At the same time, I must further observe that, despite the strong and repeated recommendations in my earlier reports, the inventory does not appear to have been checked by the Internal Control Office. This cannot, however, be laid to the charge of the present Internal Control officers, who have inherited an unsatisfactory position that existed before their time. I have no doubt that, using the basis which has now been laid down, they will extend their supervision and their inspection to cover this part of the property of the League.

III. INTERNATIONAL LABOUR OFFICE.

BUDGET ACCOUNT.

Income in Respect of the Financial Year 1925.

The credits voted to the Labour Office for 1925 amounted to 7,340,595 gold francs. On account of this sum the Secretariat paid over to the Labour Office, during 1925, 6,183,267.04 gold francs (the proportionate share due to the Labour Office out of the contributions paid by the States

¹ As soon as the Building Fund is fully constituted, the sum entered each year in the budget under the heading "Terminable annuity payable on account of building operations of the League" (see budget for 1926, page 3, Part IV) will go to indemnify States in proportion as, by the prompt payment of their contributions, they have contributed to the 1924 and 1925 surpluses. This indemnification will take the form either of an annual payment in money or of a reduction in the contributions (document C. 619. M. 201. 1925. X, page III).

² Payment of staff salaries; advances, vouchers for expenditure submitted by officials and others on mission; cash and bank transactions, income of all kinds (including contributions) and distribution thereof among the three League organisations.

³ This is essential in order to ensure that no further expenditure shall be entered in the ledger after February 15th. It could be done independently of the arithmetical calculations involved, which would be completed during the few days following.

Members for 1925). At the end of the year, therefore, 1,157,327.96 gold francs was still due to the Labour Office¹.

The sum of 6,183,267.04 gold francs received by the Labour Office in 1925 was converted into 6,163,250.30 Swiss francs at an average rate of 5.1658 Swiss francs to the dollar.

The balance of 1,157,328.14 gold francs is shown in the balance-sheet at 1,154,513.73 Swiss francs, the gold francs having been converted at the current rate at December 31st of \$1 U.S.A. = 5.17 Swiss francs.

During the past financial year the Labour Office further received 110,934 Swiss francs from the sale of publications, as compared with an estimate of 80,000 francs.

Expenditure.

The expenditure for 1925 was 7,070,280.26 Swiss francs, as against an estimate of 7,340,595 Swiss francs. A saving of 270,314.74 Swiss francs was thus effected, partly owing to the excess receipts of 30,394 Swiss francs from the sale of publications.

The expenditure of the Labour Office may be summarised as follows:

| | Credit voted | Expenditure | Saving | Expenditure as percentage of credit voted |
|---|--------------------|---------------------|---------------------|---|
| | | Swiss francs | | Per cent |
| I. Sessions of the Conference and Governing Body | 369,000.— | 365,277.42 | — 3,722.58 | 99 |
| II. General services of the Labour Office | 6,668,595.— | 6,478,107.13 | — 190,487.87 | 97 |
| IIa. Extraordinary and temporary expenditure on behalf of Russian and Armenian refugees | 253,000.— | 253,000.— | — | 100 |
| III. Profit and loss on exchange (<i>ad memoriam</i>). | | | | |
| IV. Capital expenditure: | | | | |
| Ordinary | 65,000.— | 64,834.86 | — 165.14 | 99.75 |
| Extraordinary | 65,000.— | 19,995.10 | — 45,004.96 | 30.75 |
| | <u>7,420,595.—</u> | <u>7,181,214.51</u> | <u>— 239,380.49</u> | <u>96.77</u> |
| <i>Less:</i> | | | | |
| Appropriations-in-aid (sale of publications) | 80,000.— | 110,934.25 | + 30,934.25 | |
| | <u>7,340,595.—</u> | <u>7,070,280.26</u> | <u>— 270,314.74</u> | |

It should be observed that the actual expenditure on behalf of Russian and Armenian refugees was 333,428 Swiss francs. The excess of 80,428 francs over the credits voted was met by grants from Governments.

The remarkable saving effected on the extraordinary expenditure under Chapter IV, as shown in the above table, is chiefly due to the fact that the ample cash balance at the disposal of the Labour Office in 1925 enabled the Office to dispense with bank loans for the erection of the new building at Geneva.

Balance-sheet at December 31st, 1925.

Assets. — The principal item under this head is premises, which are placed at 2,034,235.60 Swiss francs.

This consists of two sums: 2,014,609.60 Swiss francs for the new office building at Geneva, and 19,626 Swiss francs for the premises of the Rome Office.

The former item represents the amount already paid on account of the cost of the building out of the credit of 3,250,000 gold francs granted by the Secretariat to the Labour Office and converted into 3,242,629 Swiss francs².

The unexpended portion of this latter sum, *i.e.*, 1,228,019.40 francs, is shown in Suspense Account, an equal amount being shown on the liabilities side.

In my view, the value of the Geneva building and the premises in Rome forms part of the assets of the League as a whole; the Labour Office merely has the use of them³.

Furniture, typewriters, calculating machines and library books are set down at 372,033 francs, or 41.82 per cent of the original cost price of 889,532 francs, on which annual depreciation has been charged.

The proportions due to the Labour Office of contributions due and unpaid at the end of 1925 amounts to 2,736,409.94 francs and should correspond exactly with the figures given under

¹ The Labour Office and Secretariat accounts show, however, a balance of 1,157,328.14 gold francs, or 18 gold centimes more than the above figure.

² Compare Part I of this report. The purchase price of the Rome premises was 28,037 Swiss francs. They are shown in the balance-sheet at the figure obtained by deducting depreciation for the financial years 1923, 1924 and 1925 at the annual rate of one-tenth of the purchase price.

³ Compare the preliminary note to this report.

the same head on the credit side of the Secretariat balance-sheet.¹ There is, however, a discrepancy, though only a slight one, due to the fact that the figures in one case are given in Swiss francs and in the other in gold francs¹.

The stocks of printing-paper and stationery have decreased, and their value has fallen from 72,654.85 francs at December 31st, 1924, to 50,393.55 francs at the end of last year.

A considerable group of items, amounting in all to 1,828,108.22 francs, appears under the head of "Suspense Accounts", identical figures being shown on the liabilities side of the balance-sheet. The most important of these are:

- (a) The sum of 1,228,019.40 francs, to which reference has already been made in connection with the credit granted by the Secretariat for the cost of the new Geneva building;
- (b) The following amounts paid by Germany to the Labour Office by way of current contributions and arrears:

| | Swiss francs |
|-------------------------------|-------------------------|
| Financial year 1922 | 277,501.20 |
| " " 1924 | 261,377.85 ² |
| | 538,879.05 |

This sum of 538,879.05 francs should have formed part of the 1925 surplus to be transferred to the Secretariat under Article 38 (a) of the Financial Regulations of the League.

It must be remembered that the contribution paid by Germany for 1925 was deducted as an appropriation-in-aid from the credits voted by the Sixth Assembly for the 1926 budget of the Labour Office, and consequently was finally deducted from the contributions of the States Members of the League to the expenditure for that year.

As regards the sums paid by Germany for the financial years 1922, 1923 and 1924, the Labour Office maintains that it is only bound to pay to the Secretariat the amount in respect of 1923, which is as a matter of fact included in the surplus for the year, because the contribution due by Germany for that year (not actually paid until 1925) was entered in that year's budget as an appropriation-in-aid, while the contributions for 1922 and 1924 were not mentioned in the budgets of those years.

Holding this view, the Labour Office has decided to retain the payments made by Germany for 1922 and 1924, placing them in a "Suspense Account" pending a decision of the Assembly, which is alone competent to pronounce on the question, as to their disposal.

As to the friendly controversy on this point between the Labour Office and the Secretariat, I have already had occasion to express my view that the payments for 1922 and 1924 should, like the 1923 contribution, be included in last year's surplus in accordance with the provisions of Article 38 (a) of the Financial Regulations, already referred to.

My opinion is based on the following arguments:

1. Out of the contributions of the States Members, the Secretariat pays the Labour Office the funds required by the latter for its authorised estimated expenditure. If, when this expenditure has been met, there remains a surplus out of the funds paid to the Labour Office, such surplus should be refunded to the Secretariat for the use of the States which contributed it.

2. The fact that the same course of action was not followed in all the financial years 1922, 1923 and 1924 in regard to Germany's contribution, it being treated in one case (in the 1923 Budget) as an appropriation-in-aid and completely ignored in the other two years, is of secondary importance and cannot affect the essential position³.

3. The case of these payments is covered by the following general clauses contained in Article 22 of the Financial Regulations:

" 1. States not members of the League which have been admitted members of any organisation of the League shall, in the absence of any contrary provision, contribute towards the expenses of the organisation concerned as nearly as possible in the proportion in which they would contribute to such expenses if they were members of the League . . .

" 2. The total amount receivable in accordance with paragraph 1 shall be shown separately in the budget and, *when received*, shall be applied to reduce the total sum chargeable for the following year to the Members of the League."

The provisions of this latter paragraph do not, however, preclude the Assembly, in the exercise of its sovereign powers, from disposing otherwise of the sums in question. An instance of this is the disposal of the contributions paid by the Argentine. It should be remembered, however, that at that time the League had not yet formed the large building funds to which I have already referred, and that, fortunately, its financial position has since then become very prosperous.

¹ The Secretariat balance-sheet shows this amount at 2,743,079.60 gold francs.
² This figure includes 4,893.10 francs carried over from the 1924 accounts. All the other contributions were paid by Germany in 1925.
³ It might, indeed, be argued against the Labour Office that in 1922 and 1924, when no provision was made in the budget for payments by Germany, the appropriations for Labour Office expenditure were met *entirely* by the States Members of the League, whereas for 1923 those States were charged with a smaller amount than the estimated contributions for that year. Thus, not only in law but also in equity, the States Members have a still stronger title to the refund of these payments in respect of 1922 and 1924.

The cash balance at December 31st, 1925, is obtained as follows:

| | Swiss francs |
|--|----------------------|
| Balance at close of previous year | 2,378,603.15 |
| Receipts held in suspense at that date | 21,453.85 |
| | <u>2,400,057.—</u> |
| Receipts for the financial year 1925 | 11,750,998.54 |
| | <u>14,151,055.54</u> |
| Payments for the financial year 1925 | 13,742,715.94 |
| Balance at December 31st, 1925 | 408,339.60 |

As I have already pointed out, the contributions paid by Germany for the years 1922 and 1924, amounting to 538,879.05 Swiss francs, which are at present held in suspense, must be added to the above figure in accordance with Article 38 (a) of the Financial Regulations. Thus the total surplus payable by the Labour Office to the Secretariat in respect of 1925 is 947,218.65 Swiss francs.

The balance-sheet at December 31st, 1925, shows an excess of assets over liabilities of 5,601,411.69 Swiss francs. The corresponding surplus at the close of the previous year was 6,271,023.64 Swiss francs, so that the 1925 accounts make it appear that the excess for that year is 669,611.95 Swiss francs less. It must, however, be remembered that the surplus at the end of December 1924 included the cash surplus (2,378,603.15 gold francs, as stated above) payable to the Secretariat. It is the payment of this sum which has unfavourably affected the balance between assets and liabilities at the close of the past financial year.

By way of additional information, I give below a summary of the income and expenditure account, the balance of which corresponds to the decrease in the excess of assets over liabilities in 1925.

Income.

Contributions of States Members of the League for 1925:

| | Swiss francs |
|--|----------------------|
| Received | 6,163,250.30 |
| Outstanding | 1,154,513.73 |
| | <u>7,317,764.03</u> |
| Receipts from sale of publications | 110,934.25 |
| | <u>7,428,698.28</u> |
| Grant by the League to the Labour Office for the cost of the new building ¹ | 3,242,629.— |
| Miscellaneous receipts ² | 188,100.71 |
| | <u>10,859,427.99</u> |

Expenditure.

| | |
|---|----------------------|
| Budget expenditure for 1925 (excluding capital expenditure of 64,834.86 Swiss francs) | 7,116,379.65 |
| Expenditure on Russian and Armenian refugees, met from non-budget funds | 80,428.06 |
| | <u>7,196,807.71</u> |
| Depreciation of furniture, typewriters, etc. and premises of the Rome Office | 117,154.11 |
| | <u>7,313,961.82</u> |
| Cash balance at December 31st, 1924, transferred to the Secretariat in 1925 | 2,378,603.15 |
| Items held in suspense ³ | 1,798,214.57 |
| Miscellaneous expenditure ⁴ | 38,260.40 |
| | <u>11,529,039.94</u> |

¹ This represents the sum of 3,250,000 gold francs referred to in Part II of this report.

² This figure is made up as follows:

| | Swiss francs |
|--|-------------------|
| Interest on current account at bank | 38,660.72 |
| Government contributions for Russian and Armenian refugees | 84,439.25 |
| Balance of funds of the Commissariat for Russian Refugees transferred by the Secretariat of the League and by the agents of the Commissariat to the Labour Office in consequence of the transfer to it of the refugee work | 32,198.03 |
| Profit on exchange | 17,954.46 |
| Capital increments due to purchases by correspondents' offices | 14,848.25 |
| | <u>188,100.71</u> |

³ This figure includes the following items:

| | Swiss francs |
|---|---------------------|
| Unexpended balance of the sum of 3,242,629 Swiss francs set aside to meet the cost of erecting the new building at Geneva | 1,228,019.40 |
| Contributions paid by Germany in 1925 in respect of 1922 and 1924 | 533,985.95 |
| Balance on Russian and Armenian refugee account | 36,209.22 |
| | <u>1,798,214.57</u> |

⁴ This item consists of:

| | Swiss francs |
|---|------------------|
| Bank charges and commissions | 677.05 |
| Reduction in stationery stocks | 3,481.35 |
| Rent paid in advance in 1924 for 1925, shown as expenditure for the latter year | 34,102.— |
| | <u>38,260.40</u> |

It will be seen that total expenditure exceeds total income by 669,611.95 francs, as already stated, but the above table confirms the general observation I have already made respecting the importance to be attached to this deficit, which, I repeat, is apparent and not real, and does not give a correct impression of the results of the financial administration during 1925.

IV. PERMANENT COURT OF INTERNATIONAL JUSTICE.

BUDGET ACCOUNT.

The table below shows: (a) credits voted for expenditure in the financial year 1925; (b) actual expenditure; (c) saving effected.

| | Credit voted | Expenditure | Saving |
|-------------------------------|-------------------|-------------------|------------------|
| Ordinary expenditure | 931,196.76 | 858,580.37 | 72,616.39 |
| Capital expenditure | 1,500.— | 1,320.71 | 179.29 |
| | <u>932,696.76</u> | <u>859,901.08</u> | <u>72,795.68</u> |
| <i>Less:</i> | | | |
| Appropriations-in-aid: | | | |
| Bank interest | 1,500.— | 9,653.78 | 8,153.78 |
| Profit on exchange | — | 2,296.82 | 2,296.82 |
| | <u>931,196.76</u> | <u>847,950.48</u> | <u>83,246.28</u> |
| Sums recoverable ¹ | 15,400.— | — | 15,400.— |
| | <u>915,796.76</u> | <u>847,950.48</u> | <u>67,846.28</u> |

Statement of Assets and Liabilities as at December 31st, 1925.

At December 31st, 1924, there was still due to the Court as its share of State contributions:

| | Gold francs | Equivalent in Dutch florins |
|---|-------------|-----------------------------|
| On account of this sum the Secretariat paid to the Court in 1925 | 542,018.77 | 263,621.31 |
| The credit to the Court for its share of contributions in arrears consequently amounted at the end of the year to | 209,321.22 | 101,380.48 |
| Out of the share of contributions due to the Court for the financial year 1925 (1,908,209 gold francs) the Secretariat paid 1,607,357.89 gold francs, so that at December 31st of that year there was still due to the Court ² | 332,697.55 | 162,240.83 |
| The total amount to be received by the Court for the arrears of contributions to December 31st, 1925, was | 300,851.11 | 144,141.51 |
| | 633,548.66 | 306,382.34 |

This figure of 306,382.34 florins represents over 78 per cent of the Court's assets, the remainder consisting of furniture, library, etc., and cash in hand.

The furniture and library are set down in the balance-sheet at cost price, depreciation being set against it under liabilities.

These items are as follows:

| | Value as shown in balance-sheet | Depreciation Dutch florins | Depreciation percentage |
|------------------------------|---------------------------------|----------------------------|-------------------------|
| Furniture, typewriters, etc. | 57,642.86 | 44,982.30 | 78.04 |
| Library | 1,943.88½ | 1,462.93½ | 75.26 |

¹ Estimated contributions from States not members of the League (7,600 florins) and estimate of eventual repayment of expenses of Assessors (7,800 florins). Nothing has been actually received during 1925 on account of these grants-in-aid.

² The Court's accounts show, however, 300,852.11 gold francs, or 1 gold franc more, and the equivalent in florins in the second column of the above table is calculated accordingly.

The cash balance at December 31st, 1925, was 25,085.25 florins, converted into 52,334.05 gold francs, which, as I have observed elsewhere in this report, will form part of the League surplus referred to in Article 38 (a) of the Financial Regulations.

CONCLUSION.

The 1925 accounts throw into relief the prosperous condition of the League's finances.

The progress made in so few years is truly remarkable. It is mainly due to the considerable arrears of contributions which have been recovered and to greater promptitude in the payment of current contributions¹.

The financial difficulties of a year or two ago are now no more than a memory. The financial year 1925 closed with a surplus of approximately 3,370,000 gold francs.

Great additions have been made to the League's immovable property. The purchase price (5,500,000 Swiss francs) of the Hôtel National has been paid in full, and the building is now free of all charges. For the Labour Office an imposing building has been erected on one of the best sites in Geneva on the shores of the lake.

A fund has also been formed for the erection of the new League building and an Assembly Hall. At December 31st, 1925, it already amounted to 10,187,801.14 gold francs, and it will be further increased if the Assembly decides to employ existing or future surpluses for that purpose.

The amount set aside for the Working Capital Fund (which is, of course, placed to the credit of the States Members of the League) was 4,389,497 gold francs at the end of the past year, and, apart from a relatively small sum employed in recoverable advances, was all available for use.

The budget is placed upon an even firmer basis by the existence of funds to meet the cost of purchasing immovable and movable property. These funds, for the Secretariat and the autonomous organisations, are already very considerable.

Nevertheless, while, as I have observed, the States Members have furnished the League with resources to accomplish and develop its work, it is only fair to recognise that the present satisfactory situation is due in part to prudent and scrupulous management.

In this connection I would like to pay a tribute to Sir Herbert Ames, who is about to vacate the important post of Financial Director, which he has so admirably filled. For more than three years I have had the opportunity of watching his work and observing its excellent results. I wish, therefore, to avail myself of this opportunity to place on record the great esteem and respect in which I hold him.

¹ The following percentages of current contributions due by the States Members for the last three years have been paid when due:

| | Per cent |
|----------------|----------|
| 1923 | 61.6 |
| 1924 | 83.2 |
| 1925 | 84.25 |

C.

**SOCIÉTÉ DES NATIONS — CAISSE DE PRÉVOYANCE DU PERSONNEL
LEAGUE OF NATIONS. — STAFF PROVIDENT FUND.**

BILAN AU 31 DÉCEMBRE 1925.

BALANCE SHEET AS AT DECEMBER 31ST, 1925.

| Passif. — Liabilities. | Francs suisses Swiss Francs. | Francs suisses Swiss Francs. | Francs suisses Swiss Francs. |
|---|---------------------------------|---------------------------------|---------------------------------|
| COMPTE CAPITAL — CAPITAL ACCOUNT. | | | |
| <i>Secrétariat — Secretariat.</i> | | | |
| Contributions versées par les membres — Contributions by Members | 381.030,85 | | |
| Contributions versées par la Société — Contributions by League | 355.488,10 | 736.518,95 | |
| <i>Bureau international du Travail — International Labour Office.</i> | | | |
| Contributions versées par les membres — Contributions by Members | 353.686,04 | | |
| Contributions versées par la Société — Contributions by League | 344.835,69 | 698.521,73 | |
| <i>Cour permanente de Justice internationale — Permanent Court of International Justice.</i> | | | |
| Contributions versées par les membres — Contributions by Members | 15.124,73 | | |
| Contributions versées par la Société — Contributions by League | 14.455,93 | 29.580,66 | |
| CAISSE DE DÉCÈS ET D'INVALIDITÉ — DEATH AND INVALIDITY FUND | | 93.293,82 | 1.557.915,16 |
| PLACÉ AU FONDS DE RÉSERVE CRÉÉ POUR PARER ÉVENTUELLEMENT A UNE DÉPRÉCIATION DES VALEURS — INVESTMENTS RESERVE FUND. | | | 2.000,— |
| COMPTE D'INTÉRÊTS — REVENUE ACCOUNT. | | | |
| Solde en report — Balance brought forward | 2.169,50 | | |
| <i>Moins</i> sommes portées à la Réserve et diver- ses rectifications relatives à 1924 — <i>Less</i> amount transferred to Reserve and sundry adjustments relative to 1924 | 2.006,97 | 162,53 | |
| <i>Plus</i> intérêts nets pour l'année se terminant le 31 déc. 1925 — <i>Add</i> net revenue for year ended Dec. 31st, 1925 | | 53.006,80 | |
| | | <u>53.169,83</u> | |
| <i>Moins</i> somme portée au Compte Capital re- présentant les intérêts à répartir à 4 ½ % pour l'année — <i>Less</i> amount transferred to Capital Account, distribution of interest at 4 ½ % for year | | 48.702,04 | |
| <i>A reporter — Amount carried forward.</i> | | | <u>4.467,29</u> |
| | | | <u><u>1.564.882,45</u></u> |

SOCIÉTÉ DES NATIONS — CAISSE DE PRÉVOYANCE DU PERSONNEL
LEAGUE OF NATIONS. — STAFF PROVIDENT FUND.

BILAN AU 31 DÉCEMBRE 1925.

BALANCE SHEET AS AT DECEMBER 31ST, 1925.

| Actif. — Assets. | Francs suisses Swiss Francs. | Francs suisses Swiss Francs. | Francs suisses Swiss Francs |
|---|--|---------------------------------|--------------------------------|
| COMPTE PLACEMENTS (prix coûtant) — INVEST- MENTS ACCOUNT (at cost). | | | |
| | <i>Valeur nominale Nominal Value</i> | | |
| 5 % Ch. Fer Fédéraux 1924 (IV) | Fr. 100.000,— | 98.222,50 | |
| 4 % Ch. Fer Fédéraux 1923 (III) | » 100.000,— | 87.727,50 | |
| 3 ½ % Ch. Fer Fédéraux 1899-1902 | » 100.000,— | 80.687,50 | |
| 4 ½ % Ch. Fer Fédéraux 1922 (II) | » 100.000,— | 94.205,— | |
| 3 % Ch. Fer Fédéraux 1903 | » 100.000,— | 74.496,50 | |
| 3 ½ % Ch. Fer Jura-Simplon 1894 | » 100.000,— | 75.986,— | |
| 4 % Ch. Fer Fédéraux 1900 | » 99.750,— | 84.528,40 | |
| 4 ½ % Fédéral 1917 (VI) | » 100.000,— | 95.830,— | |
| 4 ½ % Fédéral 1917 (VII) | » 100.000,— | 97.900,— | |
| 5 % Fédéral 1923 | » 100.000,— | 99.498,— | |
| 5 % Fédéral 1924 | » 100.000,— | 98.918,— | |
| 5 % Fédéral 1925 | » 150.000,— | 147.000,— | |
| 4 ½ % Fédéral 1915 (III) | » 100.000,— | 94.915,— | |
| 6 % Emprunt autrichien (tranche suisse) — Austrian Loan (Swiss) | » 100.000,— | 95.440,— | |
| 7 % Emprunt autrichien (tranche améri- caine) — Austrian Loan (U.S.A.) | \$ 20.000,— | 103.914,40 | |
| 7 ½ % Emprunt hongrois (tranche améri- caine) — Hungarian Loan (U.S.A.) | \$ 5.000,— | 25.040,55 | |
| | | <hr/> | |
| | | 1.454.304,35 | |
| <i>Plus intérêts de ce compte au 31 déc. 1925 — Add accrued interest to Dec. 31st, 1925</i> | | 16.196,— | 1.470.500,35 |
| | | <hr/> | |
| EN BANQUE — CASH AT BANK | | | 93.882,10 |

NOTE.

Les retraits suivants ont été effectués par certains mem-
bres de la Caisse pour le service des primes d'assurances dépo-
sées à la Caisse — The following amounts have been with-
drawn by members to satisfy premiums for policies deposited
with the Fund :

| | |
|--|---------------|
| Secrétariat — Secretariat | Fr. 13.004,35 |
| Bureau international du Travail — Inter- national Labour Office | » 28.703,55 |
| Cour permanente de Justice internationale — Permanent Court of International Justice | » 912,45 |
| | <hr/> |
| | Fr. 42.620,35 |

1.564.382,45

(Signé) P. G. WATTERSON,
Chef comptable — Chief Accountant.

Le 1^{er} mars 1926. — March 1st, 1926.

COMPTE D'INTÉRÊTS — REVENUE ACCOUNT

pour les douze mois se terminant le 31 décembre 1925.

for the twelve months ended December 31st, 1925.

Dépenses — Expenditure.

| | Francs suisses Swiss Francs. |
|---|---------------------------------|
| Dt. dépenses relatives à l'achat de valeurs, y compris les frais de banque — To sundry expenses relative to purchase of securities, including bank charges | 4.764,40 |
| Dt. solde porté au Bilan — To balance transferred to Balance Sheet | 53.006,80 |
| | <u>57.771,20</u> |

COMPTE CAISSE — CASH ACCOUNT

pour les douze mois se terminant le 31 décembre 1925.

for the twelve months ended December 31st, 1925.

Recettes — Receipts.

| | Francs suisses Swiss Francs. | Francs suisses Swiss Francs. | Francs suisses Swiss Francs. |
|--|---------------------------------|---------------------------------|---------------------------------|
| 1 ^{er} janvier 1925 — January 1st, 1925. | | | |
| DISPONIBILITÉS EN BANQUE — TO CASH AT BANK | | | 751.780,85 |
| 31 décembre 1925 — December 31st, 1925. | | | |
| CONTRIBUTIONS — TO CONTRIBUTIONS. | | | |
| <i>Secrétariat — Secretariat.</i> | | | |
| Compte des membres — Members' Account | 212.426,30 | | |
| Compte de la Société — League Account. . | <u>192.150,50</u> | 404.576,80 | |
| <i>Bureau international du Travail — International Labour Office.</i> | | | |
| Compte des membres — Members' Account | 195.681,83 | | |
| Compte de la Société — League Account. . | <u>176.113,73</u> | 371.795,56 | |
| <i>Cour permanente de Justice internationale — Permanent Court of International Justice.</i> | | | |
| Compte des membres — Members' Account | 9.119,68 | | |
| Compte de la Société — League Account. . | <u>8.387,45</u> | 17.507,13 | |
| CAISSE DE DÉCÈS ET D'INVALIDITÉ — TO DEATH AND INVALIDITY FUND | | 54.524,05 | 848.403,54 |
| INTÉRÊTS DES PLACEMENTS — TO INCOME FROM INVESTMENTS | | 27.631,90 | |
| INTÉRÊTS EN BANQUE — TO BANK INTEREST . | | <u>13.943,30</u> | 41.575,20 |

1.641.759,59

COMPTE D'INTÉRÊTS — REVENUE ACCOUNT
pour les douze mois se terminant le 31 décembre 1925.
for the twelve months ended December 31st, 1925.

Recettes — Income.

Francs suisses
Swiss Francs.

| | | | |
|--|--|--|------------------|
| A revenu net des placements, montant perçu et à percevoir — By net income received and receivable from investments | | | |
| | | | 57.771,20 |
| | | | <u>57.771,20</u> |

(Signé) P. G. WATTERSON,
Chef comptable — Chief Accountant.

Le 1^{er} mars 1926. — March 1st, 1926.

COMPTE CAISSE — CASH ACCOUNT
pour les douze mois se terminant le 31 décembre 1925.
for the twelve months ended December 31st, 1925.

Versements — Payments.

Francs suisses
Swiss Francs.

Francs suisses
Swiss Francs.

Francs suisses
Swiss Francs.

31 décembre 1925 — December 31st, 1925.

VERSEMENTS A DES MEMBRES DÉMISSIONNAIRES
— BY REFUNDS CONSEQUENT ON RESIGNATION.

Secrétariat — Secretariat.

| | | | |
|--|-----------|-----------|--|
| Compte des membres — Members' Account | 11.751,02 | | |
| Compte de la Société — League Account. . | 9.591,15 | 21.342,17 | |

Bureau international du Travail — International Labour Office.

| | | | |
|--|-----------|-----------|--|
| Compte des membres — Members' Account | 10.547,85 | | |
| Compte de la Société — League Account. . | 9.445,65 | 19.993,50 | |

Cour permanente de Justice internationale — Permanent Court of International Justice.

| | | | |
|--|----------|----------|-----------|
| Compte des membres — Members' Account | 1.903,78 | | |
| Compte de la Société — League Account. . | 1.894,19 | 3.797,97 | 45.133,64 |

AVANCES AFFÉRENTES AUX PRIMES D'ASSURANCE
— BY ADVANCES IN RESPECT OF INSURANCE PREMIUMS.

| | | | |
|--|--|-----------|-----------|
| Secrétariat — Secretariat | | 13.004,35 | |
| Bureau international du Travail — International Labour Office | | 22.190,85 | |
| Cour permanente de Justice internationale — Permanent Court of International Justice | | 912,45 | 36.107,65 |

ALLOCATIONS PRÉLEVÉES SUR LA CAISSE DE DÉCÈS
ET D'INVALIDITÉ — BY GRANTS FROM DEATH AND INVALIDITY FUND

| | | | |
|--|--|--|--------------|
| | | | 7.567,45 |
| DÉPENSES GÉNÉRALES — BY GENERAL EXPENSES | | | 4.764,40 |
| COMPTE PLACEMENTS — BY INVESTMENTS ACCOUNT | | | 1.454.304,35 |
| DISPONIBILITÉS EN BANQUE — BY CASH AT BANK | | | 93.882,10 |

1.641.759,59

(Signé) P. G. WATTERSON,
Chef comptable — Chief Accountant.

Le 1^{er} mars 1926. — March 1st, 1926.

ACCOUNTS OF THE STAFF PROVIDENT FUND FOR THE YEAR 1925.

REPORT BY M. CERESA, AUDITOR¹.

The capital of the League of Nations Staff Provident Fund consists, as is known, of contributions paid in equal proportions (a) by the members of the Fund, (b) by the League.

The contribution amounts to 5 per cent of the official's salary.

The contribution by the official is deducted from his monthly salary and paid into the Fund. The same amount, due from the League—a sum which represents for the League a further expense in addition to the expense represented by the salaries of the staff—consists of two parts: nine-tenths go to increase the individual accounts of officials, while the other tenth is paid into the *Death and Invalidity Fund*.

On January 1st of each year the individual accounts are increased by interest at a fixed rate in accordance with the Regulations of the Staff Provident Fund.

On December 31st, 1924, the capital of the Provident Fund amounted to 706,119.58 Swiss francs. On December 31st, 1925, it amounted to 1,464,621.34 Swiss francs, or an increase of 758,501.76 Swiss francs, and it consisted of:

| | |
|---|------------------|
| | Swiss francs |
| Contributions by members | 417,227.81 |
| Contributions by League | 376,651.68 |
| Adjustments of 1924 accounts. | 6.97 |
| | <hr/> |
| Interest credited to individual accounts | 793,886.46 |
| | 45,856.59 |
| | <hr/> |
| Total | 839,743.05 |
| | |
| <i>Less:</i> | Swiss francs |
| Refunds consequent on resignation | 45,133.64 |
| Advances in respect of insurance premiums for policies taken out by members | 36,107.65 |
| | <hr/> |
| | 81,241.29 |
| Net increase | <hr/> 758,501.76 |

On December 31st, 1925, the capital of the Provident Fund was distributed between the personnel of the Secretariat and that of the autonomous organisations as follows:

| | |
|---|--------------|
| | Swiss francs |
| Secretariat | 736,518.95 |
| International Labour Office. | 698,521.73 |
| Permanent Court of International Justice. | 29,580.66 |
| | <hr/> |
| Total | 1,464,621.34 |

The accounts submitted for the year 1925 show how these different figures are made up. An analysis of these accounts in the present concise report would therefore be superfluous and would lead us into details which would obscure the main features of the position of the Fund on the date in question.

With regard to the *Death and Invalidity Fund*, it appears from the accounts for the year 1925 that its capital, which at the end of the previous year amounted to 43,491.77 francs, had risen by December 31st, 1925, to 93,293.82 francs, an increase of 49,802.05 francs, made up as follows:

| | |
|--|--------------|
| | Swiss francs |
| Contributions to the Fund by the League of Nations in 1925 | 40,576.13 |
| Repayment to the Fund of balances to the credit of individual accounts, according to Article 7 of the Fund Regulations, and other payments | 13,947.92 |
| | <hr/> |
| Payment of indemnities | 54,524.05 |
| | 7,567.45 |
| | <hr/> |
| Interest at 4½ per cent placed to the credit of the account of the Fund. | 46,956.60 |
| | 2,845.45 |
| | <hr/> |
| | 49,802.05 |

¹ At its Thirty-ninth Session, held in March 1926, the Council had requested the Auditor to verify the Provident Fund accounts for 1925.

The increase in the funds of the Provident Fund and the *Death and Invalidity Fund* has raised the question of their better employment, a question which it is certainly not easy to answer, and the importance of which will increase with the growth of the available resources ¹.

At the end of the year 1924, the available funds were employed as follows:

| | |
|--|--------------|
| | Swiss francs |
| Bank deposits. | 711,252.95 |
| Current accounts in the bank | 40,527.90 |
| | 751,780.85 |

On December 31st last investments amounted to 1,454,304.35 francs. As is shown by the *statement* of the assets and liabilities of the Provident Fund on the same date, the above-mentioned sum was invested in bonds, issued for the most part in Switzerland, which appear in the balance-sheet at their original purchase price. These bonds are deposited with the *Société de Banque Suisse*, as appears from a letter from that bank dated January 14th, 1926.

A revaluation of these securities made on December 31st, 1925, at the current rate, *without interest*, brought their value to 1,481,265 francs, an increase of 26,960.65 francs as compared with their purchase price. In this case, however, the appreciation is a paper one, that is to say, an unrealised appreciation, and consequently the provisions of Article 17 of the Regulations of the Staff Provident Fund (last paragraph) do not apply to it.

Nevertheless, it is necessary to consider the question of the reserve fund intended to meet a possible depreciation of investments. On December 31st, 1925, this fund was only 2,000 francs, a small sum representing scarcely 0.13 per cent of the investments. Accordingly, this fund must be increased, although the investments are in the form of securities repayable at par, that is to say, at a profit on the purchase price, which is generally below the nominal value ².

As a result of the investments mentioned, and due account being taken of receipts and payments effected under other headings during the year 1925, cash at bank on December 31st of the same year was reduced to 93,882.10 francs.

RECEIPTS AND EXPENDITURE ACCOUNT.

Receipts for the year 1925 amount to 57,771.20 francs made up as follows:

| | |
|------------------------------------|--------------|
| | Swiss francs |
| Interest on investments | 43,827.90 |
| Interest on funds in bank. | 13,943.30 |
| | 57,771.20 |

The sums actually received make a total of 41,575.20 francs ³. Hence uncollected receipts on December 31st, 1925, amounted to 16,196 francs, which appear in the balance-sheet among assets.

Expenditure for the year amounts to 4,764.40 francs. 461.40 francs represent charges for the keeping of securities and other bank charges. The remainder consists of expenditure relating to the purchase of the securities in question.

Balancing expenditure against income, we obtain a surplus of 53,006.80 francs in favour of income.

It should be mentioned that the balance-sheet for the previous year (1924) closed with a surplus of assets over liabilities amounting to 2,169.50 francs.

This sum was distributed as follows:

- 2,000 francs to constitute the fund intended to meet possible depreciation in securities;
- 6.97 francs for the adjustment of accounts for 1924;
- 162.53 francs transferred to increase the surplus of assets over liabilities on December 31st, 1925.

After adding the 162.53 francs mentioned above, the surplus of assets over liabilities for 1925 is brought up to 53,169.33 francs.

Of this sum 48,702.04 francs have been transferred to the credit of the individual accounts of members of the *Provident Fund* and of the *Death and Invalidity Fund* under the heading of interest at 4½ per cent per annum.

The balance of 4,467.29 francs has been carried forward to the next year.

* * *

After making this examination of the accounts of the League of Nations Staff Provident Fund, I feel it my duty to conclude the present report by recommending the creation, with the least possible delay, of a sufficient reserve, as is indeed provided for in Article 17 of the Regulations of the Fund, so as entirely to cover, even in the case of a depreciation of securities, the sums standing to the credit of the staff in the respective individual accounts.

¹ See Article 14 of the Regulations of the Staff Provident Fund. At present investments are made on lines laid down by the Financial Committee of the League of Nations for the Board of Management of the Fund.

² The investment of \$20,000 in the Austrian loan at 7 per cent (United States of America) is the only exception to this rule.

³ 27,631.90 francs for interest on securities and 13,943.30 francs for bank interest.

ANNEX 4.

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 Fifth Assembly:

“ 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 Sixth Assembly 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 immediately involving new expenditure;
- (b) New work which might lead to expenditure in the future.

I. SECRETARIAT AND SPECIAL ORGANISATIONS OF THE LEAGUE.

(Report adopted by the Council on September 2nd, 1926.)

A. *New Work immediately involving New Expenditure.*

1. *Economic Enquiry in Austria.*

The following proposal submitted by the Secretary-General was adopted by the Council on September 28th, 1925:

“ The authority of the Council is requested for charging the expenses of the enquiry in Austria by Messrs. Layton and Rist against the current Budget of the League (Economic and Financial Section).

“ The charge (including printing and expenses at Geneva) will amount to about 90,000 Swiss francs and will fall upon this year's Budget of the Economic and Financial Section, which is able to bear the expense.”

(Thirty-fifth Session, Minute 1584).

2. *Question of the Frontier between Turkey and Iraq.*

On September 28th, 1925, the following decision was taken by the Council:

“ The Council:

“ Decides to charge to Item 33 of the Budget for 1925 — ‘Unforeseen Expenditure (subject to special vote by the Council)’ — and to the corresponding item of the Budget for 1926, up to an amount of 100,000 gold francs, the expenses of the representative of the League of Nations instructed to keep the Council informed of the situation in the locality of the Provisional Line fixed at Brussels on October 29th, 1924;

"Instructs the Secretary-General to forward the present report to the two Governments concerned with the request that they inform him before the next session of the Council whether they agree to repay in equal proportions the advances provided for in the first paragraph of this resolution ¹."

(Thirty-fifth Session, Minute 1590.)

On December 16th, 1925, the Council decided to increase the amount voted in the above resolution to 125,000 francs.

(Thirty-seventh Session, Minute 1652.)

3. *Appeal by the Bulgarian Government under Articles 10 and 11 of the Covenant.*

The Council decided on October 29th, 1925:

"(1) To approve the report of the British representative;
"(2) To appoint a Commission to carry out a full enquiry into the recent incidents on the frontier between Bulgaria and Greece to the north-east of Salonica, and to ascertain as exactly as possible the origin of these incidents and all the facts in relation thereto which have given rise to the intervention of the Council."

The following is an extract of the British representative's report which is mentioned above:

"The Secretary-General will supply the Commission with all necessary staff and with all documents. The Council authorises the expenses of the Commission to be charged to Item 33 of the Budget for 1925 — 'Unforeseen Expenditure (subject to special vote by Council)' — up to an amount of 100,000 gold francs."

(Thirty-sixth Session, Minute 1597.)

The amount voted for this purpose was increased on December 14th, 1925, to 160,000 gold francs.

(Thirty-seventh Session, Minute 1644.)

B. *New Work which might lead to Expenditure in the Future.*

Nil.

II. INTERNATIONAL LABOUR ORGANISATION.

(Extract from a letter addressed to the Secretary-General by the Director of the International Labour Office on August 24th, 1926.)

1. *International Enquiry into Conditions of Work in the Coal-Mining Industry.*

This enquiry, which was decided upon by the Conference at its 1925 Session, necessitated the engagement of temporary staff and recourse to outside collaborators, for whom the Governing Body at its session in October 1925 voted a credit of 15,000 francs to be taken from Item 15 of the 1926 Budget — "Unforeseen Expenses".

2. *Enquiry into the Conditions of Work in Asiatic Countries.*

This enquiry, which was decided upon by the Conference at its 1925 Session, necessitated the engagement of temporary staff and recourse to outside collaborators, for whom the Governing Body at its session in January 1926 voted a credit of 12,000 francs to be taken from Item 15 of the 1926 Budget — "Unforeseen Expenses".

¹ Half the amount of the expenses of the representative of the League of Nations provided for in the above resolution has been repaid by the British Government.

ANNEX 5.

SPECIAL ALLOWANCES TO MEMBERS OF THE PERMANENT MANDATES
COMMISSION.

Note by the Secretary-General:

The Secretary-General has the honour to communicate to the Delegates at the Seventh Assembly the following report and resolution adopted by the Council on June 7th, 1926, forwarding to the Assembly a Report by the Supervisory Commission on the question of special allowances to members of the Permanent Mandates Commission.

REPORT BY M. SJÖBORG.

Adopted by the Council on June 7th, 1926.

On December 10th, 1925, I had the honour to submit to the Council a note on the question of the granting of special allowances to members of the Permanent Mandates Commission. I then pointed out that there were strong reasons in favour of the adoption, as an exceptional measure, of the proposal which had been made, but I suggested that the Supervisory Commission should be requested to report on the matter before the Council came to any final conclusions. This proposal was adopted.

My colleagues have received the report of the Supervisory Commission which for reasons set forth in the report recommends that:

“A special allowance of 2,000 francs be granted to every individual member of the Mandates Commission who, in the course of a year, is actually present at meetings of the Commission during more than thirty days in all. It must be understood that this allowance may be revised, or withdrawn later, according to the number of days on which members of the Mandates Commission are required to attend.

“The Supervisory Commission recommends that this decision should take effect for 1926.”

This is a question which concerns the financial administration of the League, and I would therefore suggest that the Council forward the report of the Supervisory Commission to the Assembly for favourable consideration. I might point out that, in the draft budget for 1927, approved by the Supervisory Commission and forwarded to the Members of the League, reference has already been made to this question, and the necessary provision has been tentatively included in the estimates for the work of the Permanent Mandates Commission.

I have the honour to propose the following resolution:

“The Council decides to recommend to the Assembly for favourable consideration the report by the Supervisory Commission on the question of special allowances to members of the Permanent Mandates Commission.” (Document C.271.1926.X.)

REPORT BY THE SUPERVISORY COMMISSION.

At its eighteenth session, the Supervisory Commission had before it the letter from the Chairman of the Mandates Commission to the Secretary-General concerning the remuneration of members of the Commission, together with M. Undén's report and the relevant extract from the Minutes of the seventh meeting of the Thirty-seventh Session of the Council.

After a full study of the question and careful consideration of the arguments in favour of Marquis Theodoli's proposal, the Supervisory Commission has decided to report to the Council as follows:

Members of the Mandates Commission cannot be treated on quite the same footing as members of the other League Commissions for the three following reasons:

1. Under the constitution of the Mandates Commission its members cannot—so long as they remain members—hold any office which puts them in a position of direct dependence on their Governments.

2. At the present time the sessions of the Mandates Commission last longer than those of other League Commissions. The number of meetings has increased from nine in 1921 to forty-four in 1925.

3. In the intervals between sessions, members of the Commission are obliged to study a very large number of documents submitted to them both by the Mandatory Governments and by the Secretariat. It is fair to say that every day in session involves a day spent in preliminary study at home.

It should further be remembered that the Mandates Commission and its activities are formally established by the Covenant itself.

The above considerations apply only to the Mandates Commission, and the Supervisory Commission is therefore of opinion that no precedent would be created if the Mandates Commission were treated a little more liberally than the other Commissions of the League.

The Supervisory Commission accordingly recommends that a special allowance of 2,000 francs be granted to every individual member of the Mandates Commission who, in the course of a year, is actually present at meetings of the Commission during more than thirty days in all. It must be understood that this allowance may be revised, or withdrawn later, according to the number of days on which members of the Mandates Commission are required to attend.

The Supervisory Commission recommends that this decision should take effect for 1926.

A. 39. 1926.

ANNEX 6.

PROPORTIONAL SHARE OF THE MEMBERS OF THE LEAGUE IN THE BUILDING FUND.

REPORT BY THE SECRETARY-GENERAL.

On the proposal of the Fourth Committee, the Sixth Assembly adopted, on September 26th, 1925, the following resolution:

“ That a statement be furnished to the Seventh Assembly showing, as on July 1st, 1926, the proportional interest of each Member in the League Building Fund.”

The Report of the Supervisory Commission for its eighteenth and nineteenth sessions (Annex 2, pages 73 and 74), sets forth the principles adopted by the Supervisory Commission for the preparation of the subjoined statement.

The small differences which will be noted between the figures shown on the provisional schedule annexed to the Report of the Supervisory Commission and the statement shown herewith, are due to:

1. A fuller consideration of the proper application of the principles agreed upon by the Supervisory Commission.
 2. Account being taken of the contributions received between December 31st, 1925, and the date when the new calculations were begun.
-

PROPORTIONAL SHARE OF THE MEMBERS OF THE LEAGUE IN THE BUILDING FUND.

Final Schedule.

| State Member | Total contributions received appertaining to the budgets for the years ended December 31st, 1925, exclusive of Working Capital Fund | Allocation of actual expenditure to December 31st, 1925, based on annual scales of apportionment | Amounts overpaid | Amounts underpaid | Proportional share of each State in the Fund |
|------------------------------|---|--|------------------|-------------------|--|
| Gold francs | | | | | |
| Abyssinia | 93,758.49 | 78,475.47 | 15,283.02 | | 0.066921 |
| Albania | 151,959.88 | 122,770.44 | 29,189.44 | | 0.127814 |
| Argentina | 3,981,259.16 | 3,124,652.09 | 856,607.07 | | 3.750882 |
| Australia | 4,599,881.76 | 3,700,666.92 | 899,214.84 | | 3.937452 |
| Austria | 117,798.30 | 91,746.80 | 26,051.50 | | 0.114074 |
| Belgium | 2,715,794.85 | 2,185,735.11 | 530,059.74 | | 2.321008 |
| Bolivia | 366,574.67 | 552,797.66 | — | 186,222.99 | |
| Brazil | 4,138,357.22 | 3,300,210.— | 838,147.22 | | 3.670051 |
| British Empire | 9,346,407.63 | 7,411,249.42 | 1,935,158.21 | | 8.473606 |
| Bulgaria | 906,893.33 | 727,978.59 | 178,914.74 | | 0.783426 |
| Canada | 5,261,796.71 | 4,220,479.28 | 1,041,317.43 | | 4.559686 |
| Chile | 1,640,731.99 | 1,306,152.27 | 334,579.72 | | 1.465046 |
| China | 2,325,996.12 | 5,466,812.10 | — | 3,140,815.98 | |
| Colombia | 1,052,363.16 | 844,078.34 | 208,284.82 | | 0.912030 |
| Costa Rica | 118,168.91 | 92,195.99 | 25,972.92 | | 0.113729 |
| Cuba | 984,434.97 | 783,825.38 | 200,609.59 | | 0.878422 |
| Czechoslovakia | 4,079,648.19 | 3,263,921.69 | 815,726.50 | | 3.571876 |
| Denmark | 1,957,632.14 | 1,572,684.47 | 384,947.67 | | 1.685596 |
| Dominican Republic | 24,179.83 | 20,331.84 | 3,847.99 | | 0.016849 |
| Esthonia | 341,998.29 | 272,895.36 | 69,102.93 | | 0.302585 |
| Finland | 1,519,601.24 | 1,224,959.82 | 294,641.42 | | 1.290166 |

| | | | | | |
|--|----------------|---------------|---------------|--------------|----------|
| France | 8,424,279.01 | 6,704,082.73 | 1,720,196.28 | | 7.532338 |
| Greece | 1,201,942.40 | 957,779.55 | 244,162.85 | | 1.069132 |
| Guatemala | 119,025.36 | 99,965.44 | 19,059.92 | | 0.083459 |
| Haiti | 445,432.41 | 359,195.03 | 86,237.38 | | 0.377613 |
| Honduras | 1,754.56 | 101,751.94 | — | 99,997.38 | |
| Hungary | 247,305.20 | 191,789.97 | 55,515.23 | | 0.243088 |
| India | 7,347,280.60 | 5,851,564.92 | 1,495,715.68 | | 6.549389 |
| Irish Free State | 468,792.55 | 392,377.35 | 76,415.20 | | 0.334604 |
| Italy | 7,173,995.36 | 5,722,196.43 | 1,451,798.93 | | 6.357088 |
| Japan | 7,493,997.54 | 5,944,389.76 | 1,549,607.78 | | 6.785370 |
| Latvia | 422,905.31 | 339,111.09 | 83,794.22 | | 0.366915 |
| Liberia | 88,696.22 | 145,931.33 | — | 57,235.11 | |
| Lithuania | 415,544.41 | 330,652.29 | 84,892.12 | | 0.371723 |
| Luxemburg | 259,559.14 | 206,078.13 | 53,481.01 | | 0.234181 |
| Netherlands | 3,083,525.36 | 2,474,519.76 | 609,005.60 | | 2.666693 |
| New Zealand | 1,057,981.08 | 841,582.31 | 216,398.77 | | 0.947560 |
| Nicaragua | 1,754.56 | 101,751.94 | — | 99,997.38 | |
| Norway | 1,859,906.24 | 1,494,577.21 | 365,329.03 | | 1.599690 |
| Panama | 338,405.04 | 300,021.24 | 38,383.80 | | 0.168074 |
| Paraguay | 120,779.87 | 99,965.43 | 20,814.44 | | 0.091142 |
| Persia | 712,506.— | 571,296.54 | 141,209.46 | | 0.618323 |
| Peru | 138,180.93 | 1,017,349.13 | — | 879,168.20 | |
| Poland | 4,121,801.67 | 3,265,179.33 | 856,622.34 | | 3.750949 |
| Portugal | 1,715,301.06 | 1,377,250.68 | 338,050.38 | | 1.480244 |
| Roumania | 3,750,414.26 | 2,990,706.81 | 759,707.45 | | 3.326581 |
| Salvador | 91,801.09 | 104,985.35 | — | 13,184.26 | |
| Serbs, Croats and Slovenes (Kingdom of the) | 2,963,097.73 | 2,360,949.61 | 602,148.12 | | 2.636666 |
| Siam | 1,057,981.08 | 841,582.31 | 216,398.77 | | 0.947560 |
| South Africa | 3,111,928.33 | 2,483,244.21 | 628,684.12 | | 2.752861 |
| Spain | 5,092,005.75 | 4,069,780.71 | 1,022,225.04 | | 4.476089 |
| Sweden | 2,936,433.15 | 2,359,005.90 | 577,427.25 | | 2.528419 |
| Switzerland | 2,715,794.86 | 2,185,735.11 | 530,059.75 | | 2.321008 |
| Uruguay | 837,342.77 | 668,311.52 | 169,031.25 | | 0.740148 |
| Venezuela | 690,250.55 | 552,797.66 | 137,452.89 | | 0.601874 |
| | 116,232,938.29 | 97,872,077.76 | 22,837,481.83 | 4,476,621.30 | 100 % |

ANNEX 7.

GENERAL BUDGET FOR THE NINTH FINANCIAL PERIOD (1927)

INTRODUCTION.

The Secretary-General has the honour to communicate to the Members of the League of Nations the estimates of the League for 1927. Detailed estimates in regard to the International Labour Organisation and the Permanent Court of International Justice are presented in separate documents; the totals of these estimates are included in the general summary which appears at the beginning of this document.

The estimates now submitted have been approved by the Supervisory Commission, the report of which (A. 5 (1). 1926. X) gives full details on the proposed expenditure as well as on the financial and budgetary situation of the League.

STATEMENT OF INCOME AND EXPENDITURE

| Expenditure | Gold Francs | Income | Gold Francs |
|---|-------------|--|-------------|
| <i>I. Secretariat and Special Organisations:</i> | | <i>I. Ordinary Contributions:</i> | |
| Ordinary expenditure | 13,243,155 | (a) Towards upkeep of Secretariat and Special Organisations. . | 13,243,155 |
| Capital expenditure . | 188,000 | (b) Towards upkeep of the International Labour Organisation. . | 7,574,165 |
| <i>II. International Labour Organisation:</i> | | (c) Towards upkeep of Permanent Court of International Justice | 2,122,947 |
| Ordinary expenditure | 7,574,165 | <i>II. Extraordinary Contributions:</i> | |
| Capital expenditure . . | 91,000 | (a) Towards Buildings at Geneva | 1,375,000 |
| <i>III. Permanent Court of International Justice:</i> | | (b) Towards Permanent Equipment, etc. . . | 299,830 |
| Ordinary expenditure | 2,122,947 | | |
| Capital expenditure . | 20,830 | | |
| <i>IV. Buildings at Geneva .</i> | 1,375,000 | | |
| | 24,615,097 | | 24,615,097 |

GENERAL SUMMARY.

PART I. — SECRETARIAT AND SPECIAL ORGANISATIONS OF THE LEAGUE ¹.

Section I. — Ordinary Expenditure.

| Chapter | Estimates | | | Expenditure |
|--|--------------------------|------------|------------|------------------------|
| | 1927 | 1926 | 1925 | 1925 |
| | Gold Francs ² | | | |
| I. Assembly and Council (See page 4) * | 980,000 | 1,025,000 | 1,024,500 | 722,099 |
| II. General Services of Secretariat . . (See page 4) | 7,115,649 | 6,569,034 | 6,183,961 | ³ 5,154,037 |
| III. Special Organisations of the League . (See page 6) | 5,147,506 | 4,770,970 | 4,758,873 | 3,481,860 |
| IV. Profit and Loss on exchange (See page 6) | — | — | — | 119,271 |
| Total of ordinary expenditure | 13,243,155 | 12,365,004 | 11,967,334 | 9,477,267 |

Section II. — Capital Expenditure.

| | | | | |
|---|------------|------------|------------|-----------|
| V. Permanent equipment, etc. (See page 7) | 188,000 | 168,000 | 142,000 | 141,138 |
| Total expenditure of the Secretariat and of the Special Organisations of the League | 13,431,155 | 12,533,004 | 12,109,334 | 9,618,405 |

PART II. — INTERNATIONAL LABOUR ORGANISATION.

(See Document A 4 (a) (i). 1926. X.)

| | | | | |
|---|-----------|-----------|-----------|-----------|
| Section I. — Ordinary expenditure . . . | 7,574,165 | 7,039,938 | 7,210,595 | 6,985,451 |
| Section II. — Capital expenditure | 91,000 | 75,000 | 130,000 | 84,830 |
| Total | 7,665,165 | 7,114,938 | 7,340,595 | 7,070,281 |

PART III. — PERMANENT COURT OF INTERNATIONAL JUSTICE ⁴.

(See Document A. 4 (b). 1926. X.)

| | | | | |
|---|-----------|-----------|-----------|-----------|
| Section I. — Ordinary expenditure . . . | 2,122,947 | 1,900,401 | 1,905,084 | 1,763,530 |
| Section II. — Capital expenditure | 20,830 | 7,290 | 3,125 | 2,751 |
| Total | 2,143,777 | 1,907,691 | 1,908,209 | 1,766,281 |

PART IV. — BUILDINGS AT GENEVA ⁵.

| | | | | |
|---|-----------|-----------|-----------|------------------------|
| Terminable annuity payable on account of building operations of the League | 1,375,000 | 1,375,000 | 1,250,000 | ⁶ 1,015,808 |
|---|-----------|-----------|-----------|------------------------|

¹ The figures below do not always exactly represent the amounts in the 1925 or 1926 Budget or correspond with the audited accounts (A.3.1926.X). These discrepancies are due to the new arrangement of certain items in the Budget. It has been found necessary, in order to facilitate comparison, to rearrange not only the 1927 Budget figures but also the figures in the two previous Budgets and in the audited accounts for 1925. For example, the salaries of the officials dealing with intellectual co-operation and questions relating to international bureaux have been transferred from Chapter II to Chapter III.

² The totals of the schedules, the details of which are given in Swiss francs, are represented in the Summaries of Chapters and Items by an equivalent total of gold francs, the two currencies being at the moment of almost equal value.

³ The expenditure chargeable to Chapter II actually amounted to 5,969,375 francs. The appropriations-in-aid, which are deducted from the actual expenditure, amounted, in 1925, to the exceptionally high figure of 815,338 francs, the sum received on account of interest having reached, as a consequence of circumstances which will not recur, 658,000 francs.

⁴ The rate of exchange adopted for the conversion from florins into gold francs is one florin = 2.083 gold frs.

⁵ As explained in the report of the Supervisory Commission (A.5.1926.X, paras. 19 *et seq.*) the annuity represented by the appropriation of 1,375,000 francs included in the budget under Part IV, "Buildings at Geneva", will be paid into the Building Fund, and the sum of 1,400,000 francs will be withdrawn from the Fund and reimbursed to the Members of the League which, by the prompt payment of their contributions for the years previous to 1926, have helped to create the Fund.

⁶ The items to which the expenses covered by this figure (balance of purchase-price of Hotel National and costs of jury of architects) were actually charged in the 1925 budget have, since 1926, no longer been included in the budget

* The page references are to those printed at the foot of the pages.

PART V. — WORKING CAPITAL FUND

(See note, page 38.)

| | Estimates | | | Expenditure |
|---|--------------------------|-------------------|-------------------|-------------------------------|
| | 1927 | 1926 | 1925 | 1925 |
| | Gold Francs ¹ | | | |
| Definitive contribution to the Working Capital Fund | — | — | 50,000 | 42,117 |
| TOTAL BUDGET OF THE LEAGUE OF NATIONS | 24,615,097 | 22,930,633 | 22,658,138 | ²19,512,892 |

PART I.

SECRETARIAT AND SPECIAL ORGANISATIONS

Section I. — Ordinary Expenditure.

CHAPTER I.

ASSEMBLY AND COUNCIL³.

| | Estimates | | | Expenditure |
|--|--------------------------|------------------|------------------|----------------|
| | 1927 | 1926 | 1925 | 1925 |
| | Gold Francs ¹ | | | |
| 1. Session of the Assembly (See Schedule A, page 7) | 400,000 | 435,000 | 424,500 | 308,798 |
| 2. Sessions of the Council (See note, page 7) | 80,000 | 90,000 | 100,000 | 49,039 |
| 3. Unforeseen expenditure (subject to special vote of Council) (See note, page 7) | 500,000 | 500,000 | 500,000 | 364,262 |
| | 980,000 | 1,025,000 | 1,024,500 | 722,099 |

CHAPTER II.

GENERAL SERVICES OF THE SECRETARIAT³ and ⁴.

| | | | | |
|--|-----------|-----------|-----------|-----------|
| 4. Salaries, wages and allowances: | | | | |
| (a) Secretariat at Geneva (See Schedule B, page 8) | 4,870,036 | 4,381,834 | 4,181,707 | 4,020,579 |
| (b) House staff at Geneva (See Schedule C, page 14) | 323,229 | 249,361 | 253,766 | 240,269 |
| 5. Contribution to the Staff Provident Fund (See note, page 15) | 250,000 | 220,000 | 210,000 | 210,943 |

¹ See Note 2, page 3.

² The total expenditure of all the Organisations of the League of Nations amounts, according to the audited accounts, to 20,663,537.27 gold francs. The difference between that sum and the total shown above is due to the facts:

(a) that no account has been taken, in the figures of expenditure incurred during 1924, of certain extraordinary appropriations in aid (grants to the Health Organisation);

(b) that, in the accounts, the expenditure of the International Labour Organisation and the Permanent Court of International Justice, and the contribution to the Working Capital Fund, are shown as the net sum payable, whilst in the present statement the corresponding figures represent the actual expenditure of the organisations (converted in the case of the Permanent Court at the parity of the florin) as well as the actual sum paid into the Working Capital Fund.

³ See Note 1, page 3.

⁴ It will be noted that in the case of certain items the expenditure figure exceeds the Budget appropriation. This excess expenditure has been covered by transfers made in conformity with the Financial Regulations. The list of transfers is contained in the document dealing with the accounts for the financial period of 1924 (A.3.1926.X).

CHAPTER II. GENERAL SERVICE OF THE SECRETARIAT (*continued*).

| | Estimates | | | Expenditure |
|--|--------------------------|------------------|-------------------|-------------------|
| | 1927 | 1926 | 1925 ¹ | 1925 ¹ |
| | Gold Francs ² | | | |
| 6. Latin-American Liaison Bureau. (See Schedule D, page 15) | 75,535 | 116,072 | 136,290 | 105,109 |
| 7. Branch Offices (See Schedule E, page 15) | 136,764 | 151,227 | 164,343 | 107,601 |
| 8. Travelling expenses of officials of the League: (See note, page 17) | | | | |
| (a) Travelling expenses and subsistence allowances in connection with General Services | 190,000 | 160,000 | 135,000 | 178,998 |
| (b) Travelling expenses of members of the Secretariat returning home on leave | 45,000 | 50,000 | 60,000 | 40,952 |
| (c) Removal expenses to and from Geneva | 60,000 | 25,000 | 30,000 | 24,766 |
| (d) Passports and visas | — | 500 | — | — |
| 9. Frais de représentation. (See Schedule F, page 17) | 162,500 | 150,000 | 150,000 | 140,660 |
| 10. Property Account maintenance: (a) Headquarters at Geneva (See Schedule G, page 17) | 229,225 | 212,220 | 159,375 | 144,346 |
| (b) House allowance of the Secretary-General (£1,000) | 25,220 | 25,220 | 25,220 | 25,220 |
| 11. Publications Department (See Schedule H, page 18) | 365,500 | 394,000 | 367,760 | 306,132 |
| 12. General office expenses (See Schedule I, page 19) | 388,000 | 394,000 | 325,000 | 303,546 |
| 13. Special staff charges. (See Schedule J, page 20) | 119,040 | 81,000 | 45,000 | 64,711 |
| 14. Interest charges: bank account | 1,000 | 1,000 | 10,000 | — |
| 15. Unforeseen expenses of the Secretariat | 50,000 | 80,000 | 50,000 | 23,997 |
| 16. Unpaid Liabilities Fund (See note, page 21) | 5,000 | 10,000 | 10,000 | 2,458 |
| 17. Supervision of revenue and expenditure: (a) Auditors' travelling and subsistence allowances | 12,500 | 15,000 | 15,000 | 8,516 |
| (b) Expenses of Supervisory Commission | 17,500 | 20,000 | 15,000 | 13,259 |
| (c) Expenses of Salaries Adjustment Committee | 100 | 100 | 500 | — |
| (d) Expenses of Committee on Allocation of Expenses | 7,500 | 15,000 | 10,000 | 7,313 |
| | 7,333,649 | 6,751,534 | 6,353,961 | 5,969,375 |
| <i>Deduct: Appropriations in Aid:</i> | | | | |
| (a) Sale of publications | 160,000 | 125,000 | 115,000 | 149,602 |
| (b) Interest earned | 50,000 ³ | 50,000 | 50,000 | 658,000 |
| (c) Miscellaneous cash receipts | 8,000 | 7,500 | 5,000 | 7,736 |
| | 218,000 | 182,500 | 170,000 | 815,338 |
| | 7,115,649 | 6,569,034 | 6,183,961 | 5,154,037 |

¹ See note 4, page 4.
² See note 2, page 3.
³ The estimate for interest to be earned in 1927 has not been increased, as the Assembly recommended that the interest accruing in respect of the Working Capital Fund and the Building Fund should in future be credited to these accounts.

CHAPTER III.

SPECIAL ORGANISATIONS OF THE LEAGUE.

| | Estimates | | | Expenditure |
|--|--------------------------|-----------|-------------------|-------------------|
| | 1927 | 1926 | 1925 ¹ | 1925 ¹ |
| | Gold Francs ² | | | |
| 18. Administrative Commissions and Minorities Questions (See Schedule K, page 21) | 352,739 | 329,107 | 330,481 | 249,801 |
| 19. Economic and Financial Organisation (See Schedule L, page 22) | 1,178,346 | 1,100,594 | 1,171,127 | 959,465 |
| 20. General Economic Conference (See note, page 24) | 320,000 | 200,000 | — | — |
| 21. Mandates (See Schedule M, page 25) | 261,038 | 203,878 | 224,857 | 172,673 |
| 22. Transit (See Schedule N, page 26) | 370,283 | 332,484 | 407,573 | 374,484 |
| 23. International Health Organisation (See Schedule O, page 27) | 991,115 | 988,165 | 809,764 | 813,611 |
| 24. Social Questions: Suppression of Traffic in Women and Protection of Children, Supervision of Opium Traffic, etc. (See Schedule P, page 31) | 278,181 | 356,914 | 241,921 | 276,049 |
| 25. Reduction of Armaments (See Schedule Q, page 33) | 1,052,572 | 838,475 | 1,226,795 | 338,069 |
| 26. Commission for the Protection of Women and Children in certain territories in the Near East | | 75,000 | 75,000 | 75,000 |
| 27. Intellectual Co-operation, International Bureaux, etc. (See Schedule R, page 35) | 208,132 | 201,353 | 191,805 | 153,216 |
| 28. Armenian Settlement Scheme (See note, page 36) | 100 | 50,000 | — | — |
| <i>Temporary Commission on Slavery</i> | — | — | 15,000 | 17,259 |
| 29. Legal assistance for the poor (<i>ad memoriam</i>) (See note, page 36) | — | — | — | — |
| 30. Experts' Committee for the Progressive Codification of International Law (See note, page 37) | 75,000 | 50,000 | 29,550 | 29,550 |
| <i>Experts Committee to consider Amendments to the Covenant</i> | — | — | 15,000 | — |
| 31. Conference, if any, and preparatory work on a scheme for an International Federation for Mutual Assistance in the Relief of Peoples overtaken by Disaster (See note, page 37) | 30,000 | 15,000 | 20,000 | 22,683 |
| 32. Committee of Press Experts (See note, page 37) | 30,000 | 30,000 | — | — |
| | 5,147,506 | 4,770,970 | 4,758,873 | 3,481,860 |

CHAPTER IV.

PROFIT AND LOSS ON EXCHANGE.*

(See note, page 38).

| | | | | |
|--------------------------------|---------|--------|---------|---------|
| 33. Loss on exchange | 100,000 | 25,000 | 100,000 | 142,436 |
| <i>Deduct:</i> | | | | |
| Profit on exchange | 100,000 | 25,000 | 100,000 | 23,165 |
| | — | — | — | 119,271 |

¹ See Note 4, page 4.

² See Note 2, page 3.

Section II. — Capital Expenditure.

CHAPTER V.

PERMANENT EQUIPMENT, ETC.

| | Estimates | | | Expenditure |
|--|-----------|----------------------------------|-------------------|-------------------|
| | 1927 | 1926 Gold Francs ² | 1925 ¹ | 1925 ¹ |
| 34. Further additions to property | — | 25,000 | 25,000 | 15,390 |
| 35. Further purchases of furniture, equipment, etc.: | | | | |
| For annex | 40,000 | 55,000 | 32,000 | 42,982 |
| Current requirements | 45,000 | | | |
| 36. Library: | | | | |
| (a) Books, maps | 55,000 | 50,000 | 50,000 | 38,177 |
| (b) Binding | 25,000 | 17,000 | 17,000 | 24,793 |
| (c) Periodicals | 13,000 | 13,000 | 13,000 | 13,086 |
| (d) Equipment, shelving, etc. | 10,000 | 8,000 | 5,000 | 6,710 |
| | 188,000 | 168,000 | 142,000 | 141,138 |

SCHEDULE A

TO CHAPTER I, ITEM I.

| | Estimates | | | Expenditure |
|---|-----------|----------------------|-------------------|-------------------|
| | 1927 | 1926 Swiss Francs | 1925 ¹ | 1925 ¹ |
| SESSION OF THE ASSEMBLY | 400,000 | 435,000 | 424,500 | 308,798 |
| 1. Salaries of additional temporary clerical and house staff | 125,000 | 138,000 | 120,000 | 101,053 |
| 2. Overtime payments of permanent staff | 8,000 | 10,000 | 10,000 | 6,255 |
| 3. Travelling expenses and subsistence allowances of temporary staff brought expressly to Geneva. | 13,000 | 15,000 | 15,000 | 12,135 |
| 4. Assembly hall, rent, lighting, heating, etc. | 25,000 | 35,000 | 30,000 | 25,180 |
| 5. Special printing | 194,000 | 200,000 | 210,000 | 142,386 |
| 6. Cables, telegrams and telephones | 1,000 | 1,000 | 2,500 | 605 |
| 7. Supplies and stores | 13,000 | 14,000 | 20,000 | 11,597 |
| 8. Automobile and cyclist service | 12,000 | 12,000 | 10,000 | 3,016 |
| 9. Incidental expenses | 9,000 | 10,000 | 7,000 | 6,571 |

NOTE ON ITEM 2 OF CHAPTER I: "SESSIONS OF THE COUNCIL".

The amount estimated for sessions of the Council, although less than the expenditure of 1923, would be sufficient to meet the expenses of one regular session and of two extraordinary sessions held away from Geneva. From the experience gained since 1921, it has been found that different political circumstances may at times render it desirable to hold the meetings of the Council elsewhere than at Geneva.

NOTE ON ITEM 3 OF CHAPTER I: "UNFORESEEN EXPENDITURE
(SUBJECT TO SPECIAL VOTE OF COUNCIL)".

A sum of 500,000 francs is provided for in each Budget in order that the Council should have sufficient funds at its disposal to meet any political contingencies which might arise during the year. The Third Assembly fully recognised the necessity of this measure; but, in order to give full publicity to any expenditure incurred under this head, it decided to add the following clause to Article 36 of the Financial Regulations:

"A statement showing for the past financial year any expenses borne on a vote for unforeseen expenditure and incurred only by special resolution of a competent authority shall be annexed to the accounts."

¹ See Note 4, page 4.
² See Note 2, page 3.

SCHEDULE B
TO CHAPTER II, ITEM 4a.

SALARIES, WAGES AND ALLOWANCES OF THE SECRETARIAT.

| Number of Posts provided for in Budget for | Sections | Estimates | | | Expenditure | |
|--|----------|---|-----------|--|-------------|-----------|
| | | 1927 | 1926 | 1925 | 1925 | |
| | | Swiss Francs | | | | |
| I. General Organisation. | | | | | | |
| (See Sub-Schedule No. 1.) | | | | | | |
| 1 | 1 | Secretary-General (£4,000 ¹) . . . | 100,880 | 100,880 | 100,880 | 99,569 |
| 6 | 6 | Secretary-General's Office . . . | 96,649 | 95,404 | 93,834 | 87,652 |
| 1 | 1 | Deputy Secretary General (£3,000 ¹) | 75,660 | 75,660 | 75,660 | 74,676 |
| 5 | 5 | Deputy Secretary General's Office | 92,839 | 91,514 | 88,564 | 87,795 |
| 1 | 1 | Under - Secretary - General (£3,000 ¹) | 75,660 | 75,660 | 75,660 | 74,676 |
| 5 | 5 | Under - Secretary - General's Office | 71,595 | 68,520 | 71,980 | 61,633 |
| 1 | 1 | Under - Secretary - General | 75,000 | 75,660 | 75,660 | 74,677 |
| — | 2 | Under - Secretary - General's Office | 23,700 | — | — | — |
| — | 1 | Under-Secretary-General | 75,000 | (Director's salary included in the figures for the Political Section.) | | |
| 2 | 2 | Under - Secretary - General's Office ² | 27,385 | 26,340 | 25,500 | 23,719 |
| 10 | 11 | Political Section | 221,711 | 221,586 | 218,471 | 212,617 |
| 39 | 43 | Information Section | 835,703 | 740,530 | 671,421 | 639,287 |
| 13 | 17 | Legal Adviser's Branch | 356,940 | 244,064 | 245,464 | 235,317 |
| 4 | 4 | Treasurer's Office | 88,150 | 94,550 | 92,950 | 86,943 |
| — | — | (a) Replacements, temporary engagements, overtime, etc., for the General Organisation (sub-heads 1 to 14) | 10,000 | 15,000 | 2,000 | — |
| — | — | (b) Allowances for special languages | 2,500 | 2,500 | — | — |
| 88 | 100 | TOTAL: General Organisation | 2,229,372 | 1,927,868 | 1,838,044 | 1,758,651 |
| II. Internal Services. | | | | | | |
| (See Sub-Schedule No. 2.) | | | | | | |
| 15 | 18 | Internal Services ² | 219,326 | 181,310 | 165,535 | 162,085 |
| 9 | 9 | Accounting Branch | 91,808 | 88,688 | 89,670 | 84,488 |
| 6 | 9 | Internal Control | 73,600 | 72,225 | 63,634 | 66,230 |
| 27 | 32 | Precis-Writing and Publication Department | 335,861 | 282,552 | 268,642 | 257,649 |
| 8 | 8 | Indexing of Publications | 77,448 | 76,470 | 77,925 | 65,968 |
| 2 | 2 | Drafting Committee | 25,497 | 24,542 | 25,342 | 23,279 |
| 29 | 29 | Interpreting and Translating | 513,110 | 495,858 | 447,954 | 418,229 |
| 16 | 18 | Library | 157,954 | 144,701 | 148,454 | 144,082 |
| 20 | 20 | Registry | 209,563 | 205,558 | 202,496 | 188,539 |
| Central Services: | | | | | | |
| 62 | 66 | Pool of Typists ² | 519,031 | 486,680 | 470,273 | 410,548 |
| 34 | 34 | Duplicating and Multigraph Service | 179,582 | 176,017 | 173,901 | 149,971 |
| 27 | 28 | Distribution of Documents | 169,663 | 160,920 | 149,470 | 142,241 |
| | | Carried forward | 2,572,413 | 2,395,521 | 2,283,296 | 2,113,309 |

¹ The pound sterling and the dollar are taken at par (£1=25.22 Swiss frs.; \$1=5.1826 Swiss frs.). In the Budget for 1925 and for 1926 the value adopted for the French franc was 0.40 Swiss fr.; in the present Budget this value is 0.24 Swiss fr.

² See Note 1, page 3.

SCHEDULE B TO CHAPTER II, ITEM 4a.
SALARIES, WAGES AND ALLOWANCES OF THE SECRETARIAT (continued)

| Number of Posts provided for in Budget for | | Sections | Estimates | | | Expenditure 1925 |
|--|------|--|-----------|-----------|--------------|------------------|
| 1926 | 1927 | | 1927 | 1926 | 1925 | |
| | | Brought forward. | | | Swiss Francs | |
| 10 | 14 | Miscellaneous services ¹ | 2,572,443 | 2,395,521 | 2,283,296 | 2,113,309 |
| — | — | (a) Replacements, temporary engagements and overtime for all Internal Services | 81,641 | 58,980 | 60,475 | 54,362 |
| — | — | (b) New miscellaneous services | 90,000 | 92,000 | 90,000 | 94,347 |
| — | — | (c) Family allowances | | | | |
| 265 | 285 | TOTALS: Internal Services | 2,744,084 | 2,546,501 | 2,433,771 | 2,262,018 |
| 353 | 385 | TOTALS: General Organisation and Internal Services | 4,973,456 | 4,474,369 | 4,271,815 | 4,020,579 |
| | | Deduct: Reductions in salaries due to lower cost of living ² | 103,420 | 92,535 | 90,108 | — |
| | | GRAND TOTALS | 4,870,036 | 4,381,834 | 4,181,707 | 4,020,579 |

SUB-SCHEDULE No. I TO SCHEDULE B.
SALARIES OF THE GENERAL ORGANISATION OF THE SECRETARIAT.

| Posts | | Sections and Grades | Scales | Total Salaries of Grades Sections 1927 | |
|-------|------|---|-------------------|--|---------|
| 1926 | 1927 | | | Swiss Francs | |
| I | I | 1. Secretary-General (£4,000) ³ | | 100,880 | 100,880 |
| | | 2. Secretary-General's Office: | | | |
| I | I | Member of Section, Class A | 19,000-800-28,000 | 31,600 ⁴ | |
| I | I | Member of Section, Class B | 13,700-800-19,000 | 18,634 | |
| I | I | Private Secretary | 10,000-300-16,250 | 15,900 | |
| 3 | 3 | Secretary-Shorthand-typists | 8,700-250-11,250 | 30,515 | |
| 6 | 6 | | | | 96,649 |
| I | I | 3. Deputy Secretary-General (£3,000) ³ (Responsible for the supervision of special organisations) | | 75,660 | 75,660 |
| | | 4. Deputy Secretary-General's Office. | | | |
| 2 | 2 | Members of Section, Class A | 19,000-800-28,000 | 55,200 | |
| I | I | Private Secretary | 10,000-300-16,250 | 15,875 | |
| 2 | 2 | Secretary-Shorthand-typists | 8,700-250-11,250 | 21,764 | |
| 5 | 5 | | | | 92,839 |
| I | I | 5. Under-Secretary-General (£3,000) ³ (In charge of internal administration). | | 75,660 | 75,660 |
| | | 6. Under-Secretary-General's Office. | | | |
| I | I | Member of Section, Class A | 19,000-800-28,000 | 26,390 | |
| I | I | Member of Section, Class B | 13,700-800-19,000 | 18,530 | |
| I | I | Private Secretary | 8,700-250-11,250 | 12,125 ⁵ | |
| I | I | Secretary Shorthand-typist | 8,700-250-11,250 | 8,950 | |
| | | Locally recruited Staff. | | | |
| I | I | Shorthand-typist | 5,000-200- 8,000 | 5,600 | |
| 5 | 5 | | | | 71,595 |
| I | I | 7. Under-Secretary-General. (Director of Section of International Bureaux and Intellectual Co-operation) | | 75,000 | 75,000 |

¹ See Note 1, page 3.
² In accordance with a decision of the Second Assembly, a portion of the salaries of the officials engaged on long-term contracts varies with the fluctuations in the cost of living. The Fourth Assembly decided that the variable portion should amount to 20% of the total salary, that reductions and increases in salaries should be examined once a year (taking as a basis of comparison the figures published by the Swiss Federal Government) and that the year should be taken as ending on July 31st. Thus it will not be known until immediately before the Assembly whether the reduction of 2.6% in salaries carried out in 1926 will be repeated in 1927. This appears probable, however, in view of the Fourth Assembly's decision that "no change shall be made as long as the increase or decrease does not reach 10% of the index which caused a change in the salaries".
³ See Note 1, page 8.
⁴ Including allowance of 3,600 francs in respect of this post.
⁵ Including allowance of 1,800 francs in respect of this post

| Posts | | Sections and Grades | Scales | Total | Salaries of |
|---|----------------|--|---------------------|--------------|-------------|
| 1926 | 1927 | | | Grades | Sections |
| | | | | 1927 | |
| | | | | Swiss Francs | |
| 8. Under-Secretary-General's Office¹. | | | | | |
| — | I | Member of Section, Class B | 13,700-800-19,000 | 15,000 | |
| — | I | Secretary-Shorthand-typist | 8,700-250-11,250 | 8,700 | |
| — | 2 | | | | 23,700 |
| — | I | 9. Under-Secretary-General (in charge of Political Section) | | 75,000 | 75,000 |
| 10. Under-Secretary-General's Office. | | | | | |
| I | I | Member of Section, Class B | 13,700-800-19,000 | 18,250 | |
| I | I | Secretary-Shorthand-typist | 8,700-250-11,250 | 9,135 | |
| 2 | 2 | | | | 27,385 |
| 11. Political Section. | | | | | |
| I | — | Director | 41,000-2,500-53,000 | — | |
| 5 | 7 | Members of Section, Class A | 19,000- 800-28,000 | 179,210 | |
| I | I | Secretary of Section | 10,000- 300-16,250 | 14,700 | |
| 2 | 2 | Secretary Shorthand-typists | 8,700- 250-11,250 | 21,013 | |
| <i>Locally recruited Staff.</i> | | | | | |
| I | I | First-class Assistant | 5,400- 175- 8,000 | 6,788 | |
| 10 | II | | | | 221,711 |
| 12. Information Section. | | | | | |
| (i) Geneva Office: | | | | | |
| I | I | Director | 41,000-2,500-53,000 | 53,000 | |
| I | I | Member of Section | £2,000 | 50,440 | |
| 9 | 10 | Members of Section, Class A | 19,000-800-28,000 | 255,334 | |
| 5 | 7 | Members of Section, Class B | 13,700-800-19,000 | 119,234 | |
| I | I | Secretary of Section | 10,000-300-16,250 | 13,500 | |
| 3 | 2 | Members of Intermediate Class | 10,000-300-16,250 | 24,300 | |
| I | I | Member of Intermediate Class B | 10,000-300-14,400 | 13,500 | |
| I | 2 | Senior Clerical Assistant | 8,700-250-11,250 | 17,780 | |
| 3 | 3 | Secretary-Shorthand-typists | 8,700-250-11,250 | 31,628 | |
| 2 | 3 | Bilingual Shorthand-typists | 7,500-250-10,000 | 25,443 | |
| 7 | 7 | Shorthand-typists and Clerical Assistants | 7,000-200- 9,500 | 58,545 | |
| <i>Locally recruited Staff.</i> | | | | | |
| I | I | First-class Clerk | 5,000-200-8,000 | 6,167 | |
| I | I | Shorthand-typist | 4,800-150-7,000 | 5,360 | |
| 3 | 3 | Messengers and fifth-class Clerks. | 1,800-100-4,200 | 6,440 | |
| 39 | 43 | | | | 680,671 |
| Temporary Engagements | | | | 20,000 | |
| (ii) London Office²: | | | | | |
| I | I ³ | Member of Section | £1,000 | | |
| I | I | Assistant | £ 300 | | |
| I | I | Shorthand-typist | £ 208 | | |
| | | | £1,508 | | |
| (iii) Paris Office: | | | | 38,032 | |
| — | — | Staff, including Member of Section | 25,000 | | 25,000 |
| (iv) Rome Office: | | | | | |
| — | — | Staff, including Member of Section and Office expenses | 20,000 | | 20,000 |
| | | (v) Tokio Office | 20,000 | | 20,000 |
| | | (vi) Berlin Office | 20,000 | | 20,000 |
| | | (vii) Other Offices | 12,000 | | 12,000 |
| | | | | | 835,703 |

¹ For the rest of the staff of the Under-Secretary-General in charge of the Section of International Bureaux, see Item 27, "Intellectual Co-operation", etc.

² Rent and miscellaneous expenses are shown under Schedule E I (B).

³ The staff of the various offices of the Information Office outside Geneva is not included in the general summary on page 8.

| Posts | | Sections and Grades | Scales | Total | Salaries of |
|-----------|-----------|--|-------------------|----------------|-------------|
| 1926 | 1927 | | | Grades | Sections |
| | | | | 1927 | |
| | | | | Swiss Francs | |
| | | 13. Legal Adviser's Branch (including Registration of Treaties): | | | |
| I | I | (i) Legal Adviser | | 75,000 | |
| 4 | 5 | Members of Section, Class A | 19,000-800-28,000 | 117,645 | |
| I | 3 | Member of Section, Class B | 13,700-800-19,000 | 48,400 | |
| I | I | Secretary of Section | 10,000-300-16,250 | 11,645 | |
| 2 | 2 | Senior Clerical Assistants | 8,700-250-11,250 | 20,460 | |
| I | 2 | Secretary-Shorthand-typists | 8,700-250-11,250 | 19,725 | |
| 2 | 2 | Clerical Assistants | 7,000-200- 9,500 | 16,565 | |
| I | I | Bilingual Stenographers | 7,500-250-10,000 | 9,500 | |
| — | — | Legal Adviser on Swiss Law (fees) | | 1,500 | |
| <u>13</u> | <u>17</u> | | | | |
| | | (ii) Provision for development of section if Secretariat is required to carry out fresh work under the terms of the Locarno Agreements | | 27,500 | |
| | | (iii) Temporary engagements (three months at 3,000 frs. per month) | | 9,000 | |
| | | | | <u>356,940</u> | |
| | | 14. Treasurer's Office. | | | |
| I | I | Treasurer | | 40,000 | |
| I | I | Member of Section, Class A | 19,000-800-28,000 | 21,600 | |
| I | I | Member of Section, Class B | 13,700-800-19,000 | 15,300 | |
| I | I | Secretary-Shorthand-typist | 8,700-250-11,250 | 11,250 | |
| <u>4</u> | <u>4</u> | | | | 88,150 |
| | | 15. (a) Replacements, temporary engagements, overtime, etc., for the General Organisation (sub-heads I to I4) | | | 10,000 |
| | | (b) Allowance for special languages | | | 2,500 |

SUB-SCHEDULE No. 2 TO SCHEDULE B.

SALARIES OF THE INTERNAL SERVICES OF THE SECRETARIAT.

| | | | | | |
|-----------|-----------|---|--|--------|---------|
| | | I. Internal Services. | | | |
| I | I | Chief of Internal Services | 28,000-1,000-30,000 | 30,000 | |
| I | I | Secretary Shorthand-typist | 8,700- 250-11,250 | 11,080 | |
| | | (i) Establishment Office. | | | |
| I | I | Deputy Establishment Officer | 13,700-800-19,000 | 19,000 | |
| I | I | Member of Intermediate Class | 10,000-300-16,250 | 13,500 | |
| I | I | Secretary-Shorthand-typist | 8,700-250-11,250 | 9,610 | |
| | | Locally recruited Staff. | | | |
| — | I | Second-class Clerk | 4,500-175- 7,000 | 4,500 | |
| | | (ii) Contracts and Supplies Branch. | | | |
| I | I | Head of Service | | 21,800 | |
| I | I | Junior Clerical Assistant | 7,000-200-9,500 | 8,800 | |
| | | Locally recruited Staff. | | | |
| I | I | First-class Clerk | 5,000-200-8,000 | 6,288 | |
| I | I | Third-class Clerk | 4,000-150-6,000 | 4,000 | |
| | | (iii) Staff Branch. | | | |
| — | I | Member of Section, Class A | 19,000-800-28,000 | 25,000 | |
| 2 | 2 | Secretaries | { 10,000-500-16,250 } { 10,000-300-16,250 } | 27,500 | |
| 3 | 3 | Secretary-Shorthand - typists and Senior Clerical Assistant | 8,700-250-11,250 | 27,809 | |
| | | Locally recruited Staff. | | | |
| I | I | Senior Assistant | 5,400-175-8,000 | 5,939 | |
| — | I | Junior Assistant | 4,500-175-7,000 | 4,500 | |
| <u>15</u> | <u>18</u> | | | | 219,326 |
| | | 2. Accounting Branch. | | | |
| I | I | Chief Accountant | 19,000-800-24,000 | 23,200 | |
| I | I | Member of Intermediate Class | 10,000-300-16,250 | 11,918 | |
| I | I | Senior Clerical Assistant | 8,700-250-11,250 | 10,920 | |
| I | I | Secretary Shorthand-typist | 8,700-250-11,250 | 11,250 | |
| 2 | 2 | Junior Clerical Assistants | 7,000-200- 9,500 | 16,600 | |
| | | Locally recruited Staff. | | | |
| 3 | 3 | First-class Clerks | 5,000-200-8,000 | 17,920 | |
| <u>9</u> | <u>9</u> | | | | 91,808 |

| Posts | | Sections and Grades | Scales | Total Salaries of Grades and Sections | |
|--|------|--|---------------------|---------------------------------------|---------|
| 1926 | 1927 | | | 1927 | |
| | | | | Swiss Francs | |
| 3. Internal Control. | | | | | |
| 1 | 1 | Internal Control Officer | 19,000-800-24,000 | 21,400 | |
| 2 | 2 | Members of Intermediate Class | 10,000-300-16,250 | 24,000 | |
| | | | 14,400 | | |
| 1 | 1 | Secretary Shorthand-typist | 8,700-250-11,250 | 8,700 | |
| | | <i>Locally recruited Staff.</i> | | | |
| 2 | 2 | First-class Clerks | 5,000-175-8,000 | 14,700 | |
| — | 1 | Second-class Clerk | 4,500-175-7,000 | 4,800 | |
| 6 | 7 | | | | 73,600 |
| 4. Précis-Writing and Publication Department. | | | | | |
| 1 | 1 | Head of Department | 28,000-1,000-30,000 | 29,000 | |
| 1 | 1 | Secretary-Shorthand-typist | 8,700-250-11,250 | 11,205 | |
| <i>(i) Précis-Writing.</i> | | | | | |
| 1 | 1 | Assistant Head | 19,000-800-28,000 | 28,000 | |
| 3 | 5 | Precis-writers | 13,700-800-19,000 | 79,393 | |
| 1 | 1 | Member of Intermediate Class A (Editor <i>Official Journal</i>). | 10,000-500-16,250 | 16,150 | |
| 1 | 1 | Secretary-Shorthand-typist | 8,700-250-11,250 | 10,985 | |
| <i>(ii) Printing and Publication.</i> | | | | | |
| <i>(a) Publication:</i> | | | | | |
| 1 | 1 | Sales Agent | — | 15,300 | |
| 1 | 1 | Senior Assistant | 8,700-250-11,250 | 9,721 | |
| | | <i>Locally recruited Staff.</i> | | | |
| 2 | 2 | Shorthand-typists | 4,800-150-7,000 | 10,315 | |
| 1 | 1 | Second-class Clerk | 4,500-175-7,000 | 5,425 | |
| <i>(b) Printing:</i> | | | | | |
| 1 | 1 | Head of Service | 10,000-500-16,250 | 16,250 | |
| 4 | 5 | Senior Assistants (proof-readers) | 8,700-250-11,250 | 48,738 | |
| | | <i>Locally recruited Staff.</i> | | | |
| 4 | 5 | Senior Assistants (proof-readers) | 6,400-175-8,000 | 36,467 | |
| 1 | 1 | First-class Clerk | 5,000-200-8,000 | 6,252 | |
| 1 | 1 | Fifth-class Clerk | 2,400-100-4,000 | 4,000 | |
| 3 | 4 | Copyholders | — | 8,660 | |
| 27 | 32 | | | | 335,861 |
| <i>(iii). Indexing of Publications.</i> | | | | | |
| 7 | 7 | Senior Assistants | 8,700-250-11,250 | 70,533 | |
| | | <i>Locally recruited Staff.</i> | | | |
| 1 | 1 | Senior Assistant | 5,400-175-8,000 | 6,915 | |
| 8 | 8 | | | | 77,448 |
| 5. Drafting Committee. | | | | | |
| 1 | 1 | Secretary | 10,000-500-16,250 | 16,285 | |
| 1 | 1 | Secretary Shorthand-typist | 8,700-250-11,250 | 9,212 | |
| 2 | 2 | | | | 25,497 |
| 6. Interpreting and Translating. | | | | | |
| <i>(i) French Section:</i> | | | | | |
| 1 | 1 | Head of Service | 19,000-800-25,000 | 25,000 | |
| 1 | 1 | Translator-Reviser | 19,000-800-22,000 | 21,400 | |
| 1 | 1 | Interpreter and Translator | 19,000-800-22,000 | 20,600 | |
| 9 | 9 | Translators and Interpreters | 13,700-800-19,000 | 145,465 | |
| 1 | 1 | Secretary-Shorthand-typist | 8,700-250-11,250 | 10,610 | |
| 13 | 13 | | | | |
| <i>(ii) English Section:</i> | | | | | |
| 1 | 1 | Head of Service | 19,000-800-25,000 | 24,974 | |
| 1 | 1 | Translator-Reviser | 19,000-800-22,000 | 21,400 | |
| 1 | 1 | Interpreter and Translator | 19,000-800-22,000 | 21,400 | |
| 1 | 1 | Interpreter and Translator | 19,000-800-21,000 | 20,600 | |
| 1 | 1 | Translator-Reviser | 19,000-800-21,000 | 20,600 | |
| 7 | 7 | Translators and Interpreters | 13,700-800-19,000 | 114,735 | |
| 1 | 1 | Secretary-Shorthand-typist | 8,700-250-11,250 | 11,126 | |
| 13 | 13 | | | | |

| Posts 1926 1927 | | Sections and Grades | Scales | Total of Salaries Grades Sections 1927 |
|--------------------|----|---|--|--|
| | | | Swiss Francs | |
| | | <i>(iii) Miscellaneous:</i> | | |
| 2 | 2 | Interpreters | — | 36,000 |
| 1 | 1 | Interpreter and Translator for Sla- vonic languages | — | 17,200 |
| 3 | 3 | <i>(iv) Outside translations</i> | — | 2,000 |
| | | | | 513,110 |
| | | <i>7. Library.</i> | | |
| 1 | 1 | Librarian (fr. 1,000) | | 25,220 |
| 1 | 1 | Assistant Librarian | 13,700-300-16,250 | 16,250 |
| 1 | 1 | Secretary-Shorthand-typist | 8,700-250-11,250 | 9,200 |
| 7 | 7 | First-class Assistants ¹ | 8,700-250-11,250 | 73,774 |
| | | <i>Locally recruited Staff:</i> | | |
| 5 | 6 | Assistants | — | 29,210 |
| 1 | 2 | Messengers | 1,800-100- 4,200 | 4,300 |
| 16 | 18 | | | 157,954 |
| | | <i>8. Registry.</i> | | |
| 1 | 1 | Registrar | 20,000-500-25,000 | 20,334 |
| 1 | 1 | Deputy Registrar | 13,700-800-19,000 | 19,000 |
| 1 | 1 | Member of Intermediate Class A | 10,000-500-16,250 | 14,900 |
| 1 | 1 | Member of Intermediate Class B | 10,000-300-14,400 | 10,200 |
| 1 | 1 | Secretary-Shorthand-typist | 8,700-250-11,250 | 11,250 |
| 10 | 10 | Senior Clerical Assistants | 8,700-250-11,250 | 103,816 |
| 2 | 2 | Clerical Assistants | 5,400-175- 8,000 | 14,250 |
| | | <i>Locally recruited Staff.</i> | | |
| 1 | 1 | First-class Clerk | 5,400-175- 8,000 | 6,188 |
| 1 | 1 | Third-class Clerk | 4,200-125- 6,000 | 5,425 |
| 1 | 1 | Messenger | 3,600-100- 4,200 | 4,200 |
| 20 | 20 | | | 209,563 |
| | | <i>9. Central Services.</i> | | |
| | | <i>(i) Stenographers' Branch.</i> | | |
| | | <i>(a) Verbatim Reporters :</i> | | |
| 1 | 1 | Head Verbatim Reporter's Staff | 15,600-500-18,000 | 17,100 |
| — | 1 | English Verbatim Reporter ² | 10,000-300-14,400 | 10,550 |
| — | 5 | French Verbatim Reporters ² | 10,000-300-14,400 | 52,750 |
| | | <i>(b) Pool of Typists:</i> | | |
| 1 | 1 | Superintendent | 10,000-500-16,250 | 13,850 |
| 1 | 1 | Senior Assistant (Assistant Super- intendent) | 10,000-250-11,250 | 11,209 |
| 4 | 6 | Bilingual Shorthand-typists | 7,500-250-10,000 | 52,560 |
| 33 | 28 | Shorthand-typists | 7,000-200- 9,500 | 246,973 |
| 3 | 3 | Shorthand-typists for special lan- guages (Czech, Polish and Serbian). | 7,000-200- 9,500 | 21,459 |
| 5 | 5 | Copyists | 6,000-175- 8,000 | 35,693 |
| | | <i>Locally recruited Staff.</i> | | |
| 10 | 9 | Shorthand-typists | {4,800-150-7,000 (O.S. ³) 4,000-150-6,000 (N.S. ⁴)} | 45,621 |
| 4 | 6 | Copyists | 4,200-125-6,000 | 25,266 |
| 16 | 16 | | | 519,031 |
| | | <i>(ii) Duplicating and Multigraph Service.</i> | | |
| 1 | 1 | Superintendent | 10,000-500-16,250 | 14,500 |
| 2 | 2 | Senior Assistants (Assistant Super- intendents) | 8,700-250-11,250 | 19,995 |
| 2 | 2 | Junior Assistants | 7,000-200- 9,500 | 17,600 |
| 6 | 6 | Copyists | 6,000-175- 8,000 | 42,359 |
| | | <i>Locally recruited Staff.</i> | | |
| 15 | 15 | Fourth-class Clerks (operators) | {4,200-125-6,000 (O.S. ³) 3,500-125-5,000 (N.S. ⁴)} | 67,513 |
| 8 | 8 | Messengers (junior operators) | {1,800-100-4,200 (O.S. ³) 3,500-125-5,000 (N.S. ⁴)} | 17,615 |
| 34 | 34 | | | 179,582 |

¹ If the Library is reorganised, it may become necessary to change one or two posts of First-class Assistant to posts of the Intermediate Class. This change will not, however, entail any fresh expenditure for the first year.
² These officials formerly belonged to the Pool of Typists, and still work in the Pool when not required for committees, conferences, etc. The credits for the Council have been reduced as a result of the creation of this new service, and a similar reduction may eventually be effected in the credits provided for conferences.
³ O. S. = Old scale.
⁴ N. S. = New scale.

| Posts | | Sections and Grades | Scales | Total Salaries of Grades Section. | |
|---|------|---|--|-----------------------------------|---------|
| 1926 | 1927 | | | 1927 | |
| | | | | Swiss Francs | |
| iii) Distribution of Documents. | | | | | |
| (a) General Services. | | | | | |
| I | I | Superintendent | 10,000-500-16,250 | | 16,250 |
| I | I | Assistant Superintendent | 10,000-300-14,400 | | 12,900 |
| I | I | Member Intermediate Class | 10,000-300-14,400 | | 11,550 |
| 2 | 2 | Senior Clerical Assistants | 8,700-250-11,250 | | 21,848 |
| 3 | 3 | Junior Assistants | 7,000-200- 9,500 | | 27,500 |
| <i>Locally recruited Staff.</i> | | | | | |
| 3 | 3 | First-class Clerks | 5,000-200-8,000 (N.S. ²) | | 18,318 |
| — | 2 | Second-class Clerks | 4,500-175-7,000 (N.S. ²) | | 9,132 |
| 2 | — | Third-class Clerks | 4,000-150-6,000 (N.S. ²) | | — |
| 2 | 2 | Third-class Clerks | 4,200-125-6,000 (O.S. ¹) | | 9,335 |
| 2 | 3 | Fourth-class Clerks | 3,500-125-5,000 (N.S. ²) | | 11,438 |
| 5 | 5 | Messengers and Fifth-class Clerks | 2,400-100-4,000 (N.S. ²) 1,800-100-4,200 (O.S. ¹) | | 12,776 |
| (b) Distribution of Publications: | | | | | |
| I | I | Third-class Assistant | 4,200-125-6,000 (O.S. ¹) | | 4,575 |
| 2 | 2 | Fourth-class Clerks | 3,500-125-5,000 (N.S. ²) | | 7,941 |
| 2 | 2 | Messengers and Fifth-class Clerks | 2,400-100-4,000 (N.S. ²) 1,800-100-4,200 (O.S. ¹) | | 6,100 |
| 27 | 28 | | | | 169,663 |
| (iv) Miscellaneous Services. | | | | | |
| <i>Locally recruited Staff.</i> | | | | | |
| I | I | (a) Nurse | — | | 9,600 |
| | | (b) Consulting Medical Officer (fees) | — | | 3,500 |
| 5 | 6 | (c) Telephone operators | 4,800-150-7,000 (O.S. ¹) 3,500-125-5,000 (N.S. ²) | | 28,197 |
| (d) Postal Service: | | | | | |
| 2 | 2 | First-class Clerks | 5,400-175-8,000 | | 12,550 |
| 2 | I | Second-class Clerk | 4,800-150-7,000 | | 5,550 |
| — | 2 | Fourth-class Clerk | 3,500-125-5,000 | | 7,544 |
| (e) Draughtsmen: | | | | | |
| — | I | First-class Assistant (recruited internationally) | 8,700-250-11,250 | | 8,700 |
| — | I | First-class clerk | 5,000-200- 8,000 | | 6,000 |
| 10 | 14 | | | | 81,641 |
| 10. (i) Replacements, Temporary Engagements and Overtime for all Internal Services | | | | | |
| (ii) New Miscellaneous Services | | | | | |
| (iii) Family Allowances | | | | | |
| | | | | 90,000 | 90,000 |

**SCHEDULE C
TO CHAPTER II, ITEM 4(b).**

| WAGES OF HOUSE STAFF AT GENEVA | | Estimates | | | Expenditure 1925 |
|---|----|---|--|------|-------------------------------|
| | | 1927 | 1926 | 1925 | |
| | | Swiss Francs | | | |
| | | Scales | | | Total Salaries of Grades 1927 |
| | | Swiss francs | | | |
| I | I | Superintendent | — | | 11,500 |
| (a) Staff employed in the Main Building. | | | | | |
| I | I | Head Office-keeper | — | | 8,400 |
| 2 | 2 | Hall Porters | 5,400-175-7,500 | | 13,296 |
| 10 | 12 | Office-keepers | 4,800-150-7,000 (O.S. ¹) 3,500-125-5,000 (N.S. ²) | | 57,665 |
| 5 | 5 | Engineers, Chauffeurs, Night Watchman, Gardener | 4,800-150-7,000 | | 28,740 |
| 2 | 2 | Caretaker and Housekeeper | — | | 7,300 |
| 2 | 2 | Furnacemen (seven months) | 3,500-125-5,000 | | 5,325 |
| 7 | 9 | Lift Attendants, Messengers, etc. | 1,800-100-4,200 (O.S. ¹) | | 28,736 |
| | | Cleaners (26, employed mornings and evenings) | — | | 80,700 |
| | | Attendants | — | | 9,036 |
| 30 | 34 | | | | 250,698 |

¹ O.S. = Old scale.
² N.S. = New scale.

| Posts | | Scales | Total Salaries of Grades 1927 | |
|---|---|------------|-------------------------------|--------|
| 1926 | 1927 | | Swiss Francs | |
| <i>(b) Staff employed in the Annexes.</i> | | | | |
| 4 | Office-keepers | 3,500-125- | 5,000 | 14,820 |
| 1 | Night-watchman | 3,500-125- | 5,000 | 3,675 |
| 1 | Furnaceman (seven months) | | | 2,100 |
| 6 | Lift attendants, messengers, etc. | 2,400-100- | 4,000 | 14,376 |
| | Cleaners (6, employed mornings and evenings) | | | 18,000 |
| | Attendants | | | 3,060 |
| | <i>(c) Overtime, Temporary Engagements and Replacements</i> | | | 15,000 |
| | <i>(d) Family Allowances</i> | | | 1,500 |
| | | | | <hr/> |
| 12 | | | | 56,031 |

NOTE ON ITEM 5 OF CHAPTER II: CONTRIBUTION TO THE STAFF PROVIDENT FUND.

The regulations of the Staff Provident Fund of the League of Nations, which have been drawn up by the Supervisory Commission and approved by the Fifth Assembly, provide that a payment equal to 5 per cent of his salary "shall be contributed monthly by the League in respect of the member", and that all permanent officials, except those receiving the highest salaries, shall be held to participate in the Fund.

The Fund is administered by a Board of Management appointed by the Council of the League of Nations. The Financial Committee of the Economic and Financial Organisation has been entrusted with the duty of advising the Board of Management as to the employment of the assets of the Fund, investments, etc.

The accounts of the Fund for 1925 are published in the document containing the audited accounts for 1925 (A.3.1926.X).

**SCHEDULE D
TO CHAPTER II, ITEM 6.**

| | Estimates | | | Actual Expenditure 1925 |
|---|-----------|---------|---------|-------------------------|
| | 1927 | 1926 | 1925 | |
| LATIN-AMERICAN LIAISON OFFICE | 75,535 | 116,072 | 136,290 | 105,109 |
| I. Secretariat | 45,535 | 86,072 | 72,290 | 70,747 |

| Posts | | Scales | Total Salaries of Grades |
|-------|--|------------|--------------------------|
| 1926 | 1927 | | |
| 3 | I Member of Section | | 24,000 |
| — | I Secretary-Shorthand-typist | 8,700-250- | 11,250 |
| 2 | 2 Shorthand-typists | 7,000-200- | 9,500 |
| <hr/> | | | |
| 5 | 4 | | |
| | <i>Deduct: Reductions in salaries due to lower cost of living</i> | | 1,215 |
| | II. Other Expenses: | | |
| | <i>(a) Correspondents, cables, travelling and removal expenses, etc.</i> | | 30,000 |
| | <i>(b) Provision for the development of the Office</i> | | — |

NOTE ON SCHEDULE D.

As several of the new posts provided for in the present budget are to be filled by nationals of Latin-American countries, it was considered that it would be in harmony with the general policy adopted by the Assembly in this matter to reduce the number of posts of Member of Section in the Latin-American Bureau to one only.

**SCHEDULE E
TO CHAPTER II, ITEM 7¹.**

| | | | | |
|---------------------------------------|---------|---------|---------|---------|
| BRANCH OFFICES ¹ | 136,764 | 151,227 | 164,343 | 107,601 |
| I. London Sub-Office. | | | | |
| A. Staff | 26,607 | 26,481 | 25,472 | 23,012 |

| Posts | | Grades | Total Salaries of Grades | | Total Salaries of Office | |
|-------|------|---|--------------------------|------|--------------------------|--------|
| 1926 | 1927 | | 1927 | 1926 | 1925 | 1927 |
| | | | £ | s. | £ | s. |
| 1 | 1 | (i) Establishment Clerk | 350 | | 352 | |
| 1 | 1 | Secretary-Shorthand-typist | 208 | | 208 | |
| 1 | 1 | Office-keeper | 208 | | 208 | |
| 2 | 2 | Messengers | 135 | 4 | 124 | 16 |
| 1 | 1 | Telephone-operator | 104 | | 104 | |
| | | (ii) Overtime, temporary engagements and replacements | 49 | 16 | 53 | 4 |
| | | | <hr/> | | | |
| 6 | 6 | | 1,055 | | 1,050 | |
| | | | | | 1,010 | |
| | | | | | | 26,607 |

¹ See Note 1, page 3. ² See Note 1, page 8.

| | | Estimates | | | Actual Expenditure |
|--|--|----------------|----------------------------|----------------------------|---------------------------|
| | | 1927 | 1926 | 1925 | 1925 |
| | | | Swiss Francs ¹ | | |
| B. Property account and general office expenses² | | 50,970 | 53,466 | 55,711 | 44,294 |
| | | £ | £ | £ | |
| (i) | Rent and rates | 1,344 | 1,344 | 1,344 | |
| (ii) | Lighting | 17 | 17 | 25 | |
| (iii) | Heating | 30 | 30 | 30 | |
| (iv) | Cleaning | 85 | 85 | 75 | |
| (v) | Repairs and renewals | 60 | 100 | 100 | |
| (vi) | Telephones | 100 | 150 | 250 | |
| (vii) | Stationery | 100 | 100 | 105 | |
| (viii) | National Health and Unemployment Insurance | 25 | 24 | 15 | |
| (ix) | Postage | 50 | 75 | 72 | |
| (x) | Cables and telegrams | 20 | 25 | 33 | |
| (xi) | Newspapers | 40 | 50 | 40 | |
| (xii) | Miscellaneous expenses | 150 | 120 | 120 | |
| | | £ 2,021 | £ 2,120 | £ 2,209 | |
| | Swiss Francs ¹ | 50,970 | 53,466 | 55,711 | |
| 2. Paris Sub-Office. | | | | | |
| A. Staff | | 27,696 | 37,200 | 38,880 | 21,757 |
| | | | Total Salaries of Grades | | Total Salaries of Office |
| | | | | | |
| | | | 1927 | 1926 | 1925 |
| | | | | French Francs ¹ | Swiss Francs ¹ |
| 1 | 1 (i) Senior Assistant (Establishment Clerk) | 15,000 | 14,700 | 14,700 | |
| 1 | 1 Senior Assistant (Document and Distribution Officer) | 12,300 | 12,000 | 12,000 | |
| 1 | 1 Bilingual Secretary | 15,000 | 14,700 | 26,000 | |
| 1 | 1 Concierge | 6,500 | 6,500 | 8,000 | |
| 1 | 1 Office-keeper | 5,400 | 5,400 | 8,000 | |
| 2 | 2 Telephone-operators | 13,200 | 12,100 | 13,200 | |
| 2 | 2 Messengers | 10,000 | 10,000 | 8,400 | |
| 9 | 9 | | | | |
| | (ii) Temporary staff and overtime | 8,000 | 8,000 | 8,000 | |
| | (iii) Provision for possible increase in salaries | 30,000 | 8,500 | — | |
| | Total | 115,400 | 93,000 | 97,200 | 27,696 |
| | | | Estimates | | Actual Expenditure |
| | | | | | |
| | | | 1927 | 1926 | 1925 |
| | | | | Swiss Francs ¹ | |
| B. Property account and general office expenses | | 27,744 | 34,080 | 44,280 | 18,538 |
| | | | French Francs ¹ | | |
| (i) | Rent | 48,000 | 48,000 | 42,000 | |
| (ii) | Lighting | 2,500 | 2,500 | 2,500 | |
| (iii) | Heating | 12,000 | 10,000 | 10,000 | |
| (iv) | Cleaning | 1,500 | 1,500 | 2,000 | |
| (v) | Repairs and renewals | 2,000 | 2,000 | 5,000 | |
| (vi) | Telephones | 15,000 | 10,000 | 35,000 | |
| (vii) | Cables and telegrams | 500 | 1,000 | 500 | |
| (viii) | Stationery | 3,000 | 5,000 | 8,000 | |
| (ix) | Postage | 600 | 100 | 500 | |
| (x) | Newspapers | 500 | 100 | 200 | |
| (xi) | Miscellaneous expenses | 10,000 | 5,000 | 5,000 | |
| (xii) | Reserve to meet increase in prices | 20,000 | — | — | |
| | French francs | 115,600 | 85,200 | 110,700 | |
| | Swiss francs ¹ | 27,744 | 34,080 | 44,280 | |
| C. Account due to French telephone administration for 1920, 1921, 1922 and 1923 (presented in 1926; credit entered in budget for 1927 in accordance with Art. 30 of Financial Regulations). | | | | | |
| | | | | | French francs 15,613.14 |
| | | | | | Swiss francs 3,747.— |

NOTE ON SCHEDULE E.

It may be noted that the discrepancy between the estimate figure and the expenditure figure for 1925 results from the value of the French franc being lower than the value estimated.

¹ See note 1, page 8.

² Including the expenditure of the London Office of the Information Section.

NOTE ON ITEM 8 OF CHAPTER II: TRAVELLING EXPENSES OF OFFICIALS OF THE LEAGUE.

The Staff Regulations, drawn up in accordance with a recommendation of the Second Assembly, set forth in detail the conditions under which expenditure on official journeys and removal expenses of officials may be reimbursed. It will be remembered that the Second Assembly provided that members of the Secretariat would be entitled, at stated intervals, to proceed home on leave, their actual travelling expenses being reimbursed.

The rates of subsistence allowances payable to members of the Secretariat travelling on duty were fixed by the Second Assembly.

The increase in the appropriation for removal expenses is due to the departure of several higher officials whose contracts expire at the beginning of 1927; in certain cases they will be replaced by nationals of overseas countries.

**SCHEDULE F
TO CHAPTER II, ITEM 9.**

| | Estimates | | | Actual Expenditure 1925 |
|--|----------------|----------------|----------------|-------------------------------|
| | 1927 | 1926 | 1925 | |
| | Swiss Francs | | | |
| FRAIS DE REPRÉSENTATION | 162,500 | 150,000 | 150,000 | 140,660 |
| (a) Secretary-General (£2,500) | 63,050 | 63,050 | 63,050 | 63,050 |
| (b) Deputy Secretary-General (£1,000) | 25,220 | 25,220 | 25,220 | 25,220 |
| (c) 3 Under-Secretaries-General (2 previous to 1927) | 37,720 | 25,220 | 25,220 | 25,220 |
| (d) General Fund | 36,510 | 36,000 | 36,510 | 27,170 |
| (e) Reserve for the payment in 1926 of accounts appertaining to 1924 | | 510 | — | — |

**SCHEDULE G
TO CHAPTER II, ITEM 10(a).**

| | Estimates | | | Actual Expenditure 1925 |
|--|----------------|----------------|----------------------------|-------------------------------|
| | 1927 | 1926 | 1925 | |
| | Swiss Francs | | | |
| PROPERTY ACCOUNT, MAINTENANCE: Headquarters at Geneva | 229,225 | 212,220 | ¹159,375 | ¹144,346 |
| I. Main Building: | | | | |
| (a) Water rates | 5,500 | 4,000 | 4,500 | 5,345 |
| (b) Repairs and renewals: | | | | |
| (i) Building | 60,000 | 60,000 | 30,000 | 25,913 |
| (ii) Furniture | 25,000 | 25,000 | 18,500 | 13,935 |
| (iii) Equipment | 6,000 | 5,000 | 1,500 | 4,759 |
| (c) Lighting | 18,000 | 25,000 | 17,500 | 17,673 |
| (d) Heating | 25,000 | 40,000 | 34,000 | 25,189 |
| (e) Power: | | | | |
| (i) Water power | 1,000 | 3,200 | 4,500 | 755 |
| (ii) Electric power (lift) | 2,000 | | | |
| (f) Insurance and protection: | | | | |
| (i) Building and furniture | 1,700 | 3,320 | 3,000 | 1,678 |
| (ii) Securitas (police) | 1,200 | | | |
| (iii) Villa | — | | | |
| (g) Employers' liability | 250 | 200 | 675 | — |
| (h) Telephones, local service | 22,000 | 20,000 | 23,000 | 21,615 |
| (i) Uniforms | 3,000 | 3,000 | 3,000 | 2,507 |
| (j) Chimneys, repairs to flues | 2,000 | 3,500 | 1,200 | 1,722 |
| (k) Automobiles: replacements, upkeep and insurance | 10,500 | 8,000 | 7,500 | 5,393 |
| (l) Office laundry | 4,500 | 4,500 | 3,500 | 3,987 |
| (m) Sundry supplies | 10,000 | 7,500 | 7,500 | 10,581 |
| 2. Annexes: | | | | |
| (a) Water rates | 500 | | | |
| (b) Lighting | 8,000 | | | |
| (c) Heating | 8,000 | | | |
| (d) Electric power | 1,500 | | | |
| (e) Insurance | 575 | | | |
| (f) Telephones — local service | 8,000 | | | |
| (g) Uniforms | 2,000 | | | |
| (h) Chimneys — repairs to flues, etc. | 500 | | | |
| (i) Laundry | 500 | | | |
| (j) Sundry supplies | 2,000 | | | |

¹ See Note 4, page 4.

NOTE ON SCHEDULE G.

The increase, as compared with the actual expenditure of 1925, of the total appropriation for 1927 is due to the use of the annex which the Special Assembly decided to purchase in order to remedy overcrowding in the main building. The latter has been occupied for five years since it was overhauled, and it is therefore necessary to provide for repairs and renewals a sum larger than that spent for the purpose in 1925.

SCHEDULE H

TO CHAPTER II, ITEM II.

| | Estimates | | | Actual Expenditure 1925 |
|---|-----------|--------------|----------------------|-------------------------|
| | 1927 | 1926 | 1925 | |
| | | Swiss Francs | | |
| PUBLICATION DEPARTMENT (exclusive of salaries) : | 365,500 | 394,000 | 367,760 ¹ | 306,132 ¹ |
| (a) General printing not covered by special appropriations: | | | | |
| (i) Council documents and <i>Official Journal</i> | 90,000 | 120,000 | 130,000 | 83,474 |
| (ii) Internal administration and miscellaneous | 4,000 | 13,000 | 9,000 | 2,075 |
| (b) <i>Treaty Series</i> | 140,000 | 140,000 | 115,000 | 109,536 |
| (c) <i>Treaty Series: unpaid liability in respect of 1921</i> | — | — | 4,760 | 4,760 |
| (d) <i>Monthly Summary</i> | 60,000 | 60,000 | 75,000 | 71,146 |
| Other publications of the Information Section | 30,000 | 25,000 | | |
| (e) Travelling, transport charges, advertising for Sales Department, catalogues, etc. | 35,000 | 30,000 | 30,000 | 31,223 |
| (f) Publications, photographs, etc., for free distribution | 4,500 | 4,000 | 4,000 | 3,918 |
| (g) Working capital for cinematographic films | 2,000 | 2,000 | — | — |

NOTE ON SCHEDULE H.

General Printing.

This estimate provides for the cost of printing publications prepared by the various Sections and Departments belonging to the General Organisation of the Secretariat, such as Council and other documents dealing with political, legal and budgetary questions.

"Official Journal".

The *Official Journal* of the League contains the minutes of all the sessions of the Council as well as the most important official documents received or sent out by the Secretariat.

The credit provided for Council documents and the *Official Journal* is appreciably less than the expenditure figure for 1923. On the other hand, the cost of printing, especially in France, has a tendency to rise.

"Treaty Series".

In accordance with Article 18 of the Covenant, every treaty or international engagement entered into by any Member of the League is forthwith registered with the Secretariat and must be published by it as soon thereafter as possible.

The budget estimate for 1927 is based approximately on the actual expenditure in 1924, which amounted to 131,105 francs.

"Monthly Summary" and other Publications of the Information Section.

The *Monthly Summary*, which is published in seven languages, aims at setting out the various activities of the League. It enables delegates to the Assembly, members of various Commissions, publicists, professors and others interested in the League to follow its work. It is placed on sale, subscriptions increasing every year. The sale of the English edition already covers approximately its cost. The receipts are not deducted from the figure which appears above but are included under the heading "Sale of Publications" (Chapter II: "Appropriations in aid").

¹ See Note 4, page 4.

Since 1923, the Information Section published a series of pamphlets upon sixteen different subjects, describing the principal activities of the League. One of these pamphlets, bearing upon the organisation and constitution of the League, appeared in fifteen languages. During a period of twenty-seven months the Information Section issued a total of eighty-three pamphlets, including the originals and their translations. The sale of these provided an appreciable sum.

These pamphlets will have to be revised in 1927, which accounts for the increase in the appropriations for 1927 as compared with the current financial period. Several of them are also to be translated into another language.

Travelling, Advertising, etc.

In order to keep in touch with the agents employed by the League for the sale of its publications, it is necessary for the Head of the Publication Department to travel from time to time, particularly to supervise sales. This item, "Travelling, advertising, etc.", is also intended to cover the expenses incurred in obtaining the necessary publicity or the sale of the publications of the League, particularly by means of periodical catalogues; moreover, the transport charges of publications, when sent to the agents responsible for their sale, are met from this item.

General Observation.

The receipts from the sale of publications, which are estimated for 1927 at 160,000 francs, are shown as "Appropriations in aid".

SCHEDULE I

TO CHAPTER II, ITEM 12.

| | Estimates | | | Actual |
|---|--------------|---------|----------------------|----------------------|
| | 1927 | 1926 | 1925 | Expenditure |
| | Swiss Francs | | | 1925 |
| GENERAL OFFICE EXPENSES. | 388,000 | 394,000 | 325,000 ¹ | 303,546 ¹ |
| (a) Upkeep of office equipment | 10,000 | 10,000 | 10,000 | 6,763 |
| (b) Stationery and stationery stores: | | | | |
| 1. Ordinary | 50,000 | 40,000 | 38,000 | 43,981 |
| 2. Supplies for the Duplicating Department | 80,000 | 90,000 | 60,000 | 40,870 |
| (c) Cables, telegrams, long-distance telephone calls on general business | 30,000 | 45,000 | 45,000 | 21,943 |
| (d) Postage | 140,000 | 125,000 | 99,000 | 121,643 |
| (e) Freight and carriage | 6,000 | 7,500 | 4,000 | 5,339 |
| (f) Newspapers: | | | | |
| (i) General | 12,000 | 14,000 | 12,000 | 7,781 |
| (ii) Information Section | | | | |
| (iii) Library and Reading Room | | | | |
| (g) Subscriptions and Press cuttings | 36,000 | 33,500 | 27,500 | 30,541 |
| (h) Courier service between Geneva and Paris | 20,000 | 25,000 | 25,000 | 20,061 |
| (i) Advertising, etc., for tenders | 1,000 | 1,000 | 400 | 644 |
| (j) Miscellaneous petty cash disbursements, including purchase of miscellaneous publications of non-capital value | 3,000 | 3,000 | 4,100 | 3,980 |

NOTE ON SCHEDULE I.

The increase, as compared with the actual expenditure of 1925, of the stationery appropriation is largely due to the necessity of purchasing paper of a better quality for the duplicating service, the general appearance of certain mimeographed documents having been criticised by the Governments to which they are communicated.

The difference between the 1925 expenditure figure and the sum asked for 1927 in respect of newspapers is more apparent than real, the payment of certain subscriptions having been postponed from December 1925 to January 1926 in order that the total expenditure relating to 1926 should be charged to the budget of the same year.

¹ See Note 4, page 4.

SCHEDULE J

TO CHAPTER II, ITEM 13.

| | Estimates | | | Actual |
|--|--------------|--------|---------------------|---------------------|
| | 1927 | 1926 | 1925 | Expenditure |
| | Swiss Francs | | | 1925 |
| SPECIAL STAFF CHARGES | 119,040 | 81,000 | 45,000 ¹ | 64,711 ¹ |
| (a) Indemnities provided in the Staff Regulations | 60,000 | 25,000 | 10,000 | 28,069 |
| (b) Reserve Fund for Death and Invalidity Fund | 15,000 | 15,000 | — | — |
| (c) Contribution to Sickness Insurance Association | 21,000 | 20,000 | 20,000 | 19,996 |
| (d) Fidelity guarantee | 4,540 | 2,500 | 2,500 | 2,380 |
| (e) Welfare | 2,500 | 2,500 | 4,000 | 1,530 |
| (f) Gratuities to House Staff and others on New Year's Day | 4,500 | 4,500 | 4,500 | 4,500 |
| (g) Recruitment of Staff (advertising, expenses of examinations, special travelling) | 10,000 | 10,000 | 4,000 | 8,235 |
| (h) Medical examination | 1,500 | 1,500 | — | — |

NOTE ON SCHEDULE J.

(a) *Indemnities.*

In conformity with a decision taken by the Fifth Assembly, the Supervisory Commission considered in 1925 the joint proposals of the Secretary-General and the Director of the International Labour Office regarding the revision of the Staff Regulations in consequence of the entry into force of the Staff Provident Fund Regulations.

Whilst reducing the scale of indemnities originally allowed, and even abolishing them entirely in certain cases, the Commission admitted that the provisions of the Provident Fund Regulations did not cover all the cases in which the Staff Regulations contemplate the payment of an indemnity (for example, the Provident Fund Regulations do not provide for indemnities in cases of accidents incurred or illnesses contracted on duty).

As the sum provided in the 1925 budget proved insufficient, and as it did not appear possible to effect a transfer, the indemnities, amounting to 26,634 francs, paid to the dependants of the officials of the Health Section who were accidentally killed when on mission in Syria were placed under the budget of the Health Organisation.

Further, the sum of 60,000 francs provided for 1927 covers indemnities payable under the Staff Regulations to officials engaged for 21 years whose contracts are not renewed after the first period of seven years, expiring in 1927.

(b) *Reserve Fund for the Death and Invalidity Fund.*

The Fifth Assembly had invited the Supervisory Commission to study the question raised by the staff concerning the Death and Invalidity Fund which forms part of the Provident Fund.

It seemed to the Supervisory Commission that the chief anxiety of the representatives of the staff and of the Board of Management of the Fund was that, whilst desiring to regulate the allocation of the grants contemplated by Article 18 of the Provident Fund Regulations, they feared that in certain years the Death and Invalidity Fund might find itself with insufficient resources to meet an unusual number of claims. The Commission therefore decided to include in the budgets of the Secretariat and the International Labour Organisation a sum of 15,000 francs as a reserve fund for the Death and Invalidity Fund.

The sum included in the budgets will form a contingent reserve which the competent authorities of the organisations will be able to place, should it be necessary, at the disposal of the Board of Management of the Fund to the amount required. The unexpended balances at the end of the year will form part of the surplus of the financial period.

(c) *Contribution to Sickness Insurance Association.*

The object of this credit is to render possible the continuance in the Secretariat of the existing mutual insurance scheme against sickness and accident which was established in 1922, the expenses of which are borne in equal parts by the League and the participating officials. The operation of this scheme is not affected by the establishment of the Provident Fund, since this Fund does not constitute any insurance against sickness or accident occurring while an official remains in the service, but is established to provide payments to officials leaving the service.

It will be remembered that the Second Assembly, in adopting the report of the Fourth Committee on the Organisation of the Secretariat, expressly recognised the principle of assurance against sickness and accidents.

¹ See Note 4, page 4.

(d) *Fidelity Guarantee.*

The Supervisory Commission decided at its second session that the officials of the League who handle funds should be bonded by a fidelity insurance company. A new policy was taken out covering the treasurers of commissions sent abroad; accordingly it was necessary to increase the credits provided for 1927.

(e) *Welfare.*

Expenditure not properly chargeable to other items of the Budget and incurred, under the authority of the Secretary-General, for the benefit of the Staff, is charged to the item "Welfare".

(f) *Gratuities to House Staff and Others on New Year's Day.*

In accordance with Swiss custom, the lowest-paid local employees of the Secretariat, as well as the messengers, postmen, telegraph boys and other employees of firms, State or civic departments, who have continuous dealings with the League, are given small gratuities on New Year's Day.

(g) *Recruitment of Staff.*

Competitive examinations are held in London, Paris and Geneva for the posts of the Secretariat which necessarily have to be filled by French or English-speaking officials (interpreters, translators, shorthand-typists, etc.). The travelling expenses of the examiners, the rent of rooms, etc., are covered by this item.

(h) *Medical Examination.*

As all the permanent officials of the League are held to participate in the Provident Fund, and may, therefore, benefit from the Death and Invalidity Fund, the Supervisory Commission thought it desirable as a precautionary measure to insert in the Staff Regulations the following clause:

"At the end of . . . his first year of service, every official shall be re-examined at the expenses of the Secretariat by a medical practitioner, or if the Secretary-General so desires, a Medical Board of three persons appointed by the Secretary-General, for the purpose of finally determining whether he is physically fit for permanent employment in the Secretariat."

NOTE ON ITEM 16 OF CHAPTER II: UNPAID LIABILITIES FUND.

Article 30 of the Financial Regulations reads as follows: "There shall be included in each part of the Budget for each year a fund known as the 'Unpaid Liabilities Fund' for the purpose of enabling the competent officials to pay debts which are due in respect of transactions covered by the Budget for the previous year, but which could not be paid in time to be chargeable to such year owing to unavoidable or excusable delay in the presentation or settlement of the accounts."

SCHEDULE K
TO CHAPTER III, ITEM 18

| | | | | Estimates | | | Actual |
|---|------|--|--------|-----------|---------------------------|---------|-------------|
| | | | | 1927 | 1926 | 1925 | Expenditure |
| | | | | | Swiss Francs ¹ | | 1925 |
| ADMINISTRATIVE COMMISSIONS AND MINORITIES | | | | | | | |
| QUESTIONS | | | | 352,739 | 329,107 | 330,481 | 249,801 |
| Posts | | | | | | | |
| 1926 | 1927 | | | | | | |
| | | I. Salaries | | 299,239 | 261,607 | 258,981 | 212,205 |
| 1 | 1 | Director (41,000-2,500-53,000) | 53,000 | | | | |
| 4 | 4 | Members of Section Class A (19,000-800-28,000) | 96,800 | | | | |
| 3 | 5 | Members of Section Class B (13,700-800-19,000) | 80,256 | | | | |
| 1 | 1 | Secretary of Section (10,000-300-16,250) | 13,250 | | | | |
| 2 | 2 | Members of Intermediate Class (10,000-300-16,250) | 26,620 | | | | |
| 2 | 2 | Secretary-Shorthand-typists (8,700-250-11,250) | 20,555 | | | | |
| 2 | 2 | Shorthand-typists (7,000-200-9,500) | 16,745 | | | | |
| <i>Deduct:</i> | | | | | | | |
| Reductions in salaries due to lower cost of living | | | | 7,987 | | | |

15 17

¹ See Note 2, page 3.

SCHEDULE K TO CHAPTER III, ITEM 18 (continued).

| | Estimates | | | Actual Ex- penditure 1925 |
|--|---------------------------|--------|--------|---------------------------------|
| | 1927 | 1926 | 1925 | |
| | Swiss Francs ¹ | | | |
| 2. Travelling (including removal) ex- penses | 39,000 | 40,000 | 40,000 | 24,673 |
| 3. Printing and documentation | 12,000 | 8,000 | 10,000 | 11,065 |
| 4. Cables, telegrams and long-distance telephones | 2,000 | 2,000 | 1,500 | 1,612 |
| 5. Miscellaneous expenses | 500 | 2,500 | 5,000 | 246 |
| 6. Provision for development of the Section | — | 15,000 | 15,000 | — |

NOTE ON SCHEDULE K.

This Section deals with all matters of international administration in which the League is concerned (in particular, the Saar Basin and the Free City of Danzig), and all questions relating to racial, religious and linguistic minorities entrusted to its protection.

In order that the work on minorities questions, which forms such an important feature of the new political orientation in Europe, might be more systematically carried out than had hitherto been possible, and in view of the present situation in Central Europe and in the Near East, the Third Assembly included in the estimates for 1923 the sum of 100,000 francs for the development of this Section and suggested that the Council might find it necessary to have a larger staff at its disposal for dealing with minority questions. To cover any further expenses involved by additional duties which might fall to this Section as a result of the Near East settlement, the Assembly agreed to a further credit of 50,000 francs, making a total of 150,000 francs.

The total figure voted for the Section in 1923 was 413,157 francs, out of which only 249,072 francs was spent. This large difference is due to the fact that the League has not exercised the functions assigned to it in the Near East as soon as it was expected. The budget voted for 1924 was 333,394 francs, for 1925, 330,481 francs, for 1926, 329,107 francs, and the credits claimed for 1927 amount to 352,739 francs.

Travelling and removal expenses for 1926 were scheduled at 40,000 francs, as for 1925. The special duty of the Section is to keep in close and personal touch with the officials of many Governments in execution of the resolutions of the Assembly on minorities questions. In 1925, 24,673 francs were spent out of the 40,000 francs voted. The amount spent in 1926 will probably be a little more. Finally, it would be advisable not to place the estimate of expenditure in 1927 at less than 39,000 francs.

The estimate for printing and documentation was reduced from 20,000 francs for 1924 to 10,000 francs for 1925 and 8,000 francs for 1926. The amount actually expended in 1925 was 11,065 francs, and it may be found necessary to spend still more in 1926 and 1927 if the work of the Section continues to increase.

SCHEDULE L

TO CHAPTER III, ITEM 19.

| | Estimates | | | Actual Expenditure 1925 |
|--|---------------------------|-----------|-----------|-------------------------------|
| | 1927 | 1926 | 1925 | |
| | Swiss Francs ¹ | | | |
| ECONOMIC AND FINANCIAL ORGANISATION | 1,178,346 | 1,100,594 | 1,171,127 | 959,465 |
| 1. General Conference (and preparatory work). | 100,000 | 100,000 | 100,000 | — |
| 2. Sessions of the Economic and Financial Committees and of Sub-Committees of Experts: | | | | |
| (a) Subsistence, travelling and other expenses | 140,000 | 160,000 | 200,000 | 99,566 |
| (b) Printing and publications for the Committees | 40,000 | 50,000 | 60,000 | 29,315 |
| 3. Administrative expenses: | | | | |
| (a) Salaries of secretariat | 655,846 | 594,594 | 576,127 | 545,037 |
| (b) Travelling and removal expenses of secretariat | 50,000 | 50,000 | 50,000 | 36,165 |
| (c) Printing and publishing | 120,000 | 110,500 | 127,500 | 91,937 |
| (d) Cables, telegrams, and long-distance telephones | 12,500 | 17,500 | 17,500 | 6,562 |
| 4. Miscellaneous and unforeseen expenses . . | 60,000 | 18,000 | 40,000 | ² 150,882 |

¹ See Note 2, page 3.

² This sum includes: (a) the expenses of the Layton-Rist mission to Austria, amounting to 87,941.60 francs and charged to the budget of the Economic and Financial Organisation in accordance with the decision taken by the Council at its 35th Session (Minute 1584); (b) the expenses connected with the final liquidation of the offices of the International Credits Commission. The arrears of rent due from the late lessees of these offices, the payment of which will, in all probability, be spread over a long period, will be treated as appropriations in aid to future budgets.

SCHEDULE L TO CHAPTER III, ITEM 19 (continued).

Detailed Explanation.

I. GENERAL CONFERENCE AND PREPARATORY WORK.

Credits claimed 100,000 francs.

This chapter covers all expenses relating to a general economic conference and meetings of experts or partial conferences which may be held in preparation for a subsequent general conference. For this reason the expenses of a meeting of experts on double taxation have been withdrawn from Chapter 2 (a), and if such a meeting is held in 1927 — as appears quite probable — these expenses will be covered by the present chapter.

The Economic Committee has not yet taken a final decision as to the holding of a general conference but is anxious not to exclude the possibility of a general conference in 1927 on import and export prohibitions.

It also anticipates that there will be a conference of experts on bills of exchange and possibly a consultation on the suppression of false Customs declarations. In any case it is understood that only one general conference will be held in 1927 as regards this particular item of the budget.

2. SESSIONS OF COMMITTEES AND SUB-COMMITTEES.

(a) Subsistence Allowance, Travelling Allowance, Allowance for Officials on Mission and Miscellaneous Expenses.

Credits claimed 140,000 francs.

The estimated credit is less by 20,000 francs than that shown in the budget of 1926. A sum larger than that actually spent in 1925 must be provided for the expenses of the Financial and Economic Committees.

The admission of Germany to the League will involve the appointment of a new member for each committee.

This chapter also covers, in addition to the expenses of the committees (four sessions being provided for each), travelling allowances in connection with the preparatory work of sessions. These expenses will, of course, become greater in view of the necessity of maintaining relations with Germany.

A further sum of 20,000 francs is provided for the work of the Mixed Committee on Economic Crises, and 10,000 francs for work in collaboration with the International Statistical Institute.

On the other hand, the estimate in the 1926 Budget for a meeting of experts on double taxation have been omitted from this chapter (see previous chapter).

(b) Printing and Publications for the Committees.

Credits claimed 40,000 francs.

This figure is 10,000 francs less than the credit provided for 1926.

Certain publications (such as the reports on the financial reconstruction of Austria and Hungary) will eventually, in all probability, be discontinued, but they will probably be succeeded by others. The Economic Committee has decided, for example, to publish the reports issued by Governments in execution of the Convention on Customs Formalities.

3. ADMINISTRATIVE EXPENSES.

(a) Salaries of the Secretariat of the Economic and Financial Organisation.

| Posts | | Grades | 1927 Swiss francs |
|-----------------------|------|--|----------------------|
| 1926 | 1927 | | |
| I | I | Director (£2,500) | 63,050 |
| 10 | 11 | Members of Section, Class A. (19,000-800-28,000) | 269,557 |
| 8 | 8 | Members of Section, Class B. (13,700-800-19,000) | 133,342 |
| I | I | Member of Intermediate Class (10,000-300-16,250) | 11,500 |
| 4 | 5 | Secretary-Shorthand-typists (8,700-250-11,250) | 50,923 |
| 5 | 5 | Senior Clerical Assistants (8,700-250-11,250) | 50,840 |
| 2 | 3 | Shorthand-typists and Junior Assistants (7,000-200-9,500) | 23,567 |
| Carried forward . . . | | | 602,779 |

3. ADMINISTRATIVE EXPENSES (continued).
Locally recruited Staff.

| Posts | | Grades | Brought forward . . . | 1927 |
|-------|------|--|-----------------------|--------------|
| 1926 | 1927 | | | Swiss Francs |
| | | | | 602,779 |
| 8 | 9 | First-class Clerks (5,400-175-8,000 O.S. ¹) (5,000-200-8,000 N.S. ²) | | 50,419 |
| 4 | 4 | Second-class Clerks (4,800-150-7,000 O.S. ¹) (4,500-175-7,000 N.S. ²) | | 20,775 |
| 1 | 1 | Third-class Clerk (4,000-150-6,000) | | 4,000 |
| 1 | 1 | Messenger (2,400-100-4,000) | | 2,725 |
| | | Temporary Clerks | | 10,000 |
| <hr/> | | | | |
| 45 | 48 | | | 690,698 |
| | | <i>Deduct:</i> Reductions in salaries due to lower cost of living. | | 14,852 |
| <hr/> | | | | 675,846 |
| | | Subvention from Disarmament Section for work of Statistical Enquiry on Disarmament | | 20,000 |
| <hr/> | | | | 655,846 |

Note: As in previous years, the Disarmament Section will make a subvention of 20,000 francs to the Economic and Financial Section.

(b) *Travelling and Removal Expenses of the Secretariat* 50,000

The increase as compared with the expenditure incurred in 1925 is due to the following reasons:

(1) Several new Members of Section will be added to the personnel of the Section; (2) the first seven-year contracts will expire in 1926, and in consequence it will be necessary to provide for higher removal expenses than in a normal year. These expenses apply to the financial period 1927, as removal expenses are only paid by the League after a probationary period of one year.

(c) *Printing and Publishing* 120,000^o

In making this estimate, account has been taken, on the one hand, of the reduction in the cost of printing the publications as the result of the further utilisation of schedules set up for the past years' editions, and, on the other hand, of the additional expenditure entailed by the publication of new documents (*Statistical Year-Book*, and statistics concerning private banks).

(d) *Cables, Telegrams and Long-distance Telephones* 12,500

4. MISCELLANEOUS AND UNFORESEEN EXPENSES 60,000

These expenses are intended to cover all investigations necessitated by new questions which the Council may refer to the Economic Committee or the Financial Committee.

The sum of 40,000 francs provided in the budget for 1925 proved quite inadequate and had to be increased to 150,000 francs by means of transfers.

NOTE ON ITEM 20 OF CHAPTER III: GENERAL ECONOMIC CONFERENCE.

On September 24th, 1925, the Sixth Assembly adopted a resolution inviting the Council to consider at the earliest possible moment the expediency of constituting a committee to prepare the work for an international economic conference.

The convening of this Conference under the auspices of the League is to be a matter for subsequent decision by the Council.

The figure of 320,000 francs provided in the budget for 1927 was computed on the following basis:

| | 1927 |
|--|--------------|
| | Swiss Francs |
| A. <i>Meeting of the Preparatory Committee and work of experts</i> | 120,000 |
| The number of members of the Preparatory Committee is much larger than had originally been budgeted for, and moreover, seven or eight of them will have to be paid travelling expenses from America, so that the cost of a session of the Preparatory Committee will be much higher than was originally anticipated. | |
| The sum of 120,000 francs consists of 65,000 francs for a ten-day session of the Preparatory Committee and 55,000 francs for meetings of sub-committees and work of experts. | |
| B. <i>Meeting of the Conference</i> | 100,000 |
| C. <i>Publications, printing and documentation of all kinds for the Conference</i> | 100,000 |
| <hr/> | |
| | 320,000 |

¹ O.S. = Old scale.
² N.S. = New scale.

SCHEDULE M

TO CHAPTER III, ITEM 21.

| | Estimates | | | Actual |
|---|-----------|-----------------------------------|----------------------|----------------------|
| | 1927 | 1926 Swiss Francs ¹ | 1925 | Expenditure 1925 |
| MANDATES | 261,038 | 203,878 | 224,857 ² | 172,673 ² |
| 1. Sessions of Permanent Mandates Commission | 77,500 | 45,000 | 60,000 | 41,091 |
| 2. Salaries of secretariat | 135,038 | 100,878 | 129,857 | 96,006 |
| Posts | | | | |
| 1926 1927 | | | | |
| I I (a) Chief of Section (28,000-1,000-33,000) | | | | 32,000 |
| I 2 Member of Section, Class A (19,000-800-28,000) | | | | 53,000 |
| I I Member of Section, Class B (13,700-800-19,000) | | | | 17,700 |
| I I Secretary of Section (12,000-300-16,250) | | | | 13,485 |
| — I Secretary-Shorthand-typist (8,700-250-11,250) | | | | 8,700 |
| I — Shorthand-typist (7,000-200-9,500) | | | | — |
| • Locally recruited Staff | | | | |
| I I Secretary-Shorthand-typist (5,000-200-8,000) | | | | 6,400 |
| — I First-class Clerk (5,000-200-8,000) | | | | 5,000 |
| 6 8 | | | | |
| (b) Temporary engagements and replacements | | | | 2,000 |
| • Deduct: Reductions in sala- ries due to lower cost of living | | | | 3,247 |
| 3. Travelling and removal expenses | 12,000 | 10,000 | 5,000 | 11,831 |
| 4. Printing and documentation | 35,000 | 45,000 | 28,000 | 22,818 |
| 5. Cables, telegrams, long-distance telephones, unforeseen contingencies and miscella- neous petty expenses | 1,500 | 3,000 | 2,000 | 927 |

NOTE ON SCHEDULE M.

1. The Permanent Mandates Commission consists of nine members and one extraordinary member appointed by the Council on December 11th, 1924. Four of them are nationals of mandatory Powers and six of other States. The members of the Commission, who are chosen for their personal merit and knowledge of colonial affairs, do not represent their Governments. Their travelling expenses are reimbursed by the League and they receive an allowance for other expenses.

In accordance with Article 22 of the Covenant, the Commission is entrusted with the duty of advising the Council on all matters relating to the observance of the mandates which have been conferred on certain Powers for those territories outside Europe which have ceased to be under the sovereignty of Germany and Turkey.

2. The duties of the Mandates Section of the Secretariat concern the question of Mandates as well as slavery. They are:

A. As regards mandates:

- (a) To prepare the work of the Council and of the Assembly on this question;
- (b) To correspond with the Governments of the mandatory Powers;
- (c) To serve as a permanent secretariat for the Mandates Commission, which meets twice a year;
- (d) To collect and classify, for the information of the Assembly, the Council and the Permanent Mandates Commission, data, in public and private documents, on the mandated areas, policy of the Mandatory Powers with regard to these areas, and general questions of colonial administration.

B. As regards slavery, to prepare the work of the Council and of the Assembly on this question.

3. The sum provided for sessions of the Permanent Mandates Commission has had to be increased: first, on account of the special allowance which the Assembly may decide to grant to

¹ See Note 2, page 3.
² See Note 4, page 4.

its members; secondly, because the two sessions of the Commission will probably last longer; and, thirdly, in order to allow for the possible appointment of a member of German nationality. As regards the personnel of the Secretariat, the constantly increasing volume of work will necessitate the appointment of a new Member of Section Class A and a clerk.

The receipts from the sale of the reprinted reports of the mandatory Powers are not deducted from the figure for printing and documentation but are entered under "Sale of Publications" (Chapter II, "Appropriations in Aid"). Thus, taking the budget as a whole, the net expenditure under this item will not attain the figure of 35,000 francs provided in the budget for the Mandates Section.

SCHEDULE N

TO CHAPTER III, ITEM 22.

| | Estimates | | | Actual Ex- penditure 1925 |
|---|-----------|---------------|-----------------------------|---------------------------------|
| | 1927 | 1926 Swiss | 1925 Francs ¹ | |
| COMMUNICATIONS AND TRANSIT ORGANISATION . . . | 370,283 | 332,484 | 407,573 ² | 374,484 ² |
| 1. General Conference | 40,000 | — | — | — |
| 2. Regional conferences | 16,000 | 25,000 | 50,000 | 8,954 |
| 3. Sessions of the Advisory and Technical Committee | 75,000 | 95,000 | 95,000 | 62,612 |
| 4. Temporary committees and technical work of experts | 40,000 | 38,000 | 46,940 | 30,578 |
| 5. Printing of documents for the meetings of the Committee and publication of information to Governments | 23,000 | 15,000 | 30,000 | 21,988 |
| 6. Conciliation of disputes submitted to the Committee (fees to technical advisers and experts and other expenditure arising out of the enquiries) | 20,000 | 30,000 | 30,000 | 19,453 |
| 7. Salaries of permanent secretariat | 132,783 | 111,484 | 110,633 | 102,934 |
| Posts | | | | |
| 1926 1927 | | | | |
| — I (a) Chief of Section (28,000-1,000-33,000) | 29,000 | | | |
| 3 2 Members of Section Class A (19,000-800-28,000) | 47,000 | | | |
| — I Member of Section Class B (13,700-800-19,000) | 17,500 | | | |
| I I Secretary of Section (10,000-300-16,750) | 11,880 | | | |
| I I Secretary-Shorthand-typist (8,700-250-11,250) | 11,250 | | | |
| — I Senior Clerical Assistant (8,700-250-11,250) | 8,700 | | | |
| I I Shorthand-typist (7,000-200-9,500) | 7,600 | | | |
| 6 8 | | | | |
| (b) Replacements, temporary engagements and overtime | 3,000 | | | |
| Deduct: Reduction in salaries due to lower cost of living | 3,147 | | | |
| 8. Travelling and removal expenses of the secretariat | 20,000 | 15,000 | 17,500 | 14,013 |
| 9. Cablegrams, telegrams and long-distance telephone communications | 3,000 | 2,500 | 1,500 | 3,007 |
| 10. Miscellaneous petty expenses and unforeseen contingencies | 500 | 500 | 1,000 | 24 |
| Supplementary credits provided in order to allow of the carrying-out of the Resolution of the Second Committee of the Third Assembly concerning the work provided for by the Resolution of the Genoa Conference, as forwarded by the Council: | | | | |
| Special correspondents and enquiries | | | | |
| Conference of Experts, as provided in Article 8 of the Genoa Resolution | — | — | 40,000 | 111,911 |

¹ See Note 2, page 3.
² See Note 4, page 4.

NOTE ON SCHEDULE N.

The Communications and Transit Organisation is an advisory organisation to the Council, the Assembly, and the Members of the League. It also assists the other technical organisations of the League on all questions referred to the League in accordance with Article 23 of the Covenant and the articles of the various Treaties of Peace and other international conventions, such as those adopted at Barcelona in April 1921 and at Geneva in December 1923, which place under the jurisdiction or supervision of the League questions relating to international communications, ports, railways, navigable waterways and the utilisation of electric power.

DETAILED EXPLANATION.

General Conference.

Provision must be made for a general conference to be held in 1927 for the purpose of renewing the mandate of the Advisory and Technical Committee and considering the work accomplished by that Committee since the previous session. The Conference will probably be required to consider proposals by the Committee with a view to the revision of the rules of procedure in the light of the discussions which took place at the last session of the Committee. It may also have to examine any other questions which the Advisory and Technical Committee may raise, particularly in regard to the establishment of a central bureau to collect general information on transport matters and co-ordinate the information given by the various countries; this question has already been raised more than once in the course of the Committee's discussions. The Conference will probably not be asked to discuss general conventions, and its meetings may therefore be short and its cost small.

Regional Conferences.

Provision must be made for a regional conference to be held in 1927; this will be either a conference on buoyage and lighting of coasts (should it not prove possible to summon it in the form of a hydrographic conference) or a European conference on certain questions relating to the unification of private law in matters of inland navigation. The sums expended in 1925 for the conference on tonnage measurement in inland navigation were relatively small, because the cost of printing most of the documents for this conference had to be met out of the budget for 1926.

Sessions of the Advisory and Technical Committee.

The figure given is based on expenditure in 1925, allowing, however, for the fact that in that year only one meeting of the Railways Sub-Committee was held, whereas in 1926 there will probably be two, and similar provision will have to be made for 1927; moreover, in 1925 there was no meeting of the Sub-Committee for Electrical Questions, whereas credits will now have to be provided for that purpose.

Further, the costs of sessions will be slightly increased, particularly in the case of the Plenary Committee and the Sub-Committee for Inland Navigation, in view of the anticipated admission of Germany to the League.

Temporary Committee of Experts.

The Committee for the Reform of the Calendar and the Committee on Tonnage Measurement in Inland Navigation will not meet again.

On the other hand, provision must be made for meetings of the Committee on Combined Transport, the committee to consider competition between railways and inland navigation undertakings, the committee which is to be formed for the unification of statistics, and a proposed committee to link up the various organisations dealing with air traffic.

The expenses of some of the committees coming under this item of the budget have proved in practice greater than had originally been anticipated, because for technical reasons they are often unable to hold their meetings at Geneva.

SCHEDULE O

TO CHAPTER II, ITEM 23.

| | Estimates | | | Actual Expenditure 1925 |
|--|----------------|----------------|------------------------|-------------------------------|
| | 1927 | 1926 | 1925 | |
| INTERNATIONAL HEALTH ORGANISATION : | 991,115 | 988,165 | 809,764 ²⁻³ | 813,611 ³ |
| I. Secretariat: | | | | |
| I. Salaries of the Health Section | 324,865 | 289,915 | 264,514 | 249,037 |

¹ See Note 2, page 3.

² See Note 4, page 4.

³ The budget credit for 1925 (809,764 francs) was raised to 836,764 francs by a transfer of 27,000 francs in order to enable compensation to be paid to the families of the victims of the accident which occurred to the officials of the Health Section attached to the Malaria Commission.

SCHEDULE O TO CHAPTER II, ITEM 23 (continued).

| Posts 1926 1927 | | Estimates | | | Actual Expenditure 1925 |
|---|----|--|-----------------------------------|---------|-------------------------------|
| | | 1927 | 1926 Swiss Francs ¹ | 1925 | |
| 1 | 1 | Medical Director (41,000-2,500-53,000) | 53,000 | | |
| 2 | 3 | Members of Section Class A (19,000-800-28,000) | 64,734 | | |
| 4 | 4 | Members of Section Class B (13,700-800-19,000) | 68,114 | | |
| 1 | 1 | Member of Intermediate Class (10,000-300-14,400) | 10,500 | | |
| 1 | 1 | Secretary of Section (10,000-300-16,250) | 10,770 | | |
| 2 | 2 | Secretary-Shorthand-typists (8,700-250-11,250) | 18,298 | | |
| 1 | 1 | Senior Assistant (8,700-250-11,250) | 9,775 | | |
| 1 | 1 | Senior Assistant (draughtsman) (8,700-250-11,250) | 9,700 | | |
| 3 | 2 | Bilingual Shorthand-typists (7,500-250-10,000) | 15,441 | | |
| 1 | 1 | Shorthand-typist (7,000-200-9,500) | 7,725 | | |
| <i>Locally recruited Staff:</i> | | | | | |
| 3 | 4 | First-class Clerks (5,000-200-8,000) | 28,325 | | |
| 4 | 5 | Second-class Clerks (4,500-175-7,000) | 27,739 | | |
| — | 1 | Shorthand-typist (3,500-150-6,000) | 4,713 | | |
| 24 | 27 | Overtime, etc. | 3,000 | | |
| <i>Deduct: Reductions in salaries due to lower cost of living</i> | | | | | |
| <i>2. Salaries of temporary staff, chargeable to Rockefeller Foundation:</i> | | | | | |
| Grants I, II and III | | | 178,555 | 161,333 | 200,364 |
| Grant I | | | 72,508 | | |
| Grant II | | | 79,427 | | |
| Grant III | | | 26,620 | | |
| <i>Posts</i> | | | | | |
| <i>1926 1927</i> | | | | | |
| 1 | 1 | Chief of Epidemiological Intelligence Service | 37,830 | | |
| 2 | 2 | Members of Section Class A | 52,330 | | |
| 4 | 5 | Members of Section Class B | 82,051 | | |
| <i>Locally recruited Staff:</i> | | | | | |
| 2 | 2 | Second-class Clerks (4,500-175-7,000) | 10,050 | | |
| <i>Deduct: Reductions in salaries due to lower cost of living</i> | | | | | |
| <i>Indemnities²</i> | | | | | |
| 3. Travelling and removal expenses | | | 50,000 | 55,000 | 40,000 |
| 4. General printing and documentation | | | 2,000 | 3,500 | 6,000 |
| 5. Cables, telegrams and telephones | | | 10,000 | 10,000 | 10,000 |
| 6. Miscellaneous petty expenses and unforeseen contingencies | | | 2,000 | 2,500 | 5,000 |
| | | | | | 26,635 |
| | | | | | 45,571 |
| | | | | | 1,297 |
| | | | | | 8,848 |
| | | | | | 930 |

¹ See Note 2, page 3.

² The 1925 budget which amounted to 809,764 francs was increased to 836,764 francs by a transfer of 27,000 francs, in order to provide for the payment of indemnities to the families of the victims of the accident which overcame the officials of the Health Section who were attached to the Malaria Commission.

SCHEDULE O TO CHAPTER II, ITEM 23 (continued)

| | Estimates | | | Expenditure Actual 1925 |
|--|--------------|-----------|----------------------|-------------------------------|
| | 1927 | 1926 | 1925 | |
| | Swiss Francs | | | |
| II. Epidemiological and Public Health Intelligence. | | | | |
| 1. Special reports and enquiries | 117,250 | 17,250 | 17,250 | 17,192 |
| <i>Expenses chargeable to Rockefeller Grant II</i> | 90,769 | 91,772 | 52,754 | 108,366 |
| 2. Publications | 60,000 | 60,000 | 60,000 | 69,542 |
| 3. Sanitary notifications and epidemiological enquiries | 65,000 | 60,000 | 65,000 | 55,000 |
| 4. Collective and individual studies of public health statistics: <i>Expenses chargeable to Rockefeller Grant III</i> | 82,215 | 82,965 | 82,922 | 78,045 |
| III. Health Committee, Technical Sub-Committees and Conferences. | | | | |
| 1. Sessions of Health Committee and Technical Sub-Committees: | | | | |
| (a) Daily allowances and travelling expenses, etc. | 75,000 | 90,000 | 50,000 | 58,521 |
| (b) Printing and publication for the Committees | 35,000 | | | |
| *Special Investigations (this includes expenses of technical sub-committees appointed by the Health Committee). . . | — | 150,000 | 142,000 | 133,414 |
| 2. Conferences and technical missions . . . | 100,000 | 100,000 | — | — |
| IV. Interchange of Public Health Personnel. | | | | |
| 1. Expenses in connection with a system of liaison between the various national public health services | 150,000 | 150,000 | 150,000 | 147,624 |
| 2. Collective, specialised and individual interchanges: <i>Expenses chargeable to Rockefeller Grant I.</i> | 186,622 | 331,656 | 461,251 ¹ | 411,652 |
| TOTAL EXPENDITURE OF THE INTERNATIONAL HEALTH ORGANISATION. | | | | |
| | 1,529,276 | 1,655,891 | 1,607,055 | 1,544,132 |
| <i>Deduct: Rockefeller Grants:</i> | | | | |
| Grant I: Salaries | 72,508 | | | |
| Interchanges | 186,622 | | | |
| | | | | 259,130 |
| Grant II: Salaries | 79,427 | | | |
| Epidemiological Intelligence Service | 90,769 | | | |
| | | | | 170,196 |
| Grant III: Salaries | 26,620 | | | |
| Public Health Statistical Studies | 82,215 | | | |
| | | | | 108,835 |
| Total Contribution of the League of Nations | 991,115 | 988,165 | 809,764 ² | 813,611 |
| <i>Summary of Appropriations in Aid³.</i> | | | | |
| Rockefeller Foundation Grants | 538,161 | 667,726 | 512,302 ¹ | 730,521 ¹ |
| I. For Interchanges of Public Health Personnel: \$50,000 = | 259,130 | 388,695 | 233,411 ¹ | 459,445 |
| II. For Epidemiological Intelligence Service: \$32,840 = | 170,196 | 170,196 | 170,111 | 167,970 |
| III. For Study of Demographic and Public Health Statistics: \$21,000 = | 108,835 | 108,835 | 108,780 | 103,106 |

¹ The difference between the amount of the Rockefeller grants as shown in the budget and the sum inserted in the summary of appropriations in aid is due to the supplementary contribution given by the Rockefeller Foundation in 1925 for the interchange of public health personnel.

² See Note 3, page 27.

³ At its session in March 1924, the Council approved a recommendation of the Health Committee that a Bureau of Epidemiological Intelligence should be established at a central port in the Far East, and that for this purpose the assistance of the International Health Board of the Rockefeller Foundation might be sought.

The International Health Board of the Rockefeller Foundation has agreed to place at the disposal of the Health Organisation, for the purpose of establishing and maintaining the Bureau in question, a sum not to exceed 50,000 dollars for the first year and not to exceed 125,000 dollars for a five-year period.

Owing to the somewhat special character of this grant, which is administered in Singapore, and the fact that the estimates for 1927 have not yet been definitely fixed, no sum has been included in the budget of the League for 1927. It is, however, understood that this grant is subject to the same control as the other Rockefeller grants.

NOTE ON SCHEDULE O.

Since the Sixth Assembly the Health Committee has held two sessions: in October 1925 and April 1926. The resolutions passed at these two sessions cover a wide range of subjects and indicate the large amount of work now being done by the League's Health Organisation.

The interchange, or study tour, in Japan, in which medical officers from 14 Far Eastern Administrations participated, was brought to a successful conclusion in December 1925. The Health Committee, at its last session, expressed its grateful appreciation of the arrangements made by the Japanese Government, which guaranteed the success of the tour.

Another interchange of special interest, which took place at the end of 1925, was reserved for medical officers holding responsible posts in the port health administrations of Mediterranean countries. Visits were paid to all the more important ports in the Mediterranean, where the port health organisation and procedure were studied. The results of this tour were so satisfactory that the Health Committee has recommended that further tours of the same nature be arranged in other parts of the world when opportunity offers.

A general interchange for municipal health officers of large towns was held in London in February 1926 and was attended by 16 medical officers from as many cities.

Another interchange, at which special attention was paid to public health activities in rural communities, commenced in Denmark in May 1926.

Arrangements were also made for an interchange of sanitary engineers in England in June 1926: participants in this study tour all held responsible posts in their respective administrations.

A study tour was commenced in February 1926 in West Africa; 16 medical officers belonging to African Administrations took part. The public health administration and organisation in the various countries and colonies on the West Coast of Africa from Dakar to Nigeria were studied. The final conference of the participants took place in Freetown in May 1926, when the proposal made to the Sixth Assembly by the French delegation regarding the creation of an epidemiological intelligence bureau in West Africa was discussed.

The work of the Epidemiological Intelligence Service continues to expand. The monthly reports have increased somewhat in size and contain information regarding the prevalence of epidemic disease and certain mortality statistics in 29 European, 17 African and 16 Asiatic countries, and Australasia. A weekly leaflet is also issued and sent to all public health administrations which contains the most recent information available regarding epidemic disease in all parts of the world.

The Eastern Bureau, which was opened in Singapore in March 1925, is doing valuable work. This Bureau receives each week telegraphic information regarding the health conditions in upwards of 80 ports in Asia, Australasia and the East Coast of Africa. This information is sent to all administrations in the form of a weekly telegram which is broadcasted in code from Saigon, Malabar (Java), Sandekan (North Borneo), Bombay, Calcutta and Karachi. A copy of this telegram is sent from Geneva by post to all health administrations in Western countries. An Advisory Council for the Eastern Bureau has been constituted and held its first meeting in January 1925. Delegates from Australia, British India, British North Borneo, China, Federated Malay States, French Indo-China, Hong-Kong, Japan, Netherlands East Indies, Siam, Straits Settlements and the Philippine Islands attended the meeting. At this meeting, financial contributions towards the upkeep of the Bureau were promised by the Governments of the Straits Settlements, Siam, the Philippine Islands, Japan, French Indo-China, Hong-Kong, China and the Netherlands East Indies.

An expert commission, composed of British, Belgian, French, German and Portuguese experts, is studying important problems connected with sleeping-sickness in Central Africa. Its headquarters are at Entebbe, Uganda. The work of this mission is being financed by special contributions received from the Governments of Great Britain, France, Belgium, Spain and Portugal. A contribution of 50,000 francs towards the expenses of this mission was included in the Health Organisation Budget.

At the Sixth Assembly, seven resolutions were adopted suggesting new lines of work for the Health Organisation. All these have been studied by the Health Committee, and work in connection with most of them is now being undertaken. A special investigation of national health insurance has been commenced on the lines suggested by the Czechoslovak delegation. A preliminary study is being made of the control of the manufacture and distribution of foodstuffs as suggested by the delegation of the Kingdom of the Serbs, Croats and Slovenes. In accordance with the proposals of the Italian delegation, an enquiry into the prevalence of trachoma in various countries is taking place.

The Malaria Commission has continued its study of the prevalence of malaria in European countries, and is also carrying out several important technical investigations.

The Expert Commission for the Standardisation of Biological Products held a meeting in September 1926 and has issued valuable and interesting reports.

In collaboration with the Social Section, the Health Section has commenced a study of infant mortality and infant welfare. To assist in this task the Health Committee has obtained the collaboration of six experts from different countries.

The Tuberculosis Commission continues its study of the causes underlying the decline in tuberculosis mortality in various countries. This work was commenced in compliance with a resolution adopted by the Fifth Assembly.

SCHEDULE F
TO CHAPTER III, ITEM 24.

| | Estimates | | | Actual Expenditure 1925 |
|--|-----------|------------------------------------|----------------------|-------------------------------|
| | 1927 | *1926 Swiss Francs ¹ | 1925 | |
| SOCIAL QUESTIONS (INCLUDING SUPPRESSION OF TRAFFIC IN WOMEN AND PROTECTION OF CHILDREN, AND SUPERVISION OF OPIUM TRAFFIC, ETC.). . . | 278,181 | 356,914 | 241,921 ² | 276,049 ² |
| I. <i>Salaries of Secretariat</i> | 182,681 | 149,414 | 129,921 | 117,578 |
| • Posts | | | | |
| 1926 1927 | | | | |
| I I Chief of Section (28,000-1,000-33,000) | | | | 32,417 |
| — I Member of Section A (19,000-800-28,000) | | | | 25,000 |
| 3 4 Members of Section B (13,700-800-19,000) | | | | 67,334 |
| I — Member of Section (Temporary) | | | | — |
| I I Secretary of Section (10,000-300-16,250) | | | | 11,700 |
| 2 2 Secretary-Shorthand-typists (8,700-250-11,250) | | | | 30,425 |
| I I Bilingual Shorthand-typist (7,500-250-10,000) | | | | 9,000 |
| I I Shorthand-typist (7,000-200-9,500) (Temporary expert: see Protection of Children.) | | | | 7,600 |
| <i>Locally recruited Staff:</i> | | | | |
| I I Shorthand-typist | | | | 6,450 |
| — I Statisticians | | | | 5,800 |
| Replacements, overtime | | | | 1,465 |
| <i>Deduct:</i> | | | | |
| — — Reductions in salaries due to lower cost of living | | | | 4,510 |
| II I3 | | | | |
| 2. <i>Travelling and Removal Expenses</i> | 8,000 | 8,000 | 6,000 | 4,315 |
| 3. <i>Control of Traffic in Opium and Other Dangerous Drugs:</i> | | | | |
| (i) Sessions of the Advisory Committee | 10,000 | 13,000 | 20,000 | 7,324 |
| (ii) Printing and documentation of the Committee | 14,000 | 12,000 | 22,500 | 17,948 |
| (iii) Cables, telegrams, etc. | 2,000 | 3,500 | 1,000 | 851 |
| (iv) Miscellaneous petty expenses and unforeseen contingencies | 500 | 500 | 500 | 69 |
| (v) Conferences | — | — | 30,000 | 113,483 |
| (vi) Commission of Enquiry on Opium-poppy-Cultivation in Persia | — | 100,000 | — | — |
| 4. <i>Protection and Welfare of Children and Young People:</i> | | | | |
| (i) Sessions of the Committees | 2,500 | 5,000 | 3,000 | 440 |
| (ii) Suppression of Traffic in Women and Children: | | | | |
| (a) Printing and documentation | 10,000 | 10,000 | 15,000 | 10,893 |
| (b) Cables, telegrams, etc. | 1,000 | 1,000 | 1,000 | 697 |
| (c) Miscellaneous petty expenses and unforeseen contingencies | 500 | 500 | 500 | 63 |
| (d) Enquiry into traffic in women and children | | | | |
| (iii) Protection of Children: | | | | |
| (a) Sessions of Sub-Committees | 14,000 | | | |
| (b) Work of experts | 16,000 | | | |
| (c) Printing and documentation | 10,000 | 50,000 | 10,000 | 1,443 |
| (d) Cables, telegrams, etc. | 1,000 | | | |
| (e) Miscellaneous petty expenses and unforeseen contingencies | 4,000 | | | |
| 5. <i>Other Social Questions entrusted to the Section, and Unforeseen Contingencies</i> | 2,000 | 4,000 | 2,500 | 945 |

¹ See Note 2, page 3.
² See Note 4, page 4.

NOTE ON SCHEDULE P.

Salaries of the Secretariat.

It seems certain that the bulk of the work in connection with the supervision of agreements with regard to the traffic in opium and other dangerous drugs will remain with the Secretariat of the League for some years to come. The general activities of the Section are increasing, and it is desirable to appoint a "A" Member of Section who would be specially responsible to the Chief of Section for the opium side of the Section's work.

Last year the Child Welfare Committee recommended the appointment of two temporary members. Owing to the fact that the permanent work on questions of child welfare is increasing, the Committee recommended at its last session the appointment of one permanent "B" Member and one temporary expert.

Control of Traffic in Opium and Other Dangerous Drugs.

The Advisory Committee on Traffic in Opium and Other Dangerous Drugs was set up by the Council of the League at its session in February 1921 in accordance with a resolution of the First Assembly.

Its duties are to supervise the execution of agreements with regard to the traffic in opium and other dangerous habit-forming drugs and to consider all international questions relative to this traffic which may be submitted to it.

The Committee held its eighth session in May 1926.

Suppression of the Traffic in Women and Children and Protection of Children.

The Advisory Committee on Traffic in Women and Children was set up by the Council of the League on the recommendation of the International Conference on Traffic in Women and Children which met in July 1921 to advise the Council on all matters relative to the traffic in women and children. The Committee held its first meeting in July 1922, and its report was adopted by the Council and the Assembly. The Committee has drawn up a scheme for the co-ordination of international work in connection with the traffic. Under this scheme, the Secretariat of the League will keep closely in touch with the central authorities appointed by States signatory to the Agreement of 1904, as well as with the voluntary organisations, in order that there may be a free exchange of information and that complaints and reports may be forwarded without delay to the proper quarter for investigation and action.

The Advisory Committee held its second session in March 1923, and its third session in April 1924.

At its meeting of March 14th, 1924, the Council decided, subject to ratification by the Assembly, that the work hitherto accomplished by the International Association for the Protection of Children would henceforward be entrusted to the Secretariat of the League of Nations. At the same time, the Council authorised the Secretary-General to take immediately any measures which might be necessary with a view to giving provisional effect to this decision. By a resolution dated September 26th, the Fifth Assembly ratified the decision of the Council and outlined the programme of work to be undertaken.

At its meetings in Rome in December 1924, the Council decided to reconstitute the Advisory Committee on Traffic in Women and Children in order that it should have additional assessors to deal with the question of the protection of children. The first meeting of the reconstituted Committee took place on May 20th, 1925.

At its session in June 1925, the Council, on the proposal of the Advisory Committee, decided that this Committee should in future be called the Advisory Commission for the Protection and Welfare of Children and Young People, and that it should consist of two Committees, the Government delegates having the right to sit upon each of them.

The first Committee is called the "Traffic in Women and Children Committee"; it deals with questions which were previously submitted to the former Advisory Committee on the Traffic in Women and Children. To this Committee are attached assessors appointed to deal with the traffic in women and children.

The Second Committee is called the "Child Welfare Committee"; it is entrusted with the study of questions relating to this subject and has assessors attached to it appointed to deal with the protection of children.

The two Committees normally hold their sessions at the same time of year, one immediately following the other.

The Chairman of the Advisory Commission has the right to convene a plenary meeting of the two Committees to discuss any question which he may consider to affect them both.

The Chairman has the right, if necessary, to summon an expert possessing special knowledge of the subject under discussion to attend a meeting of either Committee.

The Traffic in Women and Children Committee met from March 22nd to 25th, 1926, and the Child Welfare Committee from March 25th to April 1st, 1926.

SCHEDULE Q

TO CHAPTER III, ITEM 25.

| | | Estimates | | | Actual | | | | | | | | | | | | |
|--|-----------|---|---------------------------|------------------------|-------------------|--|-------|--|--|--|--|--|-----------|--|--|--|--|
| | | 1927 | 1926 | 1925 | Expenditure | | | | | | | | | | | | |
| | | | Swiss Francs ¹ | | 1925 ¹ | | | | | | | | | | | | |
| REDUCTION OF ARMAMENTS | | 1,052,572 | 838,475 | 1,226,795 ² | 341,194 | | | | | | | | | | | | |
| I. Secretariat: | | | | | | | | | | | | | | | | | |
| I. Salaries of the Secretariat | | 248,572 | 234,475 | 220,795 | 160,260 | | | | | | | | | | | | |
| <table border="0" style="width: 100%;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">Posts</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">1926 1927</td> <td></td> <td></td> <td></td> <td></td> </tr> </table> | | | | | | | Posts | | | | | | 1926 1927 | | | | |
| | Posts | | | | | | | | | | | | | | | | |
| | 1926 1927 | | | | | | | | | | | | | | | | |
| — | I | Director (41,000-2,500-53,000) | 41,000 | | | | | | | | | | | | | | |
| I | — | Chief of Section (28,000-1,000-33,000) | — | | | | | | | | | | | | | | |
| 3 | 3 | Military Members of Section | 72,000 | | | | | | | | | | | | | | |
| I | 2 | Members of Section, Class A | 49,000 | | | | | | | | | | | | | | |
| 2 | 2 | Members of Intermediate Class | 24,005 | | | | | | | | | | | | | | |
| I | I | Secretary of Section (10,000-300-16,250) | 11,350 | | | | | | | | | | | | | | |
| 2 | 2 | Secretary-Shorthand-typists (8,700-250-11,250) | 20,878 | | | | | | | | | | | | | | |
| — | I | Senior Clerical Assistant (8,700-250-11,250) | 8,700 | | | | | | | | | | | | | | |
| I | I | Shorthand-typist (7,000-200-9,500) | 7,740 | | | | | | | | | | | | | | |
| II | I3 | Contribution of the Section towards the salary of the two statisticians of the Economic Section assisting in the compilation of the <i>Statistical Year-Book</i> | 20,000 | | 17,173 | | | | | | | | | | | | |
| | | <i>Deduct:</i> Reduction in salaries due to fall in the cost of living | 6,101 | | | | | | | | | | | | | | |
| | | 2. Travelling and removal expenses of the Secretariat | 8,000 | 12,000 | 12,000 | | | | | | | | | | | | |
| | | | | | 5,499 | | | | | | | | | | | | |
| II. Permanent Advisory Commission | | 4,000 | 12,000 | 12,000 | 1,837 | | | | | | | | | | | | |
| I. Meetings of the Permanent Advisory Commission | | 2,000 | | | 519 | | | | | | | | | | | | |
| 2. Printing and documentation | | 500 | | | — | | | | | | | | | | | | |
| 3. Cables, telegrams and unfore- seen expenses | | 1,500 | | | 1,318 | | | | | | | | | | | | |
| III. Investigations | | 200,000 | 250,000 | 250,000 | 4,686 | | | | | | | | | | | | |
| IV. Organ of the Council for Disarmament Work | | 100,000 | 130,000 | 192,000 | 16,180 | | | | | | | | | | | | |
| I. Preparatory Commission for the Disarmament Confer- ence: Sessions of the Com- mission | | 15,000 | | | 5,559 | | | | | | | | | | | | |
| 2. Sub-Commissions A and B | | 5,000 | | | — | | | | | | | | | | | | |
| 3. Joint Commission: Sessions of the Commission | | 30,000 | | | 10,485 | | | | | | | | | | | | |
| 4. General Services: | | | | | | | | | | | | | | | | | |
| (a) Printing and document- ation | | 20,000 | | | — | | | | | | | | | | | | |
| (b) Cables, telegrams and other unforeseen expenses | | 5,000 | | | 136 | | | | | | | | | | | | |
| (c) Collaboration of experts (travelling and other allowances) and technical work | | 25,000 | | | | | | | | | | | | | | | |

¹ See note 2, page 3

² See note 4, page 4.

SCHEDULE Q TO CHAPTER III, ITEM 25 (continued)

| | SWISS FRANKS | | | |
|---|--------------|---------|----------------------|----------------------|
| V. <i>Statistical Year-Books</i> | 62,000 | 40,000 | 40,000 | 935 |
| 1. "Armaments Year-Book" | 50,000 | | | 935 |
| 2. "Statistical Information on the Trade in Arms, Ammunition and Implements of War" | 12,000 | | | — |
| VI. <i>International Conference for the Control of the Private Manufacture of Arms, Munitions and Implements of War (including preparatory studies)</i> | 130,000 | 160,000 | 100,000 ³ | 131,494 ³ |
| VII. <i>International Disarmament Conference</i> | 300,000 | — | 400,000 | — |

NOTE ON SCHEDULE Q.

The Disarmament Section was constituted as a result of a resolution adopted by the First Assembly of the League of Nations.

It comprises the Secretariat of the Permanent Advisory Commission, which is composed of three military officers, as well as a number of other members of the Section and the statistical personnel.

The Sixth Assembly drew the attention of the Council to the necessity of increasing the personnel of the Disarmament Section in view of the new duties which would fall upon this department on the commencement of the preparatory work for the conference on the reduction of armaments. The Third Committee of the Fifth Assembly unanimously adopted a proposal that the Head of the Section should have the rank of Director. The Secretary-General suggested that this proposal should take effect as from January 1st, 1927 (Document A.I.1926, Special).

The duties of the Section are as follows:

1. It carries out the secretarial work of the Permanent Advisory Commission created in accordance with Article 9 of the Covenant, which provides that "a permanent commission shall be constituted to advise the Council on the execution of the provisions of Articles 1 and 8 and on military, naval and air questions generally".

2. It carries out the secretarial work in connection with the right of "investigation" which the Council holds in virtue of Articles 213 of the Treaty of Versailles, 159 of the Treaty of St. Germain, 143 of the Treaty of Trianon and 104 of the Treaty of Neuilly.

3. It acts as secretariat of the Preparatory Commission for the Disarmament Conference, whose constitution was determined by the Council in December 1925, and modified at a later date. The organisation includes:

The Preparatory Commission itself, composed of the official delegates of twenty Governments;

Sub-Commission A consisting of 50 experts (military, naval and air);

Sub-Commission B consisting of 20 experts (non-military);

The Joint Commission, consisting of fourteen experts chosen by the Council;

These three Commissions may appoint sub-commissions and enlist the services of experts.

In allotting the credits to the several Commissions, allowance was made for the fact that the Preparatory Commission and the Permanent Advisory Commission consist of official delegations, whose travelling expenses and subsistence allowances are borne by their own Governments, whereas the Joint Commission is composed of experts whose expenses come under the League's budget.

The sums entered in the budget for this purpose are lower than the combined sums in the 1926 budget for the Co-ordination Commission (80,000 francs) and the preparatory work for the International Disarmament Conference (50,000 francs).

4. It is responsible for the preparation, editing and publication of the two *Statistical Year-Books*, one dealing with peace-time armaments in all countries and the other with the traffic

¹ See Note 4, page 4.

² See Note 2, page 3.

³ This item referred to the Conference on the Control of the International Trade in Arms, Munitions and Implements of War.

in arms, munitions and material of war. Owing to the increasing importance of these publications, the sums allotted to them in the budget are 50,000 and 12,000 francs respectively; nevertheless, the total increase only amounts to 22,000 francs. In 1925 the *Armaments Year-Book* only dealt with thirty-seven countries, whereas this year it deals with fifty-seven. Owing to the delay of certain Governments in correcting the statistics for their countries, it was not possible to issue the 1925 Year-Book until the beginning of 1926, and accordingly the cost of this Year-Book will be debited to the budget for 1926.

5. It is in charge of the preparatory work for a conference on the control of the private manufacture of arms, munitions and material of war, which is to be held in virtue of a decision of the Sixth Assembly.

SCHEDULE R
TO CHAPTER III, ITEM 27.

| | | Estimates | | | Actual |
|--|------|--|---------|----------------------|----------------------|
| | | 1927 | 1926 | 1925 | Expenditure |
| | | Swiss Francs ¹ | | | 1925 |
| INTELLECTUAL CO-OPERATION, ETC. ³ | | 208,132 | 201,353 | 191,805 ² | 153,216 ⁴ |
| A. INTELLECTUAL CO-OPERATION: | | | | | |
| I. Salaries of Secretariat (including the officials who deal with questions relating to international bureaux) | | | | | |
| | | 69,632 | 58,433 | 43,085 | 41,776 |
| • | | | | | |
| Posts | | | | | |
| 1926 | 1927 | | | | |
| I | I | Member of Section, Class A (19,000-800-28,000) 23,020 | | | |
| I | I | Member of Section, Class B (13,700-800-19,000) 15,600 | | | |
| I | I | Secretary of Section (10,000-300-16,250) 13,500 | | | |
| I | 2 | Secretary Shorthand-typists ⁴ (8,700-250-11,250) 19,370 | | | |
| • 4 | 5 | | | | |
| Deduct: | | | | | |
| Reductions in salaries due to lower cost of living 1,858 | | | | | |
| 2. Plenary sessions (including travelling expenses and subsistence allowances) and Sub-Committee meetings | | 65,000 | 55,000 | 45,000 | 52,047 |
| 3. Conference of experts on the question of Scientific Property | | 20,000 | 8,000 | 8,000 | — |
| 4. Grant to the Commission for the co-ordination of bibliographical work in the field of social sciences, experts and correspondents | | 20,000 | 20,000 | 36,800 | 14,659 |
| 5. Travelling expenses (Secretariat) | | 8,000 | 6,000 | 6,000 | 8,139 |
| 6. Printing | | 11,500 | 14,000 | 14,000 | 11,728 |
| 7. Grant towards the publication of an <i>Index Bibliographicus</i> | | — | 1,000 | 1,000 | 208 |
| 8. Miscellaneous, petty and unforeseen expenses | | 3,000 | 10,000 | 5,000 | 1,383 |
| <i>International University Information Office</i> | | — | 14,920 | 14,920 | 17,207 |
| B. INTERNATIONAL BUREAUX AND MISCELLANEOUS QUESTIONS | | 10,000 | 14,000 | 18,000 | 6,069 |

A. INTELLECTUAL CO-OPERATION.

The Committee on Intellectual Co-operation now contains fourteen members, but this number may be increased. The Committee is divided into four sub-committees, consisting of members of the Committee and assistant-members selected for their special qualifications.

The aim of the Committee is to promote intellectual co-operation between States by the co-ordination of bibliographical work and by the exchange of publications, the loan of books and documents, collaboration of museum, etc.

In the sphere of university relations, the Committee aims more particularly at effecting an exchange of professors and students and at obtaining more complete information on studies of an international character. It also seeks to place the question of intellectual property on a more equitable basis.

¹ See note 2, page 3.

² See note 4, page 4.

³ See note 1, page 3.

⁴ The salary of the second secretary is at the moment charged to the item *International University Information Office*, which has been suppressed in the 1927 budget.

Further, the Committee will undertake the duties entrusted to the Secretariat by the Assembly and the Council with regard to the instruction to be given to young persons in the work and aims of the League of Nations. It is summoning a meeting of experts to consider this question.

The Committee has under its direction and supervision the International Institute of Intellectual Co-operation recently created in Paris as the result of a gift to the League of Nations by the French Government. The expenses of this organ of the Committee are entirely borne by the French Government, which makes it an annual grant of two million French francs.

The object of the Institute is to prepare the Committee's work and to facilitate the carrying-out of its decisions.

B. INTERNATIONAL BUREAUX AND MISCELLANEOUS QUESTIONS.

By Article 24 of the Covenant, "all international bureaux already established by general treaties, if the parties to such treaties consent", and "all bureaux hereinafter constituted, shall be placed under the direction of the League".

1. It is the duty of the competent Section to keep in touch with the different international bureaux and associations, especially with those placed under the direction of the League, and to perform any special tasks entrusted to the Secretariat by the Assembly or Council which may involve close collaboration with international bureaux. Although no direct financial grant is made to any of these bureaux, expenses are incurred by indirect assistance. For instance, the members of the Section are often asked to attend their meetings, certain bureaux ask the Secretariat to audit their accounts, and the Section publishes information about their work in the *Quarterly Bulletin*. It has issued a "Handbook of International Organisations", which requires revision from time to time.

2. The Section is also called upon to perform certain miscellaneous tasks which do not fall within the competence of other Sections of the Secretariat: such, for instance, as the preparation for the Sixth Assembly of the report on the instruction of children and youth on the existence and aims of the League of Nations, which was asked for by the Fifth Assembly.

3. The Council has authorised the Section to open a register of international associations and institutions of a social, scientific, artistic or literary character.

NOTE ON ITEM 28 OF CHAPTER III.

ARMENIAN SETTLEMENT SCHEME.

The Fifth Assembly, by a resolution of September 25th, 1924, invited the International Labour Office, in collaboration with Dr. Nansen, to enquire into the possibility of settling Armenian refugees in the Caucasus and elsewhere.

As a result of these enquiries, a scheme has been proposed for the irrigation of land in Armenia which would allow approximately 16,000 refugees to be settled there, on condition that the sum of 9 million gold roubles (£900,000) can be obtained for the execution of the necessary work.

On September 25th, 1925, the Sixth Assembly passed a resolution inviting the Council to appoint not more than five Commissioners to ascertain finally the technical possibilities of the proposed undertaking and, if their findings are favourable, to propose to the Council the constitution of a Body of Trustees to carry out the plan and, if necessary, to negotiate the issue of the loan.

For the execution of this resolution, the Assembly decided to enter an item of 50,000 francs in the 1926 budget; it is only when the Seventh Assembly meets that it will be known whether further enquiries on the spot will be necessary in 1927. The Assembly will have to decide on the report of the competent committees; in the meantime the sum of 100 francs has been included in the budget *ad memoriam*.

NOTE ON ITEM 29 OF CHAPTER III.

LEGAL ASSISTANCE TO THE POOR.

The Fifth Assembly invited the Secretariat to prepare and keep up to date a list of the measures taken or institutions created in each country for the purpose of giving to poor persons legal assistance in connection with litigation in the courts or free legal advice and consultation. The Assembly also requested the Secretariat to collect and publish the various laws and provisions regulating legal assistance to poor persons in different countries.

It was understood that, in undertaking this new work, the League would not incur new expenditure, as the cost of the enquiry is furnished from unofficial sources.

NOTE ON ITEM 30 OF CHAPTER III.

COMMITTEE OF EXPERTS FOR THE PROGRESSIVE CODIFICATION OF INTERNATIONAL LAW.

The Committee for the Progressive Codification of International Law was constituted by the Council in accordance with a resolution adopted by the Assembly on September 22nd, 1924.

Under its terms of reference, the Committee has to draw up and communicate through the Secretariat to the various Governments, for their opinion, a provisional list of the subjects of international law the regulation of which by international agreement would seem to be most desirable and realisable at the present moment; it has then to examine the replies of the Governments and to report to the Council on the questions which are sufficiently ripe and on the procedure which might be followed with a view to preparing eventually for conferences for their solution.

As the results of two sessions held respectively in April 1925 and in January 1926, the Committee has placed seven subjects on its provisional list and addressed questionnaires to the Governments on these subjects. It has selected eleven other subjects for examination as to their suitability for inclusion in the provisional list. It has drawn up reports on three subjects, not selected for inclusion in the list.

During 1927, the Committee hopes to examine replies from the Governments to the questionnaires which had been addressed to them and to report to the Council on the subjects dealt with in the questionnaires. Its programme includes, in addition, the examination of the new subjects on which it will receive reports from sub-committees and possibly also examination of the question whether any further subjects should be taken under consideration.

The credit of 75,000 francs proposed by the Supervisory Commission will enable the Committee to hold one session in 1927; it will also cover the relatively heavy expenditure on printing.

NOTE ON ITEM 31 OF CHAPTER III.

CONFERENCE, IF ANY, AND PREPARATORY WORK ON A SCHEME FOR AN INTERNATIONAL FEDERATION FOR MUTUAL ASSISTANCE IN THE RELIEF OF PEOPLES OVERTAKEN BY DISASTER.

The Fifth Assembly decided to include in the budget of 1925 the sum of 20,000 francs to cover part of the expenses of the Preparatory Committee entrusted with the duty of reporting to the Council on the proposal of Senator Ciralo concerning the constitution of an international federation for mutual assistance in the relief of peoples overtaken by disaster.

In conformity with a resolution of the Assembly dated September 24th, 1925, the Council has referred to the Preparatory Committee the draft statutes of the International Relief Union which had been submitted to it by the Assembly in order that the Committee might make any changes which might appear necessary as a result of observations submitted to the Second Committee of the Sixth Assembly. The revised draft will then again be submitted to the Council, which will send it to the Governments for their observations. When the replies have been received, the Council will decide whether it would be expedient to summon a meeting of representatives of Governments with a view to the creation of the Union.

The credit of 30,000 francs opened in the budget for 1927 will cover, if necessary, the cost of a session of the Committee and of a conference composed of Government representatives.

NOTE ON ITEM 32 OF CHAPTER III.

COMMITTEE OF PRESS EXPERTS.

On September 25th the Assembly adopted the following resolution:

“The Assembly,

“Considering that the Press constitutes the most effective means of guiding public opinion towards that moral disarmament which is a concomitant condition of material disarmament:

“Invites the Council to consider the desirability of convening a committee of experts representing the Press of the different continents with a view to determining methods of contributing towards the organisation of peace, especially:

“(a) By ensuring the more rapid and less costly transmission of Press news with a view to reducing risks of international misunderstanding;

“(b) And by discussing all technical problems the settlement of which would be conducive to the tranquillisation of public opinion.”

The Assembly voted a sum of 30,000 gold francs for the setting-up of this committee of experts. Provision is also made for a small preparatory committee to meet, if necessary, prior to the session of the full committee.

The credit voted for 1926 has again been placed in the budget for 1927, as the committee of experts will probably be unable to complete its work during the present year.

NOTE ON CHAPTER IV.

PROFIT AND LOSS ON EXCHANGE.

As a considerable number of payments have to be made in other than Swiss currency, and as it is impossible to anticipate the rate at which sterling, French francs, etc., will have to be purchased, it is necessary to provide a credit to cover possible deficiencies due to insufficient estimates.

It is also possible, however, that the League's exchange operations will show a profit.

The accounts for 1925 show a loss on exchange amounting to 142,436 gold francs, whereas the profits amounted in 1924 to a considerable sum. In these circumstances the Supervisory Commission took the view that it would be advisable to enter in the budget for 1927 a sum of 100,000 francs for loss on exchange, compensated by an appropriation of 100,000 francs for profits on exchange.

NOTE ON PART V.

WORKING CAPITAL FUND.

The Second Assembly having decided that it was desirable gradually to increase the Working Capital up to the maximum of 5,000,000 gold francs, which it had set, provision was made for the Working Capital Fund in the Budgets for 1920, 1921, 1923, 1924 and 1925.

The Sixth Assembly decided that from January 1st, 1926, the interest received on the Working Capital Fund should be added each year to the Fund instead of being applied to the budget as an appropriation in aid; in these circumstances, it has not thought it desirable to include in the budgets of 1926 or 1927 a further contribution towards the Working Capital Fund.

It should perhaps be pointed out that the Fourth Assembly, considering that the Working Capital Fund should be regarded as a loan to the League of Nations by the States Members, inserted the following provisions in Article 31 of the Financial Regulations:

"2. The sums paid by Members of the League since January 10th, 1920, for the purpose of constituting or augmenting the Working Capital Fund shall be carried to the credit of the Members which have paid such sums.

"3. The Assembly may liberate all or part of the sums constituting the Working Capital Fund, and the sums so liberated shall be returned to the Members which have contributed to the Fund in proportion to their respective contributions."

APPENDIX

APPROPRIATIONS IN AID IN THE BUDGET FOR 1927:

Appropriations in Aid to Chapter II.

| | Gold Francs |
|---|-------------|
| (a) Sale of publications | 160,000 |
| (b) Interest earned | 50,000 |
| (c) Miscellaneous cash receipts | 8,000 |

Appropriations in Aid to Item 22 of Chapter III: "International Health Organisation" (Rockefeller Foundation Grants ¹).

| | | Gold Francs |
|--|----------------|-------------|
| I. Interchange of Public Health Personnel | 50,000 dollars | 259,130 |
| II. Epidemiological Intelligence Service | 32,840 " | 170,196 |
| III. Study of Demographic and Public Health Statistics | 21,000 " | 108,835 |
| Total | | 756,161 |

¹ See also footnotes, page 29.

ANNEX 8.

BUDGET FOR THE NINTH FINANCIAL PERIOD.

PART II.

INTERNATIONAL LABOUR ORGANISATION.

COVERING LETTER TO THE SECRETARY-GENERAL FROM THE DIRECTOR
OF THE INTERNATIONAL LABOUR OFFICE.

I have the honour to forward herewith, for transmission to the Financial Supervisory Commission and to the States Members of the League of Nations, the Estimates of the International Labour Organisation for 1927, as approved by the Governing Body at its thirtieth session, April 23rd, 1926.

An introductory note indicates the policy followed in the drawing-up of the Estimates.

(Signed) Albert THOMAS.

INTRODUCTORY NOTE.

The Budget Estimates presented on behalf of the Governing Body amount to 7,786,165 francs, or 316,445 francs more than the estimated expenditure for 1926, namely 7,469,720 francs. After deduction, however, of the sum of 715,000 francs representing the estimated receipts in respect of the German contribution and the sale of publications, the net expenditure to be met by the States Members other than Germany is only 7,071,165 francs, as against 7,114,938 francs in 1926. In comparison with the budget for 1926, therefore, there is a reduction of 43,773 francs.

In adopting these estimates, the Governing Body as a majority was guided by the principle of providing the International Labour Office, for 1927, with the extra material and staff necessary to enable it to carry out the additional duties which have been entrusted to it, whilst contriving at the same time to keep the liabilities of the States Members below the 1926 estimates, in view of the need for the continuance of the policy of economy followed hitherto.

It will be seen that the draft budget established by the Governing Body answers these requirements. That this was possible is due to the fact that two circumstances reacted favourably upon the budgetary situation: first, it is possible to count on a considerably increased revenue from sales of publications — 115,000 francs as against 80,000 francs in 1926; secondly, it is thought possible, in agreement with the German Government, to expect a substantial increase in the German contribution, which, from 274,000 francs in 1926, will be approximately 600,000 francs in 1927.

The increased amounts asked for are not intended to provide the Office with the means of undertaking, in the vast sphere of social problems, fresh tasks which have not yet been begun, but only to enable it to accomplish efficiently, within the limits laid down by the Governing Body, its normal duties and to give effect to the decisions of the Conference and of the Governing Body itself.

First among these are the important enquiries decided upon by the Conference and defined by the Governing Body, as, for instance, those concerning: Right of Association; Conciliation and Arbitration; Vocational Training; Labour Conditions in Asiatic Countries; Native Labour; Mines; etc. Each of these enquiries necessitates the engagement of temporary staff and recourse to outside collaboration. Sometimes special missions are necessary; results have always to be published; while the enquiries often occasion expenditure which it is not always possible to foresee.

Then there is the preparatory work in connection with the Annual Conference, which, as a result of successive decisions of the Governing Body, has undergone a complete change. The technical reports have developed into analyses of comparative legislation and jurisprudence of considerable scope, and studies of statistics and of methods of practical application.

The steadily increasing output of the Office, coupled with a reduction since 1922 of almost 50 per cent in the sums allowed for publications, has resulted in the Office only being able to publish the results of half the studies carried out by its different services.

Finally, the development of certain activities in connection with some of the studies, such as those relating to maritime questions and problems of native labour; the growing number of publications issued in languages other than English or French; the increasing number of requests for information concerning countries of which there are no national representatives at the Office — all these are reasons why extra staff is required.

Each need has been thoroughly investigated by the Governing Body, which, in accordance with its invariable practice, has closely and searchingly analysed each item of expenditure and the necessity for it. Where it has thought it possible to make reductions in the estimates submitted, it has done so, but the Governing Body has nevertheless accepted the essential proposals and has provided the Office with the extra means necessary for the carrying out of the duties assigned to it.

In the minds of the majority of the members of the Governing Body, the reductions decided upon were not to be regarded as signifying that the Governing Body considered that there was no real need in the case of some of the requests put forward, but merely that it was of opinion that some of the less urgent needs might, without undue inconvenience being caused, be provided for at a later date, and in a more gradual manner than was at first contemplated.

Particulars of the increased amounts voted will be found in the schedules appended to the budget. Chief among them are those granted for staff, the Governing Body having authorised the creation of certain new posts at a cost of 176,000 francs. These posts are all rendered necessary by definite and pressing needs. While satisfying these needs, the new posts will at the same time afford the opportunity of adjusting, in accordance with the principle laid down in Article 395 of the Treaty of Peace, the national representation at the International Labour Office of those countries which, at present, are insufficiently represented.

Increased provision to the extent of 36,000 francs has also been made for printing (Conference printing and general printing). Also, for the upkeep of the new Office building, the Governing Body, after reviewing, in the light of the experience gained by two months' occupation of the new building, the original estimates drawn up last year, decided to increase them by 42,000 francs; finally, the amount for Unforeseen Expenditure was brought more into keeping with the general budget total, regard being had also to the actual experience of financial administration in 1926.

To sum up, the budget which is now presented to the States Members, and which a majority of the Governing Body unreservedly adopted, conforms to the two principles which have determined the basis of previous budgets of the International Labour Organisation, viz. the provision of financial resources necessary to enable the Organisation to carry out the essential duties entrusted to it under the Treaty of Peace, and the compliance with the policy of strict economy practised and insisted upon by the nations as a whole.¹

*Changes Made in the Budget by the Supervisory Commission
and approved by the Governing Body at its Thirty-second Session (May 1926).*

The estimates for 1927 were submitted by the Director, on behalf of the Governing Body, to the Supervisory Commission, which approved them as a whole, making only the following reductions:

- 5,000 francs under Item 3 (a) ("Temporary Staff").
- 1,000 francs under Item 6 (k) ("Uniforms").

¹ The method of presenting the 1927 budget differs in regard to the following points from the method adopted for previous budgets:

(1) The technical reports of the Conference, hitherto charged to Item 7 ("Printing"), are included in Chapter I, Item 1;

(2) The salaries of the permanent cleaning staff, hitherto charged to Item 3, have been grouped with other cleaning expenses under Item 6;

(3) At the suggestion of the auditor, Item 12 ("Enquiries") and sub-head (g) of Item 14 ("Correspondents and Collection of Information") have been grouped together to form the present Item 12 ("Enquiries and external collaboration").

(4) In order to counter the administrative difficulty which the impossibility of effecting transfers from one chapter to another caused to the Office, it has been decided to divide the amount for Unforeseen Expenditure between Chapters I, II and IV.

INTERNATIONAL LABOUR ORGANISATION.
ESTIMATES FOR 1927.

SUMMARY OF CHAPTERS.

| Section I (Ordinary Expenditure): | Estimates for 1927 | Budget for 1926 | Budget for 1925 | Expenditure for 1925 |
|---|------------------------|----------------------|--------------------|-------------------------|
| Chapter I. — Sessions of the Conference and of the Governing Body | 396,500 | 340,000 | 369,000 | 365,277 |
| Chapter II. — General Services of the International Labour Office | 6,989,665 ¹ | 6,751,720 | 6,668,595 | 6,478,107 |
| Chapter IIa. (Extraordinary and Temporary Expenditure.) — Work on behalf of Russian Refugees. | 303,000 | 303,000 | 253,000 | 253,000 |
| Chapter III. — Profit and Loss on Exchange (<i>ad memoriam</i>) | — | — | — | — |
| Section II (Capital Expenditure): | | | | |
| Chapter IV (a). — Ordinary Expenditure (Buildings, Permanent Equipment, etc.) | 91,000 | 75,000 | 65,000 | 64,835 |
| Total | 7,780,165 | 7,469,720 | 7,355,595 | 7,161,219 |
| Chapter IV (b). — Extraordinary Expenditure (interest charges and occupation of new building) | — | — | 65,000 | 19,995 |
| General Total | 7,780,165 | 7,469,720 | 7,420,595 | 7,181,214 |
| Deduct: (a) Estimated receipts from sale of publications | 115,000 | 80,000 | 80,000 | 110,934 |
| (b) German contribution | 600,000 | 274,782 ² | — | — |
| Net Total | 7,065,165 | 7,114,938 | 7,340,595 | 7,070,280 |

SECTION I (ORDINARY EXPENDITURE).

| | | | | |
|--|------------------------|-----------|----------------------|-----------|
| Chapter I (Sessions of the Conference and of the Governing Body): | | | | |
| 1. Sessions of the Conference (see Schedule A, page 201) | 303,500 | 255,000 | 284,000 ³ | 282,391 |
| 2. Sessions of the Governing Body (see Schedule B, page 201) | 85,000 | 85,000 | 85,000 ⁴ | 82,886 |
| 2a. Unforeseen Expenses (see Note, page 201) | 8,000 | — | — | — |
| Total of Chapter I. | 396,500 | 340,000 | 369,000 | 365,277 |
| Chapter II (General Services of the International Labour Office) : | | | | |
| 3. Salaries, Wages and Allowances: | | | | |
| (a) Salaries, diminished by reductions due to fall in cost of living (see Schedule C, page 203) | 4,896,365 ⁵ | 4,678,620 | 4,545,295 | 4,521,482 |
| (b) Contribution towards Provident Fund (see Note, page 212) | 214,500 | 218,000 | 210,000 | 195,682 |
| 4 Travelling expenses of officials (see Note, page 212): | | | | |
| (a) Removal expenses to and from Geneva | 22,000 | 25,000 | 10,140 ⁶ | 10,132 |
| (b) Travelling expenses and allowances of officials (and their families) proceeding to Geneva to take up their posts | 10,000 | 10,000 | 15,300 ⁷ | 15,294 |
| (c) Travelling expenses and subsistence allowances occasioned in connection with General Services | 120,000 | 115,000 | 125,000 ⁸ | 124,478 |
| (d) Travelling expenses of officials on leave | 35,000 | 35,000 | 38,560 ⁹ | 37,668 |

¹ The amount voted by the Governing Body was 6,995,665 francs. The Supervisory Commission reduced this by 6,000 francs.

² Contribution for 1925.

³ 20,000 francs transferred from Item 2.

⁴ 20,000 francs transferred from Item 1.

⁵ Reduction of 5,000 francs made by the Supervisory Commission.

⁶ 2,000 francs transferred to (b) and 140 francs transferred from (d).

⁷ 2,000 francs transferred from (a) and 1,300 francs transferred from (d).

⁸ Including 15,000 francs transferred from Item 15 ("Unforeseen Expenses"). Decision of Governing Body, 27th Session.

⁹ 1,440 francs transferred to (a) and (b).

| | Estimates for 1927 | Budget for 1926 | Budget for 1925 | Expenditure for 1925 |
|--|-----------------------|--------------------|----------------------|-------------------------|
| | | Swiss Francs | | |
| 5. Entertainment allowances (see Schedule D, page 213) | 85,000 | 85,000 | 85,000 | 84,918 |
| 6. Property Account, Maintenance of Geneva Office (see Schedule E, page 213) | 129,000 ¹ | 84,000 | 133,000 ² | 127,709 |
| 7. Printing (see Schedule F, page 214) | 454,000 | 465,000 | 475,000 | 474,472 |
| 8. General Office Expenses (see Schedule G, page 214) | 225,000 | 228,000 | 223,000 | 221,625 |
| 9. Special Staff charges (see Schedule H, page 215) | 61,700 | 83,500 | 91,000 ³ | 85,035 |
| 10. Unpaid Liabilities Fund | — | — | — | — |
| 11. Supervision of revenue and expenditure: | | | | |
| (a) Auditors' travelling and subsistence allowance | 5,000 | 5,000 | 10,000 | 5,678 |
| (b) Expenses of Financial Supervisory Commission | 10,000 | 10,000 | 5,000 | 4,483 |
| (c) Expenses of Salaries Adjustment Committee | 100 | 100 | 500 | — |
| 12. Enquiries and Investigations (see Note, page 215) | 120,000 | 20,000 | 35,000 ⁴ | 24,493 |
| 13. Commissions (see Schedule I, page 216) | 59,000 | 77,000 | 80,000 | 49,596 |
| 14. Correspondents and collection of information (see Schedule J, page 217) | 450,000 | 537,500 | 537,500 | 495,362 |
| 15. Unforeseen Expenditure (see Note, page 221) | 93,000 | 75,000 | 49,300 ⁵ | — |
| Total of Chapter II | 6,989,665 | 6,751,720 | 6,668,595 | 6,478,107 |

Chapter IIa:

(Extraordinary and Temporary Expenditure):

| | | | | |
|---|---------|---------|---------|---------|
| Work on behalf of Russian and Armenian Refugees (see Note page 212) | 303,000 | 303,000 | 217,035 | 217,035 |
| Enquiry into the possibility of settling Armenian Refugees | — | — | 35,965 | 35,965 |
| Total of Chapter IIa | 303,000 | 303,000 | 253,000 | 253,000 |

Chapter III:

| | | | | |
|----------------------------------|--------|--------|---|---|
| 16. Profit on Exchange | 10,000 | 10,000 | — | — |
| deduct: | | | | |
| Loss on Exchange | 10,000 | 10,000 | — | — |
| Total of Chapter III | — | — | — | — |

SECTION II (CAPITAL EXPENDITURE).

Chapter IV. Ordinary Expenditure
(buildings, permanent equipment, etc.) (see Note, page 221):

| | | | | |
|--|--------|---------------------|---------------------|--------|
| 17. Furniture, fittings and additional equipment | 30,000 | 20,000 | 17,000 ⁶ | 16,918 |
| 18. Typewriters, calculating machines, duplicators and dictaphones | 18,000 | 20,000 | 20,000 | 19,923 |
| 19. Library: books, periodicals, cards, etc. | 39,000 | 35,000 ⁶ | 28,000 ⁷ | 27,994 |
| 20. Premises for the Rome Office | 3,000 | — | — | — |
| 21. Unforeseen Expenses (Chapter IV) | 1,000 | — | — | — |
| Total of Chapter IV | 91,000 | 75,000 | 65,000 | 64,835 |

¹ Reduction of 1,000 francs made by Supervisory Commission.

² Including 15,000 francs transferred from Item 15 ("Unforeseen Expenses"). Decision of Governing Body, 30th Session.

³ Including 5,700 francs transferred from Item 15 ("Unforeseen Expenses"). Decision of Governing Body, 29th Session.

⁴ Including 15,000 francs transferred from Item 15 ("Unforeseen Expenses"). Decision of Governing Body, 29th Session.

⁵ 50,700 francs transferred to Items 4, sub-head (c); 9, sub-head (h); 12; and 6, sub-head (a) (15,000 + 5,700 + 15,000 + 15,000 francs).

⁶ 3,000 francs transferred to Item 19. Decision of Governing Body, 29th Session.

⁷ Including 3,000 francs transferred from Item 17. Decision of Governing Body, 29th Session.

SCHEDULE A
TO CHAPTER I, ITEM 1

SESSIONS OF THE CONFERENCE.

| | Estimates for 1927 | Budget for 1926 | Budget for 1925 | Expenditure for 1925 |
|--|-----------------------|--------------------|----------------------|-------------------------|
| | Swiss Francs | | | |
| (a) Salaries of additional temporary staff, etc. | 52,000 | 49,000 | 58,895 ¹ | 58,806 |
| • Overtime | 1,000 | — | — | — |
| (b) Travelling expenses and subsistence allowances of temporary staff brought to Geneva | 10,000 | 8,000 | 12,090 ² | 12,075 |
| (c) Conference hall, rent, heat, light, equipment, etc. | 36,500 | 39,000 | 36,500 ³ | 36,413 |
| (d) Special printing (reports for the Conference, Director's report, final and provisional records and miscellaneous). | 195,000 | 148,000 | 167,015 ⁴ | 166,891 |
| (e) Hire of office equipment and furniture | 2,000 | 5,000 | 3,200 ⁵ | 1,920 |
| (f) Automobile and cyclist services | 6,000 | 6,000 | 6,300 ⁶ | 6,289 |
| (g) Cables, telegrams, telephonic communications | 1,000 | — | — | — |
| Total | 303,500 | 255,000 | 284,000 | 282,394 |

NOTE ON SCHEDULE A (ITEM 1).

• The Director had asked for a total sum of 323,500 francs. This was reduced by 20,000 francs by the Governing Body, which was of opinion that this reduction would not prevent the Office from carrying out its publications programme provided that for certain publications the number of copies printed and the number of pages were reduced.

SCHEDULE B
TO CHAPTER I, ITEM 2.

SESSIONS OF THE GOVERNING BODY.

| | Estimates for 1927 | Budget for 1926 | Budget for 1925 | Expenditure for 1925 |
|---|-----------------------|--------------------|---------------------|-------------------------|
| | Swiss Francs | | | |
| (a) Travelling Expenses and Allowances of Members of the Governing Body | 65,000 | 65,000 | 64,300 ⁷ | 62,228 |
| (b) Printing of documents for the Governing Body | 20,000 | 20,000 | 20,700 ⁸ | 20,658 |
| Total | 85,000 | 85,000 | 85,000 | 82,886 |

NOTE ON CHAPTER I, ITEM 2 a (UNFORESEEN EXPENSES).

Unforeseen expenditure constitutes item 15 of Chapter II. As, by virtue of Article 29 of the Financial Regulations, no transfer may be made from one chapter of the budget to another, a somewhat awkward situation arises as the needs for Chapter I are more and more finely estimated. In consequence, in order to provide against expense greater than that foreseen — the possibility of which has always to be allowed for when estimates are drawn up nearly two years ahead—the Governing Body decided to adopt the practice followed for the Secretariat and to include in Chapter I a fresh item 2 a—“Unforeseen expenses of the Governing Body and the Conference”. The Governing Body decided that for 1927 this item should be 8,000 francs.

¹ Includes 8,895 francs transferred from (d).
² Includes 4,090 francs transferred from (d).
³ Includes 1,500 francs transferred from (e).
⁴ 8,895 francs transferred to (a); 4,090 francs transferred to (b); 20,000 francs transferred from Item 2, sub-head (b).
⁵ 1,500 francs transferred to (c); 300 francs transferred to (f).
⁶ 300 francs transferred from (a).
⁷ 700 francs transferred to (b).
⁸ 20,000 francs transferred to Item 1, sub-head (d), and 700 francs transferred from (a).

NOTE ON CHAPTER II, ITEM 3 (SALARIES).

Changes in Internal Organisation.

In order to facilitate comparison with the schedules appended to the 1926 budget, it is thought desirable to reproduce here an extract from the report presented to the Governing Body concerning the minor changes effected during 1925.

Rearrangement of the Services.

(a) *Diplomatic Division.*

The organisation of this Division has been completed by the creation of a third section, the special duties of which will be the study and analysis of the reports of the Mandates Commission in so far as they treat of labour questions; the study of the problems of forced labour, native labour and, following the enquiry at present being carried out by the Office, the conditions of labour in Asiatic countries.

In future the sections of the Diplomatic Division will be known as:

First Section: instead of General and Conference Section.

Second Section: instead of Conventions Section.

Third Section: recently created.

(b) *Research Division.*

To complete the reorganisation commenced last year, the *General Researches and Enquiry Service* becomes the Fourth Section of the Research Division. This Section will be responsible for the carrying-out of all studies of an economic character which may be undertaken by the Office within the functions assigned to it, that is to say: studies directly relating, for example, to hours of labour and output; remedies for unemployment, etc.

The *Industrial Health and Safety Services* were provisionally grouped together as one service, but the experience of several months has demonstrated that it is better that each of these two services should function autonomously. Each service has its own particular tasks, and, although they are not carried out entirely independently of the other service, these tasks are well defined and can only be properly co-ordinated by the Chief of Division.

(c) *Intelligence and Liaison Division.*

In this Division more important changes have been made. As was the case with the changes made last year, of which they are the logical outcome, the present changes are introduced as a result of experience gained and tend to define more exactly the functions of the different groups in this Division. Apart from one or two measures of a minor character which will need to be taken, it is proposed:

(1) To change the titles of the two Sections of the Division, as these no longer correspond to the real functions of the Sections. The International Information and Liaison Section will henceforward be known as the *First Section*, and the National Information and Liaison Section as the *Second Section*;

(2) To suppress the *General Organisations Service*. This Service is not a specialised one, and the relations which it maintains with the Red Cross, the League of Nations Unions and the Y.M.C.A.s can very well be kept up by officials specially designated as occasion requires. Moreover, the Chief of Section will be able personally to centralise and control the work. One of the two officials of which this service is composed will be transferred to the Third Section of the Diplomatic Division, and the other to the Second Section of the Liaison Division;

(3) To suppress the *Correspondents Service*. The maintenance of this Service, which, at the beginning, rendered the Office useful assistance by centralising, co-ordinating and standardising its relations with the Correspondence Offices and Correspondents, becomes less necessary as the staff becomes better trained administratively, and it is thought that the moment has come to considerably diminish the liaison work with the Correspondents. A certain amount of co-ordination is, however, indispensable. It has therefore been decided that the liaison work will be reduced to the minimum necessary and that it will be carried out by the same officials as heretofore, but these officials will be employed principally to reinforce the Second Section for the extension of the Information Service which is considered necessary;

(4) That the Second Section shall not be subdivided. This Section should constitute, in a measure, the information centre of the Office. This was already its general role, but it is proposed now, by a concentration of its action, to increase its usefulness. This Section will continue to furnish the Office with the general information derived from the daily Press; but, under the control of the Cabinet Press Service, its activities will be directed towards the exterior. To this Section will fall the duty of bringing to the knowledge of the general public in a more systematic way, and in a convenient form, the results achieved by the Office, making use for this purpose of articles in the Press of each country, periodical *communiqués*, and explanatory booklets. By close and frequent contact with the journalists during the Assembly and the Labour Conference, the Section will help to maintain the keen and sympathetic interest of the general public in the work of the Organisation.

SCHEDULE C

TO CHAPTER II, ITEM 3

(SALARIES AND ALLOWANCES).

| POSTS | | | Swiss Francs | |
|-------|------|---|--------------|---------------------|
| 1927 | 1926 | | 1926 | 1927 |
| 16 | 16 | Directorate | 361,140 | 366,540 |
| 130 | 129 | Administrative Section | 1,020,125 | 1,029,715 |
| 45 | 43 | Editorial Section | 568,705 | 605,590 |
| 47 | 44 | Diplomatic Division | 809,175 | 895,570 |
| 77 | 71 | Research Division | 1,155,565 | 1,243,900 |
| 60 | 59 | Liaison Division | 827,835 | 832,420 |
| <hr/> | | | | |
| 375 | 362 | Total of Salaries | 4,742,545 | 4,973,735 |
| | | Overtime | 15,000 | 15,000 |
| | | Temporary Staff | 30,000 | ¹ 25,000 |
| | | <hr/> | | |
| | | Total | 4,787,545 | 5,013,735 |
| | | Reduction due to fall in cost of living | 108,925 | 117,370 |
| | | <hr/> | | |
| | | Net total | 4,678,620 | 4,896,365 |

NOTE ON SCHEDULE C.

The Director had asked for a total of 333,500 francs for new posts (218,400 in the original estimates and 115,100 in the supplementary estimates). The Governing Body was of opinion that the amount granted for new posts (176,100 francs) would enable the Director to appoint the new staff most needed, while taking into account, as far as possible, the need for securing national representation in accordance with the Treaty of Peace.

NEW POSTS AND RE-GRADINGS AUTHORISED BY THE GOVERNING BODY.

I. *New Posts.*

1. *Research Division:*

| Posts | | Cost Swiss Francs. |
|-------|---|-----------------------|
| 1 | Second Section, 1 Member of Section B | 13,700 |
| 2 | do. 2 Local Clerks at 3,500 | 7,000 |
| 1 | Fourth Section, 1 Member of Section A | 19,000 |
| 1 | Social Insurance, 1 Member of Section A | 19,000 |

2. *Diplomatic Division:*

| | | |
|---|---|--------|
| 1 | Third Section, 1 Chief of Section | 28,000 |
| 1 | do. 1 Member of Section A | 19,000 |
| 1 | Maritime Service, 1 Member of Section A | 19,000 |

3. *Liaison Division:*

| | | |
|---|--|--------|
| 1 | Information Service, 1 Member of Section B | 13,700 |
|---|--|--------|

4. *Publications and Translation Section:*

| | | |
|---|--|--------|
| 1 | Translation Service, 1 Member of Section B | 13,700 |
| 1 | Editorial Service, 1 Proof-reader | 8,700 |

5. *Administrative Section:*

| | | |
|---|-------------------------------|-------|
| 2 | Messengers | 4,800 |
| 1 | Shorthand-typist A. | 7,000 |
| 1 | Multigraph Operator | 3,500 |

15 176,100

¹ The amount voted by the Governing Body was 30,000 francs. This was reduced to 25,000 francs by the Supervisory Commission in view of the creation of certain new permanent posts.

II. Re-grading.

In addition, the Governing Body approved the following re-gradings:

- Promotion of: 2 Chiefs of Service to rank of Chief of Section;
3 Members of Section B to rank of Member of Section A;
1 Typist Clerk to 1st Class Clerk (international).

These re-gradings do not necessitate any supplementary credit in the 1927 budget.

III. Transfers.

A certain number of transfers within the Office itself are contemplated with a view to strengthening, without increasing the total number of posts, certain services whose active development has resulted in their being overburdened. The following staff lists do not show these transfers but only the new posts and the re-gradings.

SUB-SCHEDULE TO SCHEDULE C

(CHAPTER II, ITEM 3a).

Salaries.

I. DIRECTORATE.

A. Director.

| Posts | | Swiss Francs | |
|-------|------|--------------------|---------------|
| 1927 | 1926 | 1926 | 1927 |
| I | I | Director | 90,000 90,000 |

(1) Director's Cabinet.

Acts as the Cabinet in a French Ministry (English: private secretariat), prepares questions for submission to the Director, transmits the Director's decisions and controls their execution.

| | | | | |
|---|---|---|--------|--------|
| I | I | Principal Private Secretary (27,000-1,000-32,000) | 28,000 | 29,000 |
| I | I | Assistant Private Secretary (19,000-800-28,000) | 19,800 | 20,600 |
| I | I | Member of Section, Class B (13,700-800-19,000) | 16,900 | 17,700 |
| I | I | Assistant Member of Section (11,000-400-14,000) | 14,000 | 14,000 |
| I | I | 1st Class Clerk (8,700-250-11,250) | 10,375 | 10,625 |

(2) Director's Private Secretariat.

| | | | | |
|---|---|--|--------|--------|
| I | I | Chief of Secretariat (12,000-500-15,000) | 15,000 | 15,000 |
| I | I | Personal Secretary (11,000-400-14,000) | 13,800 | 14,000 |
| I | I | Typist Verbatim Reporter (10,000-300-12,000) | 12,000 | 12,000 |

(3) Press Service.

| | | | | |
|---|---|---|--------|--------|
| I | I | Chief of Service (19,000-800-28,000) | 20,465 | 21,265 |
| 2 | 2 | Secretary-Shorthand-typists, Class B (5,400-175- 8,000) | 15,400 | 15,750 |

(4) Office Keeper.

| | | | | |
|---|---|-------------------------|--------|--------|
| I | I | Office Keeper | 10,000 | 10,000 |
|---|---|-------------------------|--------|--------|

B. Deputy-Director.

| | | | | |
|---|---|---------------------------|--------|--------|
| I | I | Deputy-Director | 65,000 | 65,000 |
|---|---|---------------------------|--------|--------|

Deputy-Director's Secretariat.

Acts as a private secretariat and, in addition, assists in the general work of the Cabinet.

| | | | | |
|---|---|---|--------|--------|
| I | I | Member of Section B (13,700-800-19,000) | 17,800 | 18,600 |
| I | I | Personal Secretary (11,000-400-14,000) | 12,600 | 13,000 |

| | | | | |
|----|----|--|---------|---------|
| 16 | 16 | | 361,140 | 366,540 |
|----|----|--|---------|---------|

II. ADMINISTRATIVE SECTION.

Deals with all administrative questions relating to finance, staff, supplies, internal services, and general office organisation; directs, co-ordinates and controls all Central Services.

A. *Secretariat.*

| Posts | | | Swiss Francs | | |
|-------|------|---------------------------------------|-----------------------|--------|--------------------|
| 1927 | 1926 | | 1926 | 1927 | |
| I | I | Chief of Section | (28,000-1,000-33,000) | 33,000 | 33,000 |
| I | I | Member of Section, Class A | (19,000-800-28,000) | 27,200 | 28,000 |
| I | I | Member of Section, Class B | (13,700-800-19,000) | 16,370 | 17,170 |
| I | I | Assistant Member of Section | (11,000-400-14,000) | 14,000 | 14,000 |
| I | I | Typist Verbatim Reporter | (10,000-300-12,000) | 10,900 | 11,200 |
| I | I | 1st Class Clerk | (8,700-250-11,250) | 10,375 | 10,625 |
| 2 | 2 | Typist Clerks | (7,500-250-10,000) | 18,210 | 18,460 |
| 2 | 2 | 3rd Class Clerks | (5,400-175- 8,000) | 12,600 | 12,950 |
| 1 | - | Copying Typist (new scale) | (3,500-125- 5,000) | — | ¹ 3,500 |

B. *Central Services.*

(1) *Registry and Despatch.*

Receives and distributes all correspondence, telegrams and parcels; records particulars of all communications on official matters; is responsible for the movements of all registered files; retains all files on which action is complete or suspended. Registration and despatch of letters, telegrams, printed documents and parcels.

| | | | | | |
|---|---|---|---------------------|--------|---------------------|
| I | I | Registrar | (19,000-800-25,000) | 23,500 | 24,300 |
| I | I | Assistant Registrar | (10,000-400-14,000) | 13,200 | 13,600 |
| I | 2 | 1st Class Clerk | (8,700-250-11,250) | 20,075 | ² 8,950 |
| I | - | 2nd Class Clerk | (7,000-200- 9,500) | — | ² 7,300 |
| 3 | 4 | 3rd Class Clerks | (5,400-175- 8,000) | 25,600 | ² 20,025 |
| I | - | 1st Class Clerk, local | (5,000-200- 8,000) | — | ² 5,300 |
| I | I | Telegraphist | (4,500-175- 7,000) | 4,420 | ² 4,760 |
| I | I | Shorthand-typist, Class B (one lan- guage) (old scale) | (4,800-150- 7,000) | 5,700 | ² 6,300 |
| 2 | 3 | 4th Class Clerks (old scale) | (4,200-125- 6,000) | 14,410 | ² 10,105 |
| 2 | I | 3rd Class Clerk (new scale) | (4,000-150- 6,000) | 4,000 | ² 8,425 |
| I | I | 5th Class Clerk (new scale) | (2,400-100- 4,000) | 4,100 | ² 2,500 |

(2) *Typing, Multigraph and Roneo Branch.*

Central shorthand and typing pool drawn upon by all sections of the Office not provided with special assistance. Reporting of Conference, Commissions, Governing Body meetings, etc. Reproduction of documents for Governing Body and Commissions, Press *communiqués*, circulars, etc.

| | | | | | |
|---|---|--------------------------|---------------------|--------|--------|
| I | I | Head of Branch | (12,000-500-16,250) | 15,400 | 15,900 |
|---|---|--------------------------|---------------------|--------|--------|

(a) *Typists.*

| | | | | | |
|----|----|--|---------------------|---------|----------------------|
| 2 | 2 | Supervisors | (8,700-250-11,250) | 19,950 | 20,575 |
| 7 | 7 | Typist Verbatim Reporters | (10,000-300-12,000) | 76,275 | 78,075 |
| 28 | 27 | Shorthand-typists, Class A | (7,000-200- 9,500) | 211,880 | ³ 222,700 |
| 2 | 2 | Shorthand-typists, bilingual (new scale) | (4,500-175- 7,000) | 9,350 | 9,375 |
| 6 | 9 | Shorthand-typists, Class B (one language) (old scale) | (4,800-150- 7,000) | 50,090 | 47,615 |
| 3 | - | Shorthand-typists, Class B (one language) (new scale) | (4,000-150- 6,000) | — | — |
| 4 | 8 | Copying Typists (old scale) | (4,200-125- 6,000) | 35,655 | ² 18,835 |
| 4 | - | Copying Typists (new scale) | (3,500-125- 5,000) | — | ² 14,740 |

(b) *Multigraph and Roneo Operators.*

| | | | | | |
|---|---|---|--------------------|--------|---------------------|
| I | I | Supervisor | (5,400-175- 8,000) | 6,875 | 7,050 |
| 2 | 2 | Multigraph Operators | (4,800-150- 7,000) | 10,555 | 10,855 |
| I | - | Multigraph Operator (new scale) | (3,500-125- 5,000) | — | ⁴ 3,500 |
| 5 | 6 | Roneo Operators (old scale) | (4,200-125- 6,000) | 26,850 | ² 23,975 |
| I | I | 4th Class Clerk | (4,200-125- 6,000) | 4,450 | 4,575 |
| I | - | Roneo Operator (new scale) | (3,500-125- 5,000) | — | ² 3,625 |

¹ The economy resulting from the suppression of a post of Member of Section B in the Library rendered the creation of this post possible.

² Re-grading of post.

³ One new post (7,000 francs).

⁴ New post.

(3) *Financial Control Branch.*

Is responsible to the Director, through the Administrative Section, for the proper expenditure of the Budget credits; the authorisation and registration of all proposed expenditure; the verification and allotment to the corresponding headings of all items of expenditure and receipts.

| Posts | | | Swiss Francs | | |
|-------|------|---------------------------|---------------------|--------|--------|
| 1927 | 1926 | | 1926 | 1927 | |
| I | I | Head of Branch | (19,000-800-25,000) | 22,200 | 23,000 |
| I | I | 2nd Class Clerk | (7,000-200- 9,500) | 7,300 | 7,500 |

(4) *Accounts Branch.*

Keeps the accounts; makes all payments; prepares necessary statements and balance sheet for submission to the Governing Body, Director and Auditor in accordance with the Financial Regulations.

| | | | | | |
|---|---|---------------------------------------|---------------------|--------|--------------------|
| I | I | Chief Accountant | (19,000-800-25,000) | 22,700 | 23,500 |
| I | I | Accountant | (13,700-800-19,000) | 19,000 | 19,000 |
| I | I | Assistant Member of Section | (11,000-400-14,000) | 12,600 | 13,000 |
| I | I | 3rd Class Clerk | (5,400-175- 8,000) | 7,300 | 7,475 |
| I | - | 3rd Class Clerk (new scale) | (4,000-150- 6,000) | — | ¹ 4,000 |

(5) *Staff Branch.*

Deals with all matters relating to the engagement and transfers of staff by competitive or qualifying examinations; interchange of staff; acts as secretariat of administrative and joint committees; is responsible for the application of the Staff Regulations.

| | | | | | |
|---|---|---------------------------|--------------------|--------|--------|
| I | I | 1st Class Clerk | (8,700-250-11,250) | 10,375 | 10,625 |
| I | I | Typist Clerk | (7,500-250-10,000) | 8,000 | 8,250 |

(6) *Material Branch and Household Services.*

Purchase of stationery and all office furniture; upkeep of buildings; controls the Messenger Service; is responsible for the household services (cleaning, heating, lighting, laundry, upkeep of garden, motor-car, etc.).

| | | | | | |
|---|---|--------------------------|---------------------|--------|--------|
| I | I | Head of Branch | (19,000-800-25,000) | 25,000 | 25,000 |
|---|---|--------------------------|---------------------|--------|--------|

(a) *Office Supplies:*

| | | | | | |
|---|---|---------------------------------------|--------------------|-------|-------|
| I | I | 2nd Class Clerk | (7,000-200- 9,500) | 7,570 | 7,770 |
| I | I | 3rd Class Clerk | (5,400-175- 8,000) | 6,700 | 6,875 |
| I | I | 4th Class Clerk (old scale) | (4,200-125- 6,000) | 5,270 | 5,395 |

(b) *Household:*

| | | | | | |
|---|---|---|--------------------|--------|--------------------|
| I | I | Superintendent | | 13,000 | 13,000 |
| I | I | Carpenter | (4,800-150- 6,000) | 6,000 | 6,000 |
| I | I | Chauffeur | (4,800-150- 6,000) | 6,000 | 6,000 |
| 2 | 2 | Gardeners | | 9,700 | 9,700 |
| - | 4 | Full-time cleaners, night watchman and furnaceman | | 15,890 | ² — |
| - | I | Linen maid | | 3,720 | ² — |
| I | I | Electrician | (4,800-150- 6,000) | 5,400 | ³ 4,950 |

(c) *Telephonists:*

| | | | | | |
|---|---|------------------------|--------------------|--------|--------|
| 2 | 2 | Telephonists | (4,800-150- 6,000) | 12,065 | 11,165 |
|---|---|------------------------|--------------------|--------|--------|

(d) *Messengers:*

| | | | | | |
|---|---|---|--------------------|--------|--------------------|
| I | I | Head Messenger | | 8,700 | 8,700 |
| 9 | 9 | Messengers | (4,800-150- 6,000) | 49,650 | 50,850 |
| 3 | 3 | Junior Messengers | (2,400-100- 4,800) | 10,995 | 11,295 |
| 2 | - | Junior Messengers (new scale) | (2,400-100- 4,000) | — | ⁴ 4,800 |

| | | | | | |
|-----|-----|--|---------|-----------|-----------|
| I30 | I29 | | Total . | 1,020,125 | 1,029,715 |
|-----|-----|--|---------|-----------|-----------|

¹ The creation of this post was rendered possible by the economy resulting from the suppression of a post of Member of Section B in the Library.

² Transferred to Item 6 (Cleaning).

³ Re-grading.

⁴ New posts.

III. PUBLICATIONS AND TRANSLATION SECTION.

Responsible for the examination, translation, publication, and preparation for printing and arrangements for the sale and the distribution of all Office publications.

| Posts | | | Swiss Francs | |
|---|------|---|--------------|----------------------|
| 1927 | 1926 | | 1926 | 1927 |
| I | I | Chief of Section (28,000-1,000-33,000) | 29,000 | 30,000 |
| I | I | Assistant Chief of Section (19,000-800-28,000) | 27,750 | 28,000 |
| A. Editorial Service. | | | | |
| I | I | Chief of Service. (19,000-800-28,000) | 22,200 | 23,000 |
| 6 | 6 | Members of Section, Class B (13,700-800-19,000) | 107,605 | 111,765 |
| 5 | 5 | Assistant Members of Section (11,000-400-14,000) | 60,835 | 62,435 |
| - | I | 1st Class Clerk (8,700-250-11,250) | 9,700 | ¹ — |
| 3 | I | Proof-readers, international (8,700-250-11,250) | 10,250 | ² 27,665 |
| I | I | Proof-reader, local (5,000-200- 8,000) | 6,200 | 6,335 |
| I | - | Draughtsman (8,700-250-12,250) | — | ¹ 9,700 |
| - | I | Draughtsman (7,500-250-10,000) | 8,250 | — |
| 2 | 2 | Secretary-Shorthand-typists, Class A (8,700-250-11,250) | 20,075 | 20,575 |
| I | I | Typist Clerk (7,500-250-10,000) | 8,815 | 9,065 |
| 2 | 2 | Secretary-Shorthand-typists, Class B (5,400-175- 8,000) | 14,600 | 14,950 |
| B. Translation Service. | | | | |
| I | I | Chief of Service. (19,000-800-28,000) | 22,200 | 23,000 |
| 7 | 6 | Members of Section, Class B (13,700-800-19,000) | 100,225 | ³ 118,225 |
| 3 | 3 | Assistant Members of Section (11,000-400-14,000) | 37,600 | 35,800 |
| C. Printing and Distribution Branch. | | | | |
| I | I | Head of Branch (19,000-800-25,000) | 25,000 | 25,000 |
| I | I | Assistant Member of Section (11,000-400-14,000) | 12,200 | 12,600 |
| I | I | 1st Class Clerk (8,700-250-11,250) | 9,410 | 9,660 |
| I | I | Typist Clerk (7,500-250-10,000) | 7,850 | 8,100 |
| I | I | 3rd Class Clerk (5,400-175- 8,000) | 5,750 | 5,925 |
| I | I | Copying Typist (old scale) (4,200-125- 6,000) | 5,425 | 5,550 |
| 3 | 3 | 4th Class Clerks (old scale) (4,200-125- 6,000) | 13,665 | 14,040 |
| I | I | 5th Class Clerk (old scale) (2,400-100- 4,200) | 4,100 | 4,200 |
| 45 | 43 | | 568,705 | 605,590 |

IV. DIPLOMATIC DIVISION.

| | | | | |
|--------------------------|---|--|--------|--------|
| I | I | Chief of Division (38,500-2,000-47,000) | 47,000 | 47,000 |
| I | I | Secretary-Shorthand-typist, Class A (8,700-250-11,250) | 9,570 | 9,820 |
| A. First Section. | | | | |
| I | I | Chief of Section (28,000-1,000-33,000) | 33,000 | 33,000 |

(1) Governing Body and Commissions Sub-Section.

Secretariat of Governing Body and its committees; Joint Maritime Commission; Advisory Agricultural Committee; Advisory Industrial Hygiene Committee; Commissions set up under Article 312 to deal with transference of insurance funds.

| | | | | |
|---|---|--|---------|----------------------|
| I | I | Assistant Chief of Section (19,000-800-28,000) | 25,000 | 25,800 |
| 6 | 7 | Members of Section, Class B (13,700-800-19,000) | 124,075 | ⁴ 109,850 |
| 2 | 2 | Assistant Members of Section (11,000-400-14,000) | 25,400 | 25,800 |

(2) Maritime Questions Group.

Study of questions relating to maritime labour; contact with shipowners' and seamen's organisations; technical preparation of the sessions of the Joint Maritime Commission.

| | | | | |
|---|---|---|---|---------------------|
| I | - | Member of Section A (19,000-800-28,000) | — | ⁵ 19,000 |
| I | - | Member of Section B (13,700-800-19,000) | — | ⁶ 18,370 |

¹ Re-grading.

² One re-grading; one new post (8,700 francs).

³ One new post (13,700).

⁴ One post transferred to Maritime Questions Group.

⁵ New post.

⁶ Post transferred from Governing Body and Commissions Sub-section.

(3) *Preparation of Conference Group.*

Preparation of Conference; convocation; questionnaires; reports and preliminary drafts of Conventions; Director's annual reports to Conference; nomination and credentials of delegates, etc.

| Posts | | | Swiss Francs | |
|-------|------|---|--------------|-------------------|
| 1927 | 1926 | | 1926 | 1927 ¹ |
| 1 | 1 | Member of Section, Class A (19,000-800-28,000) | 22,200 | 23,000 |
| 2 | 2 | Members of Section, Class B (13,700-800-19,000) | 36,635 | 38,355 |
| 1 | 1 | Assistant Member of Section (11,000-400-14,000) | 11,400 | — ¹ |

(4) *General Correspondence Group.*

Official correspondence with Governments; in particular, in connection with Article 405 of the Treaty, and miscellaneous subjects, e.g., Articles 397 and 412, new members, economic blockade, transit, Greek and Russian refugees, finance, diplomatic privileges, publications, intellectual workers, correspondence with official international institutions, e.g., League of Nations, Rome Institute, etc. Control of all correspondence with Governments or members of Governing Body from other Sections of the Office, and of all correspondence dealing with Part XIII.

| | | | | |
|---|---|---|--------|--------|
| 1 | 1 | Member of Section, Class A (19,000-800-28,000) | 21,270 | 22,070 |
| 3 | 3 | Members of Section, Class B (13,700-800-19,000) | 48,185 | 50,585 |

B. *Second Section (Conventions Section).*

| | | | | |
|---|---|--|--------|--------|
| 1 | 1 | Chief of Section (28,000-1,000-33,000) | 33,000 | 33,000 |
|---|---|--|--------|--------|

(1) *Ratification of Conventions Group.*

Correspondence concerning modifications in legislation required to facilitate ratification of Conventions and to give effect to recommendations; progress of ratification; enquiries as to the interpretation of Conventions.

| | | | | |
|---|---|---|--------|--------|
| 4 | 4 | Members of Section, Class B (13,700-800-19,000) | 72,670 | 74,270 |
| 1 | 1 | 1st Class Clerk (8,700-250-11,250) | 11,250 | 11,250 |

(2) *Execution of Conventions Group.*

Reports on application of Conventions (Art. 408); records of the Conference; preparation of *Official Bulletin*.

| | | | | |
|---|---|---|--------|---------------------|
| 1 | 1 | Assistant Chief of Section (19,000-800-28,000) | 24,600 | 25,400 |
| 3 | 3 | Members of Section, Class B (13,700-800-19,000) | 49,160 | 51,560 |
| 1 | — | Assistant Member of Section (11,000-400-14,000) | — | ² 11,800 |

C. *Third Section (Native Labour)*³.

Study of labour conditions in the Far East, in colonies and protectorates (Art. 421); study of problems of native labour, of forced labour and slavery.

| | | | | |
|---|---|---|---|---------------------|
| 1 | — | Chief of Section (28,000-1,000-33,000) | — | ⁴ 28,000 |
| 1 | — | Member of Section A (19,000-800-28,000) | — | ⁴ 19,000 |

D. *Legal Service.*

Gives legal advice on such questions as are referred to it; assists as regards the legal aspect of questions which may be the subject of studies or research.

| | | | | |
|---|---|--|--------|--------|
| 1 | 1 | Chief of Service (19,000-800-28,000) | 19,700 | 20,500 |
| 1 | 1 | Member of Section, Class A (19,000-800-28,000) | 19,800 | 20,295 |
| 1 | 1 | Member of Section, Class B (13,700-800-19,000) | 17,570 | 18,370 |

E. *Migration Service.*

Matters concerning emigration, immigration and the protection of foreign workers; collection of information (legislation, etc.) affecting emigrants and immigrants; preparation of material for publication.

| | | | | |
|---|---|---|--------|--------|
| 1 | 1 | Technical Adviser | 37,500 | 37,500 |
| 1 | 1 | Member of Section, Class A (19,000-800-28,000) | 22,200 | 23,000 |
| 2 | 2 | Members of Section, Class B (13,700-800-19,000) | 37,705 | 38,000 |
| 1 | 1 | Assistant Member of Section (11,000-400-14,000) | 11,000 | 11,400 |
| 1 | 1 | Secretary-Shorthand-typist, Class A (8,700-250-11,250) | 11,000 | 11,250 |

¹ Post transferred to Execution of Conventions Group.

² Post transferred from Preparation of Conference Group.

³ New Section. The additional staff necessary to this Section will be provided by means of transfers to be effected later (see Note, page 203).

⁴ New posts.

Typing and Clerical Staff of the Division.

| Posts | | | Swiss Francs | |
|-------|------|---|--------------|---------|
| 1927 | 1926 | | 1926 | 1927 |
| 2 | 2 | Secretary-Shorthand-typists, Class A (8,700-250-11,250) | 20,075 | 20,575 |
| 2 | 2 | Typist Clerks (7,500-250-10,000) | 18,210 | 17,750 |
| 47 | 44 | | 809,175 | 895,570 |

V. RESEARCH DIVISION.

| | | | | |
|---|---|--|--------|---------|
| 1 | 1 | Chief of Division (38,500-2,000-47,000) | 42,460 | 44,460* |
| 1 | 1 | Secretary-Shorthand-typist, Class A (8,700-250-11,250) | 11,250 | 11,250 |

A. First Section.

Preparation of statistical studies relating to labour : collects and compiles statistics of prices, cost of living, wages and of all subjects relating to labour ; works out statistical methods and tabulations with the view to ensure co-ordination and uniformity of statistics relating to labour ; also other studies, having for basis principally statistics concerning labour (housing, etc.)

| | | | | |
|---|---|---|--------|--------|
| 1 | 1 | Chief of Section (28,000-1,000-33,000) | 32,000 | 33,000 |
| 1 | 1 | Assistant Chief of Section (19,000-800-28,000) | 25,700 | 26,500 |
| 1 | 1 | Member of Section, Class A (19,000-800-28,000) | 20,265 | 21,065 |
| 2 | 2 | Member of Section, Class B (13,700-800-19,000) | 31,230 | 29,600 |
| 1 | 1 | Assistant Member of Section (11,000-400-14,000) | 12,200 | 11,465 |
| 3 | 3 | 1st Class Clerks (8,700-250-11,250) | 28,945 | 28,305 |
| 1 | 1 | Typist Clerk (7,500-250-10,000) | 9,050 | 9,300 |
| 1 | 1 | Copying Typist (old scale) (4,200-125- 6,000) | 4,825 | 4,950 |

B. Second Section.

Preparation of studies relating to legislation and the legal regulation of labour. Preparation of comparative studies of legislation, administration and legal procedure in connection with questions of labour. Translation and publication in French, English and German of the more important laws and administrative orders in all countries of the world ; maintains the register of social legislation. Comparative study of judicial decisions and jurisprudence concerning labour which may be important from an international standpoint. Preparation of studies of collective agreements (hours of labour, wages, methods) and of conciliation and arbitration.

| | | | | |
|----|---|---|---------|----------------------|
| 1 | 1 | Chief of Section (28,000-1,000-33,000) | 29,165 | 30,165 |
| 1 | 1 | Assistant Chief (19,000-800-28,000) | 24,200 | 25,000 |
| 1 | 1 | Member of Section, Class A (19,000-800-28,000) | 19,800 | 20,600 |
| 11 | 9 | Members of Section, Class B (13,700-800-19,000) | 157,925 | ¹ 188,155 |
| 2 | 1 | Assistant Members of Section (11,000-400-14,000) | 13,250 | ² 26,185 |
| 1 | 1 | 2nd Class Clerk (international) (7,000-200- 9,500) | 7,200 | 7,450 |
| 1 | 1 | 1st Class Clerk, local (new scale) (5,000-200- 8,000) | 5,200 | 6,065 |
| 1 | 1 | Copying Typist (old scale) (4,200-125- 6,000) | 4,500 | 4,625 |
| 2 | - | 4th Class Clerks (new scale) (3,500-125- 5,000) | — | ³ 7,000 |

C. Third Section.

Preparation of studies of labour conditions other than those having solely or essentially a statistical or juridical basis ; intellectual workers, woman and child labour, night work ; workers' leisure ; technical training (pre-apprenticeship, vocational guidance, apprenticeship, technical education) ; scientific methods of work.

| | | | | |
|---|---|---|--------|---------------------|
| 1 | 1 | Chief of Section (28,000-1,000-33,000) | 29,000 | 29,420 |
| 1 | 1 | Member of Section, Class A (19,000-800-28,000) | 21,330 | 19,665 |
| 2 | 3 | Members of Section, Class B (13,700-800-19,000) | 50,470 | ⁴ 36,170 |
| 1 | 1 | Assistant Member of Section (11,000-400-14,000) | 11,800 | 12,200 |

D. Fourth Section⁵.

Comparative studies of methods of preventing unemployment ; comprehensive study of economic factors in so far as they affect labour, output, etc.

| | | | | |
|---|---|--|--------|---------------------|
| 1 | 1 | Chief of Section (28,000-1,000-33,000) | 33,000 | 33,000 |
| 1 | - | Member of Section, Class A (19,000-800-28,000) | — | ³ 19,000 |
| 2 | 2 | Assistant Members of Section (11,000-400-14,000) | 26,200 | 26,600 |
| 1 | 1 | Typist Clerk (7,500-250-10,000) | 9,555 | 9,805 |
| 1 | 1 | 3rd Class Clerk (international) (5,400-175- 8,000) | 7,300 | 7,475 |

¹ One post transferred from Third Section ; one new post (13,700 francs).

² One post transferred from Liaison Division (Workers' Organisations Service).

³ New posts.

⁴ One post transferred to Second Section.

⁵ Re-grouping of old Unemployment Service (General Researches and Enquiry ; Technical Service).

E. *Social Insurance and Disablement Service.*

Preparation of studies on all questions relating to social insurance and men disabled on account of war or industry (calculation and payment of allowances, vocational training, means of finding employment, wages, etc.).

| Posts | | | Swiss Francs | | |
|-------|------|---|---------------------|--------|---------------------|
| 1927 | 1926 | | 1926 | 1927 | |
| 1 | 1 | Chief of Service | (19,000-800-28,000) | 24,200 | 25,000 |
| 2 | 1 | Members of Section, Class A | (19,000-800-28,000) | 19,000 | ¹ 38,800 |
| 4 | 4 | Members of Section, Class B | (13,700-800-19,000) | 70,275 | 69,505 |
| 1 | 1 | 1st Class Clerk (international) | (8,700-250-11,250) | 8,950 | 9,065 |

F. *Unemployment Service.*

Prepares comparative studies of the various technical problems connected with unemployment: statistical methods, systems of unemployment relief and insurance, methods of finding employment, relief works, etc. Studies the facts and problems relating to employment in relation to economics (general theory, periodical crises, seasonal, accidental, etc.); enquiries carried out in conjunction with the Economic Section of the League of Nations.

| | | | | | |
|---|---|---------------------------------------|---------------------|--------|--------|
| 1 | 1 | Chief of Service | (19,000-800-28,000) | 27,200 | 28,000 |
| 2 | 2 | Members of Section, Class B | (13,700-800-19,000) | 33,975 | 35,575 |
| 1 | 1 | Assistant Member of Section | (11,000-400-14,000) | 11,765 | 12,165 |

G. *Agricultural Service.*

Studies relating to agricultural labour; conditions of labour (hours, wages, unemployment, contracts); repercussion on agricultural labour of economic conditions of agriculture. Agricultural technical education; agricultural co-operation. Relations with the International Institute of Agriculture, Rome, and with the important agricultural organisations.

| | | | | | |
|---|---|--|---------------------|--------|---------------------|
| 1 | - | Member of Section, Class A, Chief of Service | (19,000-800-28,000) | — | ² 19,000 |
| 2 | 3 | Members of Section, Class B | (13,700-800-19,000) | 47,875 | 30,635 |

H. *Industrial Health Service*³.

Deals with all questions connected with industrial hygiene, including comparison and co-ordination of the legislative provisions of different countries; prepares general or special enquiries on unhealthy occupations; liaison with Health Organisation of the League of Nations.

| | | | | | |
|---|---|---|---------------------|--------|--------|
| 1 | 1 | Technical Adviser | | 37,500 | 37,500 |
| 1 | 1 | Member of Section, Class B | (13,700-800-19,000) | 19,000 | 19,000 |
| 1 | 1 | Assistant Member of Section | (11,000-400-14,000) | 12,395 | 12,795 |
| 1 | 1 | 1st Class Clerk (international) | (8,700-250-11,250) | 9,410 | 9,660 |

I. *Safety Service*³.

Studies reports of factory inspectors in respect of accident prevention and of other organisations which enforce safety measures; prepares comparative studies of the organisation of factory inspection in industrial countries; reads periodical publications dealing with technical questions of industrial safety and prepares information on the more important events for the publications of the Office.

| | | | | | |
|---|---|---------------------------------------|-----------------------|--------|---------------------|
| 1 | - | Chief of Section | (28,000-1,000-33,000) | — | ² 28,000 |
| - | 1 | Chief of Service | (19,000-800-28,000) | 28,000 | — |
| 1 | 1 | Member of Section, Class B | (13,700-800-19,000) | 18,200 | 19,000 |
| 1 | 1 | Assistant Member of Section | (11,000-400-14,000) | 12,135 | 12,535 |

J. *Russian Service.*

Special study of labour conditions in Soviet Russia.

| | | | | | |
|---|---|--|---------------------|--------|---------------------|
| 1 | - | Member of Section, Class A, Chief of Service | (19,000-800-28,000) | — | ² 19,000 |
| 2 | 3 | Members of Section, Class B | (13,700-800-19,000) | 54,680 | 36,595 |
| 1 | 1 | Secretary-Shorthand-typist, Class B | (5,400-175- 8,000) | 7,300 | 7,475 |

Typing and Clerical Staff of the Division.

| | | | | | |
|---|---|--|--------------------|--------|---------------------|
| 2 | 2 | Secretary-Shorthand-typists, Class A | (8,700-250-11,250) | 19,785 | 20,285 |
| 2 | 3 | Secretary-Shorthand-typists, Class B | (5,400-175- 8,000) | 21,100 | ² 14,950 |
| 2 | 1 | 1st Class Clerk (local) | (5,000-200- 8,000) | 5,000 | ² 10,885 |

| | | | | | |
|----|----|-----------------|--|-----------|-----------|
| 77 | 71 | Total | | 1,155,565 | 1,243,900 |
|----|----|-----------------|--|-----------|-----------|

¹ One new post (19,000 francs).

² Re-grading.

³ Re-grouping of old Industrial Health and Safety Service.

VI INTELLIGENCE AND LIAISON DIVISION.

| Posts | | | Swiss Francs | | |
|-------|------|-----------------------------|-----------------------|--------|--------|
| 1927 | 1926 | | 1926 | 1927 | |
| I | I | Chief of Division | (38,500-2,000-47,000) | 47,000 | 47,000 |
| I | I | Typist Clerk | (7,500-250-10,000) | 7,850 | 8,100 |

A. First Section¹.

| | | | | | |
|---|---|----------------------------|-----------------------|--------|--------|
| I | I | Chief of Section | (28,000-1,000-33,000) | 33,000 | 33,000 |
|---|---|----------------------------|-----------------------|--------|--------|

General Organisations Service².

| | | | | | |
|---|---|-----------------------------------|---------------------|--------|----------------|
| - | 2 | Members of Section, Class B . . . | (13,700-800-19,000) | 32,150 | — ² |
|---|---|-----------------------------------|---------------------|--------|----------------|

(1) Employers' Organisations Service.

Relations with international and national employers' organisations and preparation of information with regard to them.

| | | | | | |
|---|---|------------------------------------|---------------------|--------|--------|
| I | I | Chief of Service | (19,000-800-28,000) | 23,305 | 24,105 |
| I | I | Member of Section, Class B | (13,700-800-19,000) | 15,165 | 15,965 |

(2) Workers' Organisations Service.

Relations with international trade union associations and with national trade union movements; relations with friendly societies, and preparation of information with regard to such organisations.

| | | | | | |
|---|---|-------------------------------------|---------------------|---------|---------------------|
| I | I | Chief of Service | (19,000-800-28,000) | 21,290 | 19,800 |
| I | - | Member of Section, Class A | (19,000-800-28,000) | — | ³ 19,000 |
| 5 | 6 | Members of Section, Class B | (13,700-800-19,000) | 103,215 | 84,000 |
| - | I | Assistant Member of Section | (11,000-400-14,000) | 12,135 | — ⁴ |

(3) Co-operative Organisations Service.

Relations with the co-operative movement and preparation of information with regard to them.

| | | | | | |
|---|---|--------------------------------------|-----------------------|--------|---------------------|
| 1 | - | Chief of Section | (28,000-1,000-33,000) | — | ³ 28,000 |
| - | I | Chief of Service | (19,000-800-28,000) | 28,000 | — |
| • | I | Member of Section, Class A | (19,000-800-28,000) | 22,200 | 23,000 |
| 2 | 2 | Assistant Members of Section | (11,000-400-14,000) | 23,200 | 23,700 |
| I | I | Secretary-Shorthand-typist, Class B | (5,400-175- 8,000) | 7,700 | 7,875 |

(4) Library.

Procures, classifies and catalogues books, pamphlets, periodicals and newspapers; is responsible for the loan and distribution of printed documents, etc.

| | | | | | |
|---|---|--------------------------------------|---------------------|--------|---------------------|
| I | I | Librarian | (13,700-800-19,000) | 18,400 | 19,000 |
| I | 2 | Members of Section, Class B | (13,700-800-19,000) | 33,795 | ⁵ 17,500 |
| 2 | I | 2nd Class Clerks (international) . . | (7,000-200- 9,500) | 7,400 | ⁵ 14,600 |
| I | I | 3rd Class Clerk (local) | (4,000-150- 6,000) | 4,150 | 4,225 |
| I | I | 4th Class Clerk (old scale) | (4,200-125- 6,000) | 4,825 | 4,950 |
| I | - | 4th Class Clerk (new scale) | (3,500-125- 5,000) | — | ⁵ 3,500 |
| I | I | 5th Class Clerk (old scale) | (2,400-100- 4,200) | 4,100 | 4,200 |

B. Second Section.⁶

Preparation of articles on important events in the labour world for the use of *Industrial and Labour Information* and other Office publications. Classification of information that may be required for the preparation of replies to requests or for articles for publication. Examination of books and periodicals published in different countries and their utilisation in Office publications. Replies to requests for information from Governments, employers, workers and other organisations. Correspondence as to the collection of information, and the supply and exchange of publications. General correspondence with the national correspondents. Preparation of leaflets and articles on the work of the Office.

| | | | | | |
|---|---|----------------------------|-----------------------|--------|--------|
| I | I | Chief of Section | (28,000-1,000-33,000) | 28,000 | 29,000 |
|---|---|----------------------------|-----------------------|--------|--------|

(1) Information Service.⁷

| | | | | | |
|---|---|-------------------------------------|---------------------|--------|----------------------|
| 3 | I | Members of Section, Class A | (19,000-800-28,000) | 22,375 | ⁸ 63,575 |
| I | I | Head of Branch | (19,000-800-25,000) | 22,200 | 23,000 |
| 8 | 2 | Members of Section, Class B | (13,700-800-19,000) | 35,490 | ⁹ 139,990 |
| I | - | Assistant Member of Section | (11,000-400-14,000) | — | ¹⁰ 12,535 |

¹ Formerly International Information and Liaison Section.

² Service suppressed. Posts transferred to Information Service.

³ Re-grading.

⁴ Post transferred to Second Section of Liaison Division.

⁵ Transformation of post.

⁶ Formerly National Information and Liaison Section.

⁷ Formerly Correspondents Service.

⁸ Two posts transferred from former National Information Co-ordination Services.

⁹ Two posts transferred from former General Organisations Service; three posts transferred from former National Information Co-ordination Services; and one new post (13,700 francs).

¹⁰ Post transferred from former National Information Co-ordination Services.

(2) *Documentation Service.*

Subscriptions to periodicals; examination and circulation of periodicals; distribution and circulation of Press cuttings; centralisation of all information obtained by the Office in reply to requests for information.

| Posts | | | Swiss francs | |
|---|------|--|--------------|---------------------|
| 1927 | 1926 | | 1926 | 1927 |
| I | I | Member of Section, Class B, Chief of Service (13,700-800-19,000) | 17,435 | 18,235 |
| (a) <i>Reading of periodicals and preparation of résumés of articles.</i> | | | | |
| I | - | Assistant Member of Section (11,000-400-14,000) | — | ¹ 13,000 |
| I | I | 1st Class Clerk (international) (8,700-250-11,250) | 8,700 | 8,950 |
| 3 | 3 | Typist Clerks (7,500-250-10,000) | 24,630 | 24,880 |
| I | I | 1st Class Clerk (local) (5,000-200-8,000) | 5,200 | 5,400 |
| (b) <i>Parliamentary reports, reports of correspondents and Press cuttings.</i> | | | | |
| I | I | Classifier | 12,500 | 12,500 |
| I | I | 4th Class Clerk (old scale) (4,200-120-6,000) | 4,700 | 4,825 |
| 2 | 2 | 5th Class Clerks (old scale) (2,400-100-4,200) | 6,270 | 6,470 |
| (c) <i>Periodicals: subscriptions to and loan of.</i> | | | | |
| I | I | 2nd Class Clerk (international) (7,000-200-9,500) | 7,000 | 7,000 |
| I | I | 3rd Class Clerk (international) (5,400-175-8,000) | 6,575 | 6,750 |
| I | I | 1st Class Clerk (local) (5,000-200-8,000) | 5,200 | 5,300 |
| 2 | 2 | 5th Class Clerks (old scale) (2,400-100-4,200) | 6,970 | 7,170 |
| (3) <i>National Information Co-ordination Services</i> ² . | | | | |
| - | 2 | Members of Section, Class A (19,000-800-28,000) | 46,800 | — ² |
| - | 3 | Members of Section, Class B (13,700-800-19,000) | 54,255 | — ² |
| - | 2 | Assistant Members of Section (11,000-400-14,000) | 24,735 | — ² |
| <i>Clerical and Typing Staff of the Division.</i> | | | | |
| I | I | Secretary-Shorthand-typist, Class A (8,700-250-11,250) | 9,700 | 11,250 |
| 2 | 2 | Typist Clerks (7,500-250-10,000) | 16,420 | 16,920 |
| 2 | 2 | Secretary-Shorthand-typists, Class B (5,400-175-8,000) | 13,800 | 14,150 |
| 60 | 59 | Total | 827,835 | 832,420 |

NOTE ON ITEM 3 (b)
(STAFF PROVIDENT FUND).

The Director had asked for a sum of 239,500 francs. The Governing Body was of opinion that the reduction in the number of posts agreed to, and the amount actually expended in 1925, warranted a reduction of 25,000 francs. Should this reduction prove to be too great, the Office would be able to draw upon "Unforeseen Expenditure".

NOTE ON ITEM 4
(TRAVELLING EXPENSES OF OFFICIALS).

(a) *Costs of removal on departure and arrival.*

The Director had asked for a sum of 25,000 francs. The Governing Body was of opinion that the estimates of the Office concerning the probable number of departures and arrivals could be reduced, and consequently reduced the amount asked for by 3,000 francs.

(c) *Travelling expenses and subsistence allowances in connection with General Services.*

The Director had asked for a sum of 130,000 francs. The Governing Body was of opinion that a reduction of 10,000 francs was possible in view of the fact that the expenses for 1925 included some long journeys of an exceptional character and that it would be possible for the Director to entrust the National Correspondents with certain missions hitherto carried out by the officials of the headquarters Office.

¹ Post transferred from former National Information Co-ordination Services.
² Service suppressed. Six posts transferred to Information Service; one post to Documentation Service.

SCHEDULE D
TO CHAPTER II, ITEM 5

(ENTERTAINMENT ALLOWANCES).

| | Estimates for 1927 | Budget for 1926 | Budget for 1925 Swiss Francs | Expenditure for 1925 |
|--|-----------------------|--------------------|------------------------------------|-------------------------|
| (a) Director | 30,000 | 30,000 | 30,000 | 30,000 |
| (b) Deputy Director | 12,500 | 12,500 | 12,500 | 12,500 |
| (c) Chairman of the Governing Body | 12,500 | 12,500 | 12,500 | 12,500 |
| (d) Entertainment Fund | 30,000 | 30,000 | 30,000 | 29,918 |
| Total | 85,000 | 85,000 | 85,000 | 84,918 |

SCHEDULE E

TO CHAPTER II, ITEM 6

(PROPERTY ACCOUNT, MAINTENANCE OF GENEVA OFFICE).

| | | | | |
|---|--------------------|---------------|---------------------|----------------|
| (a) Rent (Main Building) | — | — | 50,600 ¹ | 50,600 |
| (b) Rent (Annexes) | — | — | 9,334 ² | 9,334 |
| (c) Water rate | 1,300 | 1,000 | 1,300 ³ | 1,300 |
| (d) Heating | 25,000 | 23,500 | 22,000 | 21,919 |
| (e) Electricity { Lighting | 7,500 | 7,500 | 6,500 | 5,919 |
| { Electric motors | 4,800 | 1,500 | — | — |
| (f) Repairs and renovations to buildings | 1,000 | 1,000 | 5,000 | 3,695 |
| (g) Insurance (fire, water, loss of effects, civil responsibility, etc.) | 5,000 | 5,000 | 2,860 ⁴ | 2,507 |
| (h) Insurance (domestic staff and chauffeurs) | 1,000 | 1,000 | 1,140 ⁵ | 1,133 |
| (i) Upkeep of office furniture and equipment (including automobiles) | 13,500 | 13,500 | 12,266 ⁶ | 9,999 |
| (j) Laundry and cleaning of premises | 65,000 | 25,000 | 20,000 | 19,450 |
| (k) Uniforms | 2,000 ⁷ | 3,000 | — | — |
| (l) Sundry supplies | 3,000 | 2,000 | 2,000 | 1,857 |
| Total | 129,000 | 84,000 | 133,000 | 127,713 |

NOTE ON SCHEDULE E (ITEM 6).

With the exception of sub-head (j) (Laundry and cleaning of premises), the original estimates were the same as the amounts voted for 1926. At the time they were prepared it was not possible to forecast accurately the expenditure in connection with the new building. An experience of nearly two months, however, enabled the Office to estimate its needs more closely, and a request was made to the Governing Body for the original estimates to be increased by the following amounts:

| | |
|---------------------------|------------|
| Water rate | 300 francs |
| Heating | 1,500 » |
| Electric motors | 3,300 » |

The Governing Body agreed to grant these amounts.

The original estimates in respect of the permanent and temporary staff employed for laundry and cleaning of premises under sub-head (j) amounted to 50,000 francs. This sum is really only 5,000 francs more than was voted for 1926, as the additional 20,000 francs is accounted for by the transfer from item 3 to item 6 of the salaries of the permanent cleaners. In the light of the experience already gained in connection with the new building, the Governing Body thought it necessary to make increased provision to the extent of 15,000 francs, the amount voted for this subhead being thus 65,000 francs.

¹ 15,000 francs transferred from Item 15 (Unforeseen Expenses) and 600 francs from (i).

² 1,834 francs transferred from (i).

³ 300 francs transferred from (i).

⁴ 140 francs transferred to (h).

⁵ 140 francs transferred from (g).

⁶ 600 francs transferred to (a); 1,834 francs transferred to (b); 300 francs transferred to (c).

⁷ The amount voted by the Governing Body was 3,000 francs. This was reduced by 1,000 francs by the Supervisory Commission.

SCHEDULE F
TO CHAPTER II, ITEM 7

(PRINTING).

| | Estimates for 1927 | Budget for 1926 Swiss Francs | Budget for 1925 | Expenditure for 1925 |
|--|-----------------------|------------------------------------|----------------------|-------------------------|
| (a) <i>Industrial and Labour Information</i> | 70,000 | 85,000 | 75,830 ¹ | 75,688 |
| (a bis) <i>Monthly Record of Migration</i> | 15,000 | | | |
| (b) <i>Official Bulletin</i> | 10,000 | 10,000 | 11,220 ² | 11,125 |
| (c) <i>International Labour Review (French, English, German, Spanish and Italian editions)</i> | 96,000 | 120,000 | 93,300 ³ | 93,154 |
| (c bis) <i>Industrial Safety Survey</i> | 18,000 | — | — | — |
| (d) <i>Legislative Series</i> | 65,000 | 55,000 | 78,300 ⁴ | 78,288 |
| (e) <i>Studies and Reports</i> | 100,000 | 80,000 | 143,450 ⁵ | 143,376 |
| (f) <i>Special publications</i> | 35,000 | 20,000 | | |
| (g) <i>General printing (circulars, question- naires, reports, etc.)</i> | 15,000 | 65,000 | 52,900 ⁶ | 52,868 |
| (h) <i>Travelling, advertising for Sales Branch</i> | 20,000 | 20,000 | 20,000 | 19,976 |
| (i) <i>Printing for various Commissions</i> | 10,000 | 10,000 | — | — |
| Total | 454,000 | 465,000 | 475,000 | °474,475 |

NOTE ON SCHEDULE F (ITEM 7).

The Director had asked for a sum of 504,000 francs. This was reduced by 50,000 francs by the Governing Body, which took into consideration the fact that, even with this reduction, the amount allotted for the publications as a whole⁷ represents an increase of 36,000 francs as compared with the sum voted for 1926.

The Governing Body was of opinion that this increase of 36,000 francs, together with certain reductions which were desirable as regards volume and the elimination of certain proposed publications which were not particularly urgent in character, would enable the Office to complete the programme of work devolving upon it.

SCHEDULE G
TO CHAPTER II, ITEM 8

(GENERAL OFFICE EXPENSES).

| | Estimates for 1927 | Budget for 1926 Swiss Francs | Budget for 1925 | Expenditure for 1925 |
|--|-----------------------|------------------------------------|----------------------|-------------------------|
| (a) <i>Stationery, office supplies</i> | 55,000 | 55,000 | 60,000 | 59,720 |
| (b) (i) <i>Postage</i> | 110,000 | 110,000 | 107,270 ⁸ | 107,260 |
| (ii) <i>Courrier Geneva-Paris</i> | | | | |
| (c) <i>Cables and telegrams</i> | 14,000 | 13,000 | 15,810 ⁹ | 15,807 |
| (d) <i>Telephones (subscriptions and sur- charges)</i> | 22,500 | 21,000 | 16,770 ¹⁰ | 16,571 |
| (e) <i>Papers and Press cuttings of non- permanent value</i> | 14,000 | 15,000 | 14,000 | 13,910 |
| (f) <i>Additional miscellaneous expenses:</i> | | | | |
| (i) <i>Freight and carriage</i> | 7,500 | 12,000 | 7,150 ¹¹ | 6,803 |
| (ii) <i>Photographs</i> | 1,000 | — | — | — |
| (iii) <i>Other expenses</i> | 1,000 | 2,000 | 2,000 | 1,973 |
| Total | 225,000 | 228,000 | 223,000 | 222,044 |

NOTE ON SCHEDULE G (ITEM 8).

A sum of 228,000 francs had been requested. Taking as a basis expenditure in 1925, the Governing Body was of opinion that reductions might be effected in connection with cables and telegrams (1,000 francs), telephone (500 francs), newspapers and Press cuttings (1,000 francs), freight and carriage (500 francs).

¹ 4,170 francs transferred to (d).
² 22,030 francs transferred to (d), and 6,750 francs to (e) and (f).
³ 36,700 francs transferred to (e) and (f).
⁴ 38,300 francs transferred from (a), (b) and (g) (4,170 + 22,030 + 12,100).
⁵ 6,750 francs transferred from (b), and 36,700 francs from (c).
⁶ 12,100 francs transferred to (d).
⁷ Including printing for the Conference (Chapter I, Item 1).
⁸ 2,270 francs transferred from (f).
⁹ 2,000 francs transferred from (d), and 1,810 francs from (f).
¹⁰ 2,000 francs transferred from (c), and 770 francs from (f).
¹¹ 4,850 francs transferred to (b), (c) and (d) (2,270 + 1,810 + 770).

SCHEDULE H

TO CHAPTER II, ITEM 9

(SPECIAL STAFF CHARGES).

| | Estimates for 1927 | Budget for 1926 Swiss Francs | Budget for 1925 | Expenditure for 1925 |
|--|-----------------------|------------------------------------|---------------------|-------------------------|
| (a) Indemnities provided for in the Staff Regulations | 3,000 | 25,000 | 10,000 | 6,455 |
| (b) Reserve Fund for Death and Invalidity Fund | 15,000 | 15,000 | — | — |
| (c) Contribution to Sickness Insurance Fund | 18,000 | 18,000 | 17,600 ¹ | 16,976 |
| (d) Upkeep of sick-room | 500 | 500 | 500 | 475 |
| (e) Nurse (7,000-200-8,000) | 7,200 | 7,000 | 6,560 ² | 6,560 |
| (f) Medical Adviser's fees | 3,500 | 4,000 | 2,500 | 2,500 |
| Cost of second medical examination | 500 | | | |
| (g) Welfare | 1,000 | 1,000 | 1,140 ³ | 1,128 |
| (h) Subsidy to office restaurant | — | — | 14,000 | 14,000 |
| (i) Transportation: motor-bus service | — | — | 26,550 ⁴ | 26,374 |
| (j) Recruitment of staff (advertising, expenses of examinations, special travelling, etc.) | 4,000 | 2,000 | — | — |
| (k) Cantonal and Communal subscriptions | 1,500 | 2,000 | 4,650 ⁵ | 4,649 |
| (l) Miscellaneous | — | 1,500 | | |
| (m) Pension for the child of the late Dr. Pardo | 7,500 | 7,500 | 7,500 | 5,920 |
| Total | 61,700 | 83,500 | 91,000 | 85,037 |

NOTE ON ITEM 12

(ENQUIRIES AND INVESTIGATIONS: EXTERNAL COLLABORATION).

At the suggestion of the auditor, item 12 — “Enquiries” and sub-head (g) of item 14 — “Correspondents and Collection of Information”, have been grouped together to form the present item 12 — “Enquiries and external collaboration”;

For 1926, 20,000 francs was voted under item 12 and 123,500 francs under item 14 (g), making a total of 143,500 francs. Included in the expenditure charged against this sum in 1926 is the amount of 17,000 francs representing the salaries of the external collaborators for the *Review* in German. As, in 1927, these salaries will be borne on item 14 (e) (Berlin Office), the actual amount for Enquiries and External Collaboration is 126,500 francs in 1926 as compared with 120,000 francs granted for 1927.

* * *

The Director had originally asked for the amount of 130,000 francs. This was reduced by 10,000 francs by the Governing Body, which took into account the increased sum for Unforeseen Expenditure under Chapter II, Item 15, which would enable the Office, with the approval of the Governing Body, to obtain the necessary funds by means of a transfer should the sums provided prove inadequate.

¹ 260 francs transferred to (e), and 140 francs to (g).

² 260 francs transferred from (c).

³ 140 francs transferred from (c).

⁴ 5,700 francs transferred from Item 15, Unforeseen Expenses; 1,150 francs transferred to (h).

⁵ 1,150 francs transferred from (i).

SCHEDULE I
TO CHAPTER II, ITEM 13.

(COMMISSIONS).

| | Estimates for 1927 | Budget for 1926 Swiss Francs | Budget for 1925 | Expenditure for 1925. |
|---|-----------------------|------------------------------------|--------------------|--------------------------|
| I. Joint Maritime Commission: | | | | |
| (a) Travelling expenses and allowances of members | 15,000 | 13,000 | 10,000 | 9,965.90 |
| (b) Printing, publications and miscellaneous | — | — | 5,350 ¹ | 5,330.05 |
| 2. Agricultural Commission: | | | | |
| (a) Travelling expenses and allowances of members | 5,000 | 12,000 | 12,000 | 4,764.40 |
| (b) Printing, publications and miscellaneous | — | — | 3,650 ² | 7.40 |
| 3. Social Insurance Commission: | | | | |
| (a) Travelling expenses and allowances of members | 8,000 | 8,000 | 8,000 | 4,733.35 |
| (b) Printing, publications and miscellaneous | — | — | 4,000 | 3,049.35 |
| 4. Meeting of Experts to study Questions concerning Disabled Men: | | | | |
| (a) Travelling expenses and allowances of members | — | 5,000 | 5,000 | — |
| (b) Printing, publications and miscellaneous | — | — | 1,000 | 40.— |
| 5. Meeting of Experts on Industrial Hygiene: | | | | |
| (a) Travelling expenses and allowances of members | 7,000 | 9,000 | 6,750 ³ | 4,468.80 |
| (b) Printing, publications and miscellaneous | — | — | 4,250 ⁴ | 4,246.20 |
| 6. Emigration Commission: | | | | |
| (a) Travelling expenses and allowances of members | 12,000 | 15,000 | — | — |
| (b) Travelling expenses and allowances of staff | — | — | — | — |
| (c) Printing, publications and miscellaneous | — | — | — | — |
| 7. Joint Commission on Economic Crises | 5,000 | 5,000 | 5,000 | 2,273.— |
| 8. Other Commissions or Meetings of Experts | 7,000 | 10,000 | 15,000 | 10,718.20 |
| 9. Printing of Publications and Miscellaneous Documents for all Commissions | — | — | — | — |
| Total | 59,000 | 77,000 | 80,000 | 49,596.65 |

NOTE ON SCHEDULE I (ITEM 13).

A sum of 79,000 francs had been asked for by the Director. The Governing Body made the following reductions: Joint Maritime Commission 5,000 francs, in view of the uncertainty as to whether there would be two sessions of that Commission; Agricultural Commission 7,000 francs, in view of the possibility of effecting a saving owing to the fact that in 1927 the meeting would be held in Rome; Industrial Hygiene Commission 2,000 francs, in view of the actual expenditure in 1925; Emigration Commission 3,000 francs; Other Commissions and Meetings of Experts 3,000 francs.

¹ 350 francs transferred from 2 (b).
² 350 francs transferred to 1 (b).
³ 1,250 francs transferred to 5 (b).
⁴ 1,250 francs transferred from 5 (a).

SCHEDULE J
TO CHAPTER II, ITEM 14.
(CORRESPONDENTS AND COLLECTION OF INFORMATION).
 (See also sub-schedules).

| | Estimates for 1927 | Budget ² for 1926 Swiss Francs | Budget for 1925 | Expenditure for 1925 |
|---|-----------------------|---|--------------------|-------------------------|
| (a) Paris Office (198,000 French francs at 24 ¹) | 47,500 | 51,000 | 60,000 | 44,532 |
| (b) London Office (£4,049 at 25.20) . . . | 102,200 | 99,500 | 95,000 | 99,661 |
| (c) Washington Office (\$19,035 at 5.20) . | 99,000 | 94,500 | 105,000 | 95,688 |
| (d) Rome Office (141,655 lire at 21.50) . | 30,500 | 28,000 | 27,500 | 25,228 |
| (e) Berlin Office (71,627 Reichsmarks at 1.25) | 89,500 | 62,500 | 50,000 | 55,930 |
| (f) Tokio Office (38,100 yen at 2.12) . . | 80,800 | 70,000 | 75,000 | 64,723 |
| (g) Correspondents and collection of out- side information | — ² | 123,500 | 110,000 | 109,608 |
| (h) Provision to meet fluctuations in exchange | 500 ¹ | 8,500 | 15,000 | — |
| | 450,000 | 537,500 | 537,500 | 495,362 |

NOTE ON SCHEDULE J (ITEM 14).

A sum of 463,920 francs had been asked for by the Director. The Governing Body considered that this could be reduced by 13,920 francs, the reduction to be effected preferably in the amounts allowed the Correspondence Offices for external collaboration.
 (See the following sub-schedules.)

SUB-SCHEDULE A TO SCHEDULE J. — PARIS OFFICE.

| | Estimates 1927 | Budget for 1926 French Francs | Expenditure for 1925 |
|--|-------------------|-------------------------------------|-------------------------|
| A Salaries : | | | |
| 1. Director | 38,000 | | |
| 2. Secretaries | 45,000 | | |
| 3. Shorthand-typists | 28,000 | | |
| 4. Clerks | — | | |
| 5. Domestic staff | 5,000 | | |
| 6. Temporary staff | 4,500 | 120,500 | 107,857.40 |
| B. Travelling Expenses | 5,000 | 4,500 | 4,856.05 |
| C. Office Expenses : | | | |
| 1. Rent | 19,000 | | |
| 2. Water rate | — | | |
| 3. Heating | 2,000 | | |
| 4. Lighting | 1,000 | | |
| 5. Repairs and renovations | 1,200 | | |
| 6. Insurance | 600 | | |
| 7. Upkeep of equipment (including typewriters) | 1,300 | | |
| 8. Laundry and cleaning | 200 | | |
| 9. Printing | — | | |
| 10. Stationery | 3,000 | | |
| 11. Postage | 3,500 | | |
| 12. Telegrams | 600 | | |
| 13. Telephone | 4,000 | | |
| 14. Newspapers and periodicals of non-capital value | 200 | | |
| 15. Freight and carriage | — | | |
| 16. Sundries | 2,000 | 38,600 | 26,843.20 |
| D. External Collaboration | 28,000 | 26,500 | 28,000.— |
| E. Capital Expenditure : | | | |
| 1. Furniture and fittings | 600 | | |
| 2. Typewriters | 800 | | |
| 3. Books for Library and periodicals of capital value | 4,500 | 5,900 | 2,097.05 |
| Total in French francs | 198,000 | 170,000 | 169,653.70 |
| | At 24 fr. | At 30 fr. | |
| Total in Swiss francs | 47,500 | 51,000 | |

¹ The original estimates were based on an exchange value of 20 Swiss francs to 100 French francs, but the Supervisory Commission was of opinion that it would be more prudent to adopt 24 as the exchange rate. In order to counter-balance the increase which results on conversion into Swiss francs, the Commission reduced by 8,000 francs the provision to meet fluctuations in exchange under sub-head (h), for which the Governing Body had voted 8,500 francs.

² See Note on Item 12, page 215.

SUB-SCHEDULE B TO SCHEDULE J. — LONDON OFFICE

| | | | Estimates 1927 | Budget for 1926 | Expenditure for 1925 |
|---|-----|------|---------------------|--------------------|-------------------------|
| A Salaries: | £ | s. | £ | £ | £ |
| 1 Director (£700-£900) | 775 | 0 0 | | | |
| 1 Assistant (£400-£500) | 560 | 0 0 | | | |
| 1 Clerk (£80-£180) | 143 | 10 0 | | | |
| 2 Shorthand-typists (£76, £120) | 196 | 0 0 | | | |
| 1 Messenger | 57 | 0 0 | | | |
| Cost-of-living bonus plus pension compensation minus income- tax adjustment | 751 | 15 5 | 2,483 | 2,393 | 2,427 |
| B. Travelling Expenses | | | 150 | 150 | 118 |
| C. Office Expenses: | | | | | |
| 1. Rent | 516 | 13 4 | | | |
| 2. Water rate | | — | | | |
| 3. Heating | 20 | 0 0 | | | |
| 4. Lighting | 12 | 0 0 | | | |
| 5. Repairs, etc. | 20 | 0 0 | | | |
| 6. Insurance | 11 | 15 2 | | | |
| 7. Upkeep of furniture and equip- ment (including typewriters) | 15 | 0 0 | | | |
| 8. Laundry and cleaning | 60 | 10 0 | | | |
| 9. Printing | 75 | 0 0 | | | |
| 10. Stationery | 85 | 0 0 | | | |
| 11. Postage | 110 | 0 0 | | | |
| 12. Telegrams | 60 | 0 0 | | | |
| 13. Telephones | 40 | 0 0 | | | |
| 14. (a) Newspapers and periodicals of non-capital value | 60 | 0 0 | | | |
| (b) Press cuttings | 56 | 0 0 | | | |
| 15. Freight and carriage | 15 | 0 0 | | | |
| 16. Sundry | 20 | 0 0 | 1,177 | 1,255 | 1,285 |
| D. Collection and Supply of Information | | | 100 | 100 | 100 |
| E. Capital Expenditure: | | | | | |
| 1. Furniture and fittings | 12 | 0 0 | | | |
| 2. Typewriters | 20 | 0 0 | | | |
| 3. Books for Library and periodi- cals of capital value | 7 | 0 0 | 39 | 50 | 68 |
| F. Unforeseen Expenditure | | | 100 | — | — |
| Total in £ | | | 4,049 | 3,948 | 3,998 |
| Total in Swiss francs | | | At 25.20 102,200 | At 25.20 99,500 | 99,661 |

SUB-SCHEDULE C TO SCHEDULE J. — WASHINGTON OFFICE.

| | | Estimates 1927 | Budget for 1926 | Expenditure for 1925 |
|---|-------|-------------------|--------------------|-------------------------|
| A. Salaries: | \$ | \$ | \$ | \$ |
| Director | 6,200 | | | |
| Assistant (Secretary) | 3,340 | | | |
| Secretary-Shorthand-typist | 2,475 | | | |
| Clerk | 1,150 | 13,165 | 12,720 | 12,720 |
| B. Travelling Expenses | | 750 | 700 | 1,170 |

| | | Estimates 1927 | Budget for 1926 | Expenditure for 1925 |
|--|-------|-------------------|--------------------|-------------------------|
| | \$ | \$ | \$ | \$ |
| C. Office Expenses: | | | | |
| 1. Rent | 1,536 | | | |
| 2. Water rate | | | | |
| 3. Heating | | | | |
| 4. Lighting | | | | |
| 5. Repairs and renovations . . . | 50 | | | |
| 6. Insurance | 5 | | | |
| 7. Repairs to office equipment . . | 90 | | | |
| 8. Laundry and cleaning | — | | | |
| 9. Printing | 400 | | | |
| 10. Stationery | 400 | | | |
| 11. Postage | 650 | | | |
| 12. Telegrams | 150 | | | |
| 13. Telephones | 180 | | | |
| 14. Newspapers and periodicals of non-capital value | 200 | | | |
| 15. Freight and carriage | — | | | |
| 16. Sundries | 309 | 3,970 | 3,580 | 2,971 |
| D. Collection and Supply of Information | | 750 | 800 | 1,192 |
| E. Capital Expenditure: | | | | |
| 1. Furniture and fittings | 100 | | | |
| 2. Typewriters | 100 | | | |
| 3. Books for Library and periodicals of capital value | 200 | 400 | 400 | 447 |
| Total in \$ | | 19,035 | 18,200 | 18,500 |
| Total in Swiss francs (at 5.20) | | 99,000 | 94,500 | 95,680 |

SUB-SCHEDULE D TO SCHEDULE J. — ROME OFFICE.

A. Salaries:

| Permanent Staff: | Lire | Lire | Lire | Lire |
|-----------------------------|--------|--------------------|--------|--------|
| 1. Director | 33,000 | | | |
| 2. Assistant | 13,500 | | | |
| 3. Translators | 20,950 | | | |
| Shorthand-typists | 6,600 | | | |
| 4. Clerk | 6,000 | | | |
| 5. Domestic staff | 6,680 | 86,730 | 84,000 | 79,748 |
| | | 1,325 ¹ | | |
| Temporary Staff | | 8,000 | | |

B. Travelling Expenses 6,000 6,000 6,294

C. Office Expenses:

| | | | | |
|--|--------|--------|--------|--------|
| 1. Rent | — | | | |
| 2. Water rate | 2,200 | | | |
| 3. Heating | 1,700 | | | |
| 4. Lighting | 1,500 | | | |
| 5. Repairs and renovations to Office | 700 | | | |
| 6. Insurance | 600 | | | |
| 7. Upkeep of furniture and equipment | 700 | | | |
| 8. Laundry and cleaning | 900 | | | |
| 9. Printing | — | | | |
| 10. Stationery | 10,000 | | | |
| 11. Postage | | | | |
| 12. Telegrams | 7,400 | | | |
| 13. Telephone | 1,100 | | | |
| 14. Newspapers and periodicals of non-capital value | 1,300 | | | |
| 15. Freight and carriage | 1,500 | | | |
| 16. Sundries | 2,000 | 31,600 | 31,000 | 26,015 |

¹ Increase in salary of Director on account of higher cost of living.

| | Estimates 1927 Lire | Budget for 1926 Lire | Expenditure for 1925 Lire |
|--|---------------------------|----------------------------|---------------------------------|
| D. <i>Collection and Supply of Information</i> | 4,000 | 1,800 | 6,184 |
| E. <i>Capital Expenditure:</i> | | | |
| | Lire | | |
| 1. Furniture and fittings | 3,330 | | |
| 2. Machines | — | | |
| 3. Books for Library and periodicals of capital value | 670 | 4,000 | 2,900 |
| | | | 4,346 |
| Total in lire | 141,655 | 125,700 | 122,587 |
| | At 21.50 | At 22.50 | |
| Total in Swiss francs | 30,500 | 28,000 | 25,228 |

SUB-SCHEDULE E TO SCHEDULE J. — BERLIN OFFICE

| A. <i>Salaries:</i> | R. M. | R. M. | R. M. | R. M. |
|--|--------|---------------------|---------------------|--------|
| 1. Director | 17,215 | | | |
| 2. Assistants | 12,012 | | | |
| 3. Shorthand-typists | 11,929 | | | |
| 4. Clerk | 2,956 | | | |
| 5. Editor | 12,000 | | | |
| 6. Social insurance | 1,700 | | | |
| 7. Annual increments and cost of living | 2,800 | 60,612 ¹ | 57,811 ¹ | 37,647 |
| B. <i>Travelling Expenses</i> | | 1,500 | 1,500 | 698 |
| C. <i>Office Expenses:</i> | | | | |
| 1. Rent | 2,200 | | | |
| 2. Water rate | — | | | |
| 3. Heating | 220 | | | |
| 4. Lighting | 50 | | | |
| 5. Repairs and renovations to Office | 100 | | | |
| 6. Insurance | 100 | | | |
| 7. Upkeep of furniture and equip- ment | 125 | | | |
| 8. Laundry and cleaning | 120 | | | |
| 9. Printing | 1,700 | | | |
| 10. Stationery | 600 | | | |
| 11. Postage | 1,350 | | | |
| 12. Telegrams | 50 | | | |
| 13. Telephone | 400 | | | |
| 14. Newspapers and periodicals of non-capital value | 900 | | | |
| 15. Freight and carriage | — | | | |
| 16. Sundries | 200 | 8,115 | 8,115 | 6,944 |
| D. <i>Collection and Supply of Information</i> | | 400 | — | — |
| E. <i>Capital Expenditure:</i> | | | | |
| 1. Furniture and fittings | 300 | | | |
| 2. Typewriters | 500 | | | |
| 3. Books for Library and periodicals of capital value | 200 | 1,000 | 1,000 | 15 |
| Total in Reichsmark | | 71,627 | 68,426 ² | 45,304 |
| Total in Swiss francs (at 1.25). | | 89,500 | 85,500 ² | 55,930 |

¹ Including salaries of staff for the *Review* in German.

² Amount revised on account of the re-organisation of the Berlin Office (sum voted by the Governing Body: 62,500 francs).

SUB-SCHEDULE F TO SCHEDULE J. — TOKIO OFFICE.

| | Yen | Estimates 1927 Yen | Budget 1926 Yen | Expenditure 1925 Yen |
|--|-------|--------------------------|-----------------------|----------------------------|
| A. Salaries: | | | | |
| 1. Director | 7,600 | | | |
| 2. Assistant (Secretary) | 4,233 | | | |
| 3. Shorthand-typists (English) | 3,196 | | | |
| 4. Secretary-Shorthand-typist (Japanese) | 3,536 | | | |
| 5. Clerk | 2,140 | 20,700 | 19,800 | 22,100 |
| B. Travelling Expenses | | 2,000 | 2,000 | 1,900 |
| C. Office Expenses: | | | | |
| 1. Rent | 4,300 | | | |
| 2. Water rate | — | | | |
| 3. Heating | — | | | |
| 4. Lighting | — | | | |
| 5. Insurance | — | | | |
| 6. Repairs and renovations to Office | 50 | | | |
| 7. Upkeep of furniture and equipment (including typewriters) | 50 | | | |
| 8. Laundry and cleaning | 500 | | | |
| 9. Printing | 1,860 | | | |
| 10. Stationery | 700 | | | |
| 11. Postage | 500 | | | |
| 12. Telegrams | 100 | | | |
| 13. Telephone | 190 | | | |
| 14. Newspapers and periodicals of non-capital value | 600 | | | |
| 15. Freight and carriage | 150 | | | |
| 16. Sundries | 400 | 9,400 | 5,200 | 5,000 |
| D. Collection and Supply of Information | | 5,000 | 5,000 | 700 |
| E. Capital Expenditure: | | | | |
| 1. Furniture and fittings | 500 | | | |
| 2. Typewriters | 150 | | | |
| 3. Books for Library and periodicals of capital value | 350 | 1,000 | 1,000 | 860 |
| Total in yen | | 38,100 | 33,000 | 30,560 |
| Total in Swiss francs (at 2.12) | | 80,800 | 70,000 | |

NOTE ON ITEM 15, CHAPTER II (UNFORESEEN EXPENDITURE).

The Director had asked for the sum of 113,000 francs. This was reduced by 20,000 francs by the Governing Body, which took the view that the amount granted should suffice, especially if to this amount be added the 8,000 francs allowed under item 2 (a) and the 1,000 francs allowed under Chapter IV (*vide* item 21).

NOTE ON CHAPTER IIa (EXTRAORDINARY AND TEMPORARY EXPENDITURE).

Work on behalf of Russian and Armenian Refugees.

The estimates drawn up by the Director were exactly the same as the amounts voted for 1926, and these were provisionally adopted by the Governing Body without modification, but with the reservation that it will, at its June session, draw up the final proposals to be submitted to the Supervisory Commission and the Assembly, after examination of the results achieved by the new agencies in South America.

NOTE ON CHAPTER IV (CAPITAL EXPENDITURE).

The Director had asked for a sum of 97,000 francs. This was reduced by the Governing Body by 6,000 francs, *viz.*:

- 2,000 francs under item 18, in view of the amounts allowed in previous years for the purchase of new material, and
- 4,000 francs under item 21, it being thought unnecessary to provide in this Chapter for any considerable sum for unforeseen expenditure.

A. 4 (b). 1926. X.

ANNEX 9.

BUDGET FOR THE NINTH FINANCIAL PERIOD.

PART III.

PERMANENT COURT OF INTERNATIONAL JUSTICE.

GENERAL REMARKS.

1. Being in session in 1926—as was also the case in 1925—at a time enabling it to examine the budget estimates for 1927 and to approve them before presentation to the Supervisory Commission, the Court has proceeded to do so. The accompanying budget estimates, therefore, were submitted as approved by the Court, subject only to the rights conferred on that body under the terms of Articles 14 and 19 of the Financial Regulations of the League of Nations.

2. Having regard to the experience gained in 1925, it has been thought necessary, in the budget estimates for 1927, to allow for a total number of days of session equal to 240 (eight months) distributed between four sessions, thus differing in this respect from previous budgets, which were drawn up on the hypothesis that during the financial year the Court might have had to hold three sessions of a total duration of 200 days.

Similarly, in the estimates for the years 1923-1926 it was calculated that the Court would sit with, on an average, eight regular judges (including the Vice-President), who would be the same for all the sessions of the year, and with two deputy-judges, without counting national judges. Judging from the experience of 1925, however, it seems to be necessary to reckon on the presence of three deputy-judges, on an average, and on the possible presence of regular judges who will not be always the same at the various sessions.

The modifications thus made in all the data on which the calculation of the estimates is based will explain the increase shown by the 1927 budget estimates as compared with previous budgets. These modifications, moreover, are the inevitable consequence of the increase in volume of the work given to the Court.

SUMMARY OF CHAPTERS

Section 1.

ORDINARY EXPENDITURE.

| | Estimates for 1927 | Credits for 1926 | Credits for 1925 after transfers Dutch florins. | Expenditure in 1925 |
|---|-----------------------|---------------------|---|------------------------|
| <i>Chapter I.</i> Sessions of the Court | 560,200.— | 470,800.— | 483,200.— | 438,750.17 |
| <i>Chapter II.</i> General services of the Court . . . | 458,902.83 | 438,963.32 | 420,446.76 | 407,955.46 |
| <i>Chapter III.</i> Cost of administration of the Court's Funds | 75.— | 75.— | 2,150 | 1,874.74 |
| <i>Chapter IV.</i> Contribution towards the consti- tution of a Fund to defray the expenses resulting from the Pensions Regulations for the personnel of the Court . . . | 10,000.— | 10,000.— | 10,000.— | 10,000.— |

Section 2.

| | | | | |
|--|--------------|------------|------------|------------|
| <i>Chapter V.</i> Capital Account | 10,000.— | 3,500.— | 1,500.— | 1,320.71 |
| | 1,039,177.83 | 923,338.32 | 917,296.76 | 859,901.08 |
| Receipts to be deducted: | | | | |
| Bank interest | 10,000.— | 7,500.— | 1,500.— | 9,653.78 |
| Profit on exchange during 1925 . . . | | | | 2,296.82 |
| | 1,029,177.83 | 915,838.32 | 915,796.76 | 847,950.48 |

SUMMARY OF ARTICLES.

Section 1.

ORDINARY EXPENDITURE.

| | Estimates for 1927 | Credits for 1926 | Credits for 1925 after transfers | Expenditure in 1925 |
|--|-----------------------|---------------------|-------------------------------------|------------------------|
| <i>Chapter I.</i> 1. Sessions of the Court (see Table A) | 560,200.— | 470,800.— | 483,200.— | 438,750.17 |
| <i>Chapter II.</i> General services of the Court: | | | | |
| 2. (a) Annual salaries (see Table B) | 356,547.93 | 335,951.13 | 319,044.88 | 318,377.57 |
| (b) Contribution to the Pen- sion Fund | 5,954.90 | 4,962.19 | 4,201.88 | 4,153.66 |
| (c) Indemnities provided for in the Staff Regulations | 400.— | 400.— | 400.— | 37.85 |
| (d) Contribution towards Sick- ness Insurance | 400.— | 400.— | 400.— | 63.41 |

ORDINARY EXPENDITURE (continued)

| | Estimates for 1927 | Credits for 1926 | Credits for 1925 after transfers Dutch florins. | Expenditure in 1925 |
|---|-----------------------|---------------------|---|------------------------|
| 3. Travelling expenses of Registrar and officials of the Registry: | | | | |
| (a) Travelling expenses and subsistence allowance of the Registrar and officials of the Registry (on duty). | 4,000.— | 3,500.— | 3,400.— | 2,518.50 |
| (b) Travelling expenses of Registrar and officials of the Registry on leave to native country | 1,000.— | 1,000.— | 1,000.— | 866.70 |
| (c) Removal expenses (on taking up appointment and on departure) | 1,000.— | 2,000.— | 2,000.— | 639.27 |
| 4. Contribution to the Carnegie Foundation : | | | | |
| (a) Repayment of the expenditure contemplated in Article I of the contract | 21,000.— | 21,000.— | 21,000.— | 21,000.— |
| (b) Supplementary credit contemplated in Article VI of the contract | 19,000.— | 19,000.— | 19,000.— | 19,000.— |
| 5. Administrative expenses (see Table C) | 15,800.— | 17,750.— | 17,000.— | 13,268.60 |
| 6. Printing | 30,000.— | 30,000.— | 30,000.— | 26,539.77 |
| 7. (a) Unpaid Liabilities Fund for 1925 | 3,000.— | 3,000.— | 3,000.— | 1,490.13 |
| (b) <i>id.</i> for 1924 | 800.— | — | — | — |
| | <hr/> 458,902.83 | <hr/> 438,963.32 | <hr/> 420,446.76 | <hr/> 407,955.46 |

Chapter III.

Cost of administration of the Court's Funds:

| | | | | |
|--|---------------|----------------|---------------|----------------|
| 8. Loss on exchange | 5,000.— | 50,000.— | 2,000.— | 1,834.54 |
| 9. Bank charges | 75.— | 75.— | 150.— | 40.20 |
| | <hr/> 5,075.— | <hr/> 50,075.— | <hr/> 2,150.— | <hr/> 1,874.74 |
| To be deducted: | | | | |
| Profits on exchange | 5,000.— | 50,000.— | — | 2,296.82 |
| | <hr/> 75.— | <hr/> 75.— | <hr/> 2,150.— | |
| Net amount of profit on exchange for the year 1925 | — | — | — | 422.08 |

Chapter IV.

| | | | | |
|---|----------|----------|----------|----------|
| 10. Contribution towards the constitution of a Fund to defray the expenses resulting from the Pensions Regulations for the personnel of the Court | 10,000.— | 10,000.— | 10,000.— | 10,000.— |
|---|----------|----------|----------|----------|

Section 2.

CAPITAL ACCOUNT.

Chapter V.

Permanent installations, etc.:

| | | | | |
|---|----------------|---------------|---------------|----------------|
| 11. Furniture and installation of additional fittings | 9,500.— | 3,000.— | 1,300.— | 1,238.87 |
| 12. Library | 500.— | 500.— | 200.— | 81.84 |
| | <hr/> 10,000.— | <hr/> 3,500.— | <hr/> 1,500.— | <hr/> 1,320.71 |

TABLE A.

(See Chapter I, Article I.)

SESSIONS OF THE COURT

| | Estimates for 1927 | Credits for 1926 | Credits for 1925 after transfers | Expenditure in 1925 |
|---|-----------------------|---------------------|-------------------------------------|------------------------|
| | Dutch florins | | | |
| 1. Duty and subsistence allowance of Judges (see annexed Table No. 1) | 493,000.— | 391,000.— | 390,000.— | 381,050.— |
| 2. Salaries of temporary staff and overtime pay (permanent and temporary staff) (see annexed Table No. 2) | 29,500.— | 37,000.— | 54,200.— | 26,493.63 |
| 3. Travelling expenses of Judges and temporary staff (see annexed Table No. 3) | 52,500.— | 57,600.— | 53,600.— | 31,008.84 |
| 4. Taxes to convey female staff to their homes after night-work: | 400.— | 400.— | 600.— | 132.25 |
| 5. Welfare of staff | 200.— | 200.— | 200.— | 65.45 |
| | <u>575,600.—</u> | <u>486,200.—</u> | <u>498,600.—</u> | <u>438,750.17</u> |

Sums recoverable:

| | | | | |
|--|------------------|------------------|------------------|-------------------|
| • Subscriptions from Non-Members | 7,600.— | 7,600.— | 7,600.— | — |
| Assessors | 7,800.— | 7,800.— | 7,800.— | — |
| | <u>560,200.—</u> | <u>470,800.—</u> | <u>483,200.—</u> | <u>438,750.17</u> |

TABLE NO. I ANNEXED TO TABLE A.

Duty and Subsistence Allowances of Judges¹.

| | | | | |
|---|------------------|------------------|------------------|------------------|
| Duty allowance of Vice-President, Judges and Deputy-Judges . | 294,000.— | 230,000.— | 259,850.— | 259,850.— |
| Subsistence allowance of Vice-President, Judges and Deputy-Judges | 120,000.— | 100,000.— | 94,000.— | 94,000.— |
| National Judges, duty allowance | 40,000.— | 30,000.— | 26,650.— | 20,700.— |
| National Judges, subsistence allowance | 13,000.— | 10,000.— | 8,500.— | 6,500.— |
| Assessors, subsistence allowance | 20,000.— | 20,000.— | 1,000.— | — |
| Witnesses and Experts (Art. 52 of Rules of Court) . | 6,000.— | 1,000.— | — | — |
| | <u>493,000.—</u> | <u>391,000.—</u> | <u>390,000.—</u> | <u>381,050.—</u> |

¹ Detail:

| Number of persons | Category | Nature of allowance | Number of days | Amount allowed per day | Total (Dutch florins) |
|-------------------|-----------------------|-----------------------|----------------|------------------------|-----------------------|
| 1 | Vice-President | Duty allowance | 200 | 150.— | 30,000.— |
| 5 | Judges | " " | 200 | 100.— | 100,000.— |
| 4 | " | " " | 110 | 100.— | 44,000.— |
| 4 | Deputy-Judges | " " | 200 | 150.— | 120,000.— |
| | | | | | <u>294,000.—</u> |
| 10 | Vice-President | Subsistence allowance | 240 | 50.— | 120,000.— |
| | Judges | | | | |
| | Deputy-Judges | | | | |
| | National Judges | Duty allowance | | 150.— | 40,000.— |
| | " | Subsistence allowance | | 50.— | 13,000.— |
| 4 | Assessors | Subsistence allowance | 100 | 50.— | 20,000.— |
| | Witnesses and Experts | — | — | — | 6,000.— |
| | | | | | <u>493,000.—</u> |

TABLE C.

ADMINISTRATIVE EXPENSES.

| | Estimates for 1927 | Credits for 1926 | Credits for 1925 after transfers | Expenditure in 1925 |
|---|-----------------------|---------------------|-------------------------------------|------------------------|
| | Dutch florins. | | | |
| Cost of distribution of documents | 1,500.— | 1,500.— | 2,000.— | 923.36 |
| Supplies | 7,500.— | 10,000.— | 8,500.— | 6,424.81 |
| Post, telephone, telegraph | 5,000.— | 5,000.— | 5,000.— | 4,812.95 |
| Insurances | 100.— | 100.— | 90.— | 37.70 |
| Gratuities at the New Year | 200.— | 150.— | 150.— | 150.— |
| Financial Control and Salaries Adjustment. | 1,500.— | 1,000.— | 1,260.— | 919.78 |
| | 15,800.— | 17,750.— | 17,000.— | 13,268.60 |

NOTES

Chapter I, Article 1, Table A, item 1 (Annexed Table No. 1).

It is here that will be observed the effects of the new data upon which—as stated in the “General Remarks”—the calculation of the estimates for 1927 has been based.

(a) The extension of the estimated duration of the sessions affects, in the first place, the total of the subsistence allowances, as the number of days for which this allowance is payable is increased from 2,000 to 2,400. It should be noted that this allowance is due to every member of the Court who is present, apart from the President; that no maximum is fixed, and that the Court normally sits with eleven judges including the President.

(b) The extension in question also affects the total of the duty allowances, which is, moreover, affected by the increase of the number of sessions from three to four. It is true that the maximum payable to any member is fixed (30,000 fls. in the case of the Vice-President and deputy-judges; 20,000 fls. in the case of judges other than the Vice-President). It is, however, also true that the increase in the number of working days—due, as it is, to an increase of actual work—is accompanied by a corresponding increase in the length of sessions; this leads to an increase in the number of working days in the case of judges who are not present at all sessions and do not therefore reach the maximum. Similarly, the number of days for which the allowance in question is due is increased for these judges by reason of the addition of a session; for it is payable also for days spent in travelling.

(c) The circumstances mentioned in (b) can, however, only produce their effect in combination with the fact that, within certain limits, the composition of the Court may change from session to session.

As regards the deputy-judges, this is due to the principle of rotation laid down in the Rules of Court. Thus, on the basis adopted—four sessions and three deputy-judges present at each of them—this principle involves the presence of each deputy at three sessions. Reckoning 60 days as the average duration of sessions and seven days as the minimum time occupied in travelling to and from each session, the conclusion is reached that provision must be made for the maximum duty allowance for all the deputy-judges.

As regards the regular judges, experience shows that it is impossible, with certain exceptions, to count upon their being able to attend all sessions. On the basis of the estimate made, namely, that three regular judges will need to be replaced at each session, seven regular judges—apart from the President—must always sit if the composition of the Court is to be complete. To obtain this result, however, it will only be necessary for four of them to attend all sessions, provided that two others attend three sessions, two two sessions and, finally, two one session only. As in the case of the deputy-judges, regular judges attending three sessions will, in consequence of the days spent in travelling, attain the maximum duty allowance, just like those of their colleagues who attend all sessions. As regards the remaining four, the number of days for which this allowance will be payable will, on an average, according to past experience, reach 110. Assuming that the Vice-President attends all sessions, the foregoing calculations lead to estimates which may be summarised as follows:

| | | | |
|----------------------------|----------|----------|---------------|
| 1 Vice-President | 200 days | 150 fls. | 30,000.— fls. |
| 5 Judges | 200 „ | 100 „ | 100,000.— „ |
| 4 Judges | 110 „ | 100 „ | 44,000.— „ |
| 4 Deputy-Judges | 200 „ | 150 „ | 120,000.— „ |

This table shows that there will be 2,440 days for which the allowance is payable. Of this number, 200 are days of travelling. Only if the same judges could always sit would the figures given above remain at 2,000—the theoretical total.

Having regard to the fact that, on the one hand, the proportion between the judges (leaving aside the President) taking part respectively in four sessions (four judges), three (six judges), two (two judges), and one session (two judges) in the course of the year, may be regarded as sufficiently exact, but that, on the other hand, the proportion between regular judges and deputy-judges is purely hypothetical, it is desirable only to make provision in the budget for one item for duty allowance (without specifying details) and another for subsistence allowance. For, if a

distinction were made between duty allowance for judges and for deputy-judges, the least modification of the proportion fixed would involve transfers, as was the case in 1925; transfers should, however, if possible, be avoided.

(d) *National Judges.* — Besides the provision made for an increase in the number and duration of the Court's sessions, that is to say, an increase in the number of cases brought before it, it has been necessary to provide for a corresponding increase in the number of national judges and consequently of the number of days of presence for such judges, which has been raised from 200 to about 300.

(e) *Witnesses and Experts.* — An item of 1,000 fls. was inserted in the 1926 budget *ad memorandum*. As it is becoming more and more evident that sooner or later it will be necessary to have recourse to expert opinions of some importance, it is necessary to make provision for a larger amount.

Chapter I, Article 1, Table A, item 3 (Annexed Table No. 3).

The relatively small figure for the travelling expenses of deputy-judges in 1925 was the result of chance circumstances, and it has not been possible to keep to it in the estimates for 1927. The same applies in a still greater degree to the item for travelling expenses of national judges. Lastly, the figure for assessors cannot be reduced, having regard to the practical impossibility of resorting to transfers in order to meet a possible deficit.

Chapter II, Article 2, Table B (Annexed Table).

(a) The shorthand-typist acting as secretary to the President having reached the maximum salary of her class some years ago, it is thought that the time has come to promote her to the class of lady secretary, which corresponds to her duties.

(b) The shorthand-typist responsible for roneography is in a similar position. For this reason, it is proposed to promote her to the class above that in which she is at present.

(c) The archivist's assistant, who is of Dutch nationality, was engaged on a so-called local basis. It now appears to be desirable to provide for the possibility of an assistant being engaged on an international basis, it being understood that this will not alter the rate of pay of the present occupant of the post.

(d) For two years, the Court has tried to have the work of indexing done, apart from the permanent staff of the Archives, by persons engaged temporarily at times when the volume of the current work of the Archives has prevented the ordinary staff from keeping the indexes up to date. This system, however, cannot in the long run prove fully satisfactory. For this reason, it is proposed to engage an indexer on a permanent basis.

(e) Experience has shown that it is most desirable to attach permanently to the Registry one French and one English verbatim reporter.

Chapter I, Article 3, item A.

Hitherto, the difficulty of replacing the Registrar, especially during sessions, has prevented him from undertaking certain journeys which he ought to have made. The creation of the post of Deputy-Registrar has removed this difficulty, but it follows that it is no longer possible to keep the sum allowed for travelling at as low a figure as hitherto.

Chapter II, Article 5, Table C (Financial Control, etc.).

The proposed increase is due to the fact that the appointment of an assistant-auditor has rendered inspections more frequent, and consequently the number of journeys in connection with them greater.

Chapter II, Article 7, item B.

The Court held its sixth session at the beginning of January 1925. To be sure of arriving in good time, one judge left the place at which he was then living on December 25th, 1924. As the claim for repayment of expenses incurred on the journey in question was not submitted until after the closing of the accounts for 1924 but could have been so before the final date, it was impossible to charge the duty allowance for the days December 25th-31st, 1924, either to the 1924 accounts or to the Unpaid Liabilities Fund for 1925; it was therefore paid out of the sum allowed for duty allowance in 1925. Since, however, in this way the judge concerned exhausted his allowances for 1925 when he had only actually spent 192 days during that year in sitting or travelling, and since the number of days which he spent in 1925 at sessions of the Court or on journeys for which he could claim exceeded 200 days, he considered that compensation was due to him. Seeing that, on the one hand, the application of the Financial Regulations cannot be allowed definitely to deprive a judge of the payment of allowances to which he is entitled, but that, on the other hand, this payment can only be made in accordance with the forms laid down in the Regulations, the item intended to cover this debt has had to be entered in the 1927 Budget.

Chapter V, Article 11.

When the Court was first established, only a very small number of vertical filing cabinets were supplied for the Archives. As from the present year, this number has become quite inadequate and must be doubled. Similarly, the service for the distribution of documents was at first installed with open shelves in plain wood. This arrangement is not, however, satisfactory, as it does not afford sufficient protection, especially in the case of reserves of confidential documents. The shelves in question can now be usefully employed for storing stocks of the Court's printed publications and therefore it would seem that the time has come to provide the distribution service with metal shelves fitted with locks.

ANNEX 10.

A. 72. 1926. X.
[C.38 (1). 1926. X.

AMENDMENT TO ARTICLE 6 OF THE STAFF PROVIDENT FUND REGULATIONS.

MEMORANDUM BY THE SECRETARY-GENERAL.

Article 20 of the Staff Provident Fund Regulations provides that the Council " shall have the power to make provisional amendments which shall be submitted for approval to the following Assembly ".

The following is an extract from the report of the Fourth Committee of the Sixth Ordinary Session of the Assembly:

" The Fourth Committee also considered a report from the Board of Management of the Staff Provident Fund (Appendix), which had been transmitted by the Supervisory Commission, and approved the latter's conclusion to the effect that the Commission, keeping in view that the object of the Provident Fund was pensionary in character, was unanimous in considering that the portion of a member's account which represents the contributions of the League and the interest thereon ought to be paid out to the dependents of the deceased member. If the Assembly accepts this resolution, it will then be the duty of the Board of Management to submit to the Council at the proper time a draft amendment to Article 6¹ of the Statutes of the Provident Fund."

The Assembly having approved the report of the Fourth Committee, which includes the above passage, the Board of Management, at its twelfth meeting, held on January 21st, 1926, decided to propose the following amendment to Article 6 of the Staff Provident Fund Regulations:

Paragraph 1, last words to read:

" . . . or, if the member is dead, to the person or persons entitled under the Annex to this Article."

"Annex to Article 6.

" The sum payable on the death of a member under Article 6 shall be disposed of as follows:

" (1) That part of the sum which represents the member's own contributions with interest thereon shall form part of his estate;

" (2) That part of the sum which represents the League's contribution with interest thereon shall, if the member leaves dependants within the meaning of this Annex, not form part of his estate or be liable for his debts but be payable directly to his dependants in accordance with this Annex. If the member leaves no such dependants, the money shall form part of his estate.

" (3) (i) The following shall be considered as dependants,

" (a) The husband or wife and legitimate descendants of the member, unless the Board of Management, on application by the member and for reasons which it considers sufficient, shall exclude them, either absolutely or conditionally, from ranking as dependants;

" (b) Any other persons whom the Board of Management, on application by the member and for reasons which it considers sufficient, decides to recognise as dependants. Such recognition may be subject to the conditions which the Board considers desirable for the protection of the member's wife or husband or legitimate descendants, and may at any time be withdrawn by the Board by notice given to the member.

¹ See page 231.

“(ii) The member shall keep the administration to which he belongs informed as to the names and addresses of his dependants; the Provident Fund shall not be responsible for the consequences of failure by the member to supply such information.

“(4) (i) A member having dependants may cause the sum mentioned in paragraph (2) to be divided among them in such shares as he appoints, or may make it payable to any one of them. For this purpose he shall lodge with the administration to which he belongs a declaration in the form and giving the particulars required by the Board of Management. In the case of beneficiaries who are minors, the declaration shall appoint a person to receive payment and give a receipt on behalf of the minor; failing such appointment, the Board of Management shall select a person to receive payment on behalf of the minor. A declaration may at any time be withdrawn and replaced by another declaration.

“Provided always that, if the Board considers that a declaration disposes of the money dealt with in a manner which is not justified by sufficient reasons given by the member and which clearly fails to make appropriate provision for the member's dependants, it may alter the disposal of the money so as to ensure such provision.

“(ii) If a beneficiary, under a declaration, is dead at the date of the member's death or does not apply for payment within two years thereafter, his share shall be divided among the other beneficiaries (if any) in proportion to the shares given them under the declaration.

“(iii) Where a member dies leaving dependants but without leaving a declaration, the sum mentioned in paragraph (2) shall be divided among the dependants or may be paid to any one of them as the Board of Management shall determine; any sum intended for a minor shall be paid to the person whom the Board considers proper to receive such payment on behalf of the minor.

“(5) Before making payments under this Annex, the Board of Management may make such enquiries into the deceased's family circumstances as it considers necessary. No liability, however, shall be incurred by the Provident Fund in consequence of any action taken or authorised by the Board in ignorance of the existence of a dependant whose existence had not been notified by the deceased member, or in reliance upon erroneous information supplied by the deceased member. The Board shall be entitled to rely upon the information in the possession of the administration to which the deceased member belonged.”

At a meeting held on March 15th, the Council decided to approve this amendment; it requested, however, the Board of Management and the Supervisory Commission to consider whether the system established by the amendment should not also apply to that part of the official's account which was derived from his own contributions.

This question was examined by the Board of Management and the Supervisory Commission, which reported to the Council that such extension of the system did not appear practicable.

The Council, at a meeting held on September 16th, approved the point of view of the Board of Management and of the Supervisory Commission.

In accordance with Article 20 of the Regulations of the Staff Provident Fund, the provisional amendment adopted by the Council is submitted to the Assembly for approval.

Appendix.

REGULATIONS OF THE STAFF PROVIDENT FUND.

Request by the Board of Management for an Interpretation.

The Board of Management of the Staff Provident Fund has the honour to request the Assembly to give an interpretation of its intention in connection with a question arising under the Regulations of the Fund.

The Provident Fund Regulations, as approved by the Assembly in 1924, provide for the accumulation in an account kept in the name of each official of money derived from a compulsory deduction from the official's salary (5 per cent) and a contribution by the League (4½ per cent of the salary) with the interest earned on this money, until the official leaves the service or dies. When the official leaves the service, the money in his account (subject to special provisions if he resigns or is dismissed for misconduct) is payable to him unconditionally. If the official dies in the

service, the money in his account equally becomes payable. The provision of the Regulations which at present governs payment of the money in an official's account if he leaves the service in such conditions as to be entitled to the whole of it or if he dies is as follows:

Article 6.

- “ On the termination of a member's service or at his death, the balance standing to the credit of his account, including interest up to the date of termination of service or death calculated at the rate of the last annual distribution of interest, and interest thereafter down to the date of tender of payment at the rate of 3 per cent or such other rate as the Board of Management may fix, shall be paid to him or, if the member is dead, to the person entitled by law to receive such payment. ”

“ Lorsque le membre quittera le service, ou en cas de décès, il sera versé à ce membre ou, en cas de décès, à son ayant droit, la somme représentant le solde créditeur de son compte, y compris les intérêts arrêtés à la date de la cessation de fonctions ou du décès, calculés au taux de la dernière répartition annuelle des intérêts et, ensuite, jusqu'à la date de l'offre de paiement, au taux de 3 % ou à tout autre taux que le Conseil d'administration pourrait fixer. ”

The following question has arisen with regard to the disposal of an official's Provident Fund account *in the event of his death*:

Was it the intention of the Assembly to consider the money in question as a sum accumulated for the official's benefit which is placed entirely at his disposal in the event of his death in the sense that it forms purely and simply part of his estate ?

or

Was it the intention of the Assembly to regard the money in whole or part as taking the place of the annual pension or grant which under a different system the Assembly might have decided to make to the dependants (particularly wife and children) of the deceased official, with the consequence that, if the official has such dependants, all or part of the money should be reserved to such dependants and prevented from being otherwise disposed of by will or under the provisions of the law governing succession to the official's estate ?

• The Board of Management does not find itself in a position to decide which of the above views corresponds to the intention of the Assembly. Enquiry among the members of the Fund has shown that, although on the whole, a majority of the replies received is favourable to the latter solution, there is a considerable division of opinion as to whether the monies in question: (a) should simply form part of the member's estate and thus be disposed of in the same manner as the estate's other assets; or (b) should be treated as quite apart from the member's estate, and be paid to certain dependants who would be defined in the Regulations¹.

In these circumstances the Board of Management ventures to ask the Assembly to give an interpretation of its intention in the matter. Should the Assembly adopt the second solution, it will be necessary to embody this solution in the Regulations of the Fund by means of an appropriate amendment, and accordingly, with the approval of the Assembly, the Board of Management would submit in due course a draft of such an amendment to the Council.

ANNEX 11.

A. IV. 8. 1926.

REPORTS OF THE SUPERVISORY COMMISSION TO THE FOURTH
COMMITTEE OF THE ASSEMBLY.

The Supervisory Commission, consisting of:

- M. Stefan OSUSKY, Minister of Czechoslovakia at Paris, Chairman;
- Lord MESTON OF AGRA (India), Vice-Chairman;
- Dr. J. A. NEDERBRAGT, Head of the Economic Section of the Netherlands Ministry of Foreign Affairs, Rapporteur;
- M. Jean RÉVEILLAUD, President of Section, Prefectural Council of the Seine;
- M. Luis WADDINGTON, Financial Adviser to the Chilean Legation in London;

met in Geneva on September 16th, 1926, in accordance with Article 19 of the Financial Regulations.

¹ The Secretariat and the Court sent in 74 replies, of which 38 were favourable to course (b); the International Labour Office 62 replies, of which 46 were favourable to course (b).

It discussed the following questions:

I. MISCELLANEOUS QUESTIONS.

I. NEW AMENDMENT TO ARTICLE 6 OF THE STAFF PROVIDENT FUND REGULATIONS.

The Commission approved the report submitted by the Board of Management of the Staff Provident Fund; it accordingly recommended the Council not to extend the application of the system introduced by the amendment of Article 6 of the Regulations, approved by the Council on March 15th, to that portion of the account constituted by the contributions of the members to the Staff Provident Fund—that is to say, when their accounts with the Fund are liquidated, members of the Fund will be free to dispose at their discretion of the sums deducted from their salaries during their period of service with the League.

2. APPLICATIONS FOR REFUND BY MEMBERS OF COMMITTEES.

The Supervisory Commission notes that certain difficulties have been experienced in connection with the payment of expenses to members of League Commissions, and considers it desirable to propose that the Fourth Committee should adopt the following resolution with a view to strengthening the authority of the competent officials of the Secretariat:

“ The Fourth Committee:

“ Notes that the Internal Control Service of the League of Nations experiences difficulty and is caused considerable trouble by the fact that members of Committees and other persons who have to submit requests for repayment do not always take into consideration the exact terms of the regulations of the League of Nations governing the administration of the funds; and therefore

“ Proposes that the Assembly should request members of Committees, and all other persons performing work of any kind whatever at the request and at the expense of the League of Nations, to comply strictly with the above regulations, and, in case of doubt, to apply for information beforehand to the competent officials. ”

3. QUESTION OF PUBLICATIONS.

The Supervisory Commission noted a report submitted to it by the Secretary-General on this question; the text of this report, as approved by the Commission, is given as an appendix to this document. It should be noted that the suggested changes in the various items in the Budget Estimates do not involve any increase in the total.

The Supervisory Commission also proposes that the Fourth Committee should adopt the following resolution, which has been drafted with a view to giving effect to the proposals made by the Commission in its May report (Annex 2):

“ The Assembly,

“ While appreciating the results of the sale of publications, and approving the proposals submitted to it by the Supervisory Commission and the Secretary-General relative to the extension of these sales and a stricter supervision of the employment of the grants for printing;

“ 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;

“ Requests the Supervisory Commission to report to it again next year on the printing expenses and to indicate the saving effected in consequence of this decision. ”

4. TREASURER'S SALARY.

In accordance with a proposal made by the Secretary-General, the Supervisory Commission, considering that the salaries of all officials of lower rank than Under-Secretary-General are subject to an annual increment, and, moreover, that members of the Secretariat of higher rank than Chief of Section are not entitled to share in the Provident Fund, proposes that the salary of the Treasurer of the League should be on the following scale: 40,000 francs, rising by annual increments of 1,000 francs to 45,000 francs.

5. CORRECTION IN THE LIST OF POSTS IN THE INFORMATION SECTION (Annex 7, p. 168).

The Commission has been informed by the Secretary-General that an error occurred in the preparation of the budget and that the number of posts of Member of Section A in the Information Section should be *increased* from 10 to 11, and the Members of Section B *reduced* from 7 to 6. This correction will not involve any change in the 1927 budget.

6. EXCEEDING OF APPROPRIATIONS IN THE BUDGET OF THE INTERNATIONAL LABOUR ORGANISATION FOR THE 1926 CONFERENCE.

The Director of the International Labour Office informed the Commission that the 1926 Conference had been in session for a longer period than had been anticipated in the Budget Estimates, and that consequently the appropriation in the budget had been exceeded. No transfer can, however, be made, as no saving can be effected on the only other item in the same chapter.

After considering the question, the Commission has decided to propose that the Assembly should authorise the Governing Body, as an entirely exceptional measure and notwithstanding Article 29 of the Financial Regulations, to sanction the transfer of funds from another chapter in the budget.

The only other solution would have been to ask the Assembly to vote a supplementary credit for 1926; but this method would have been both unpractical and unnecessary, as savings can probably be made on the items in Chapter II.

7. REPORT OF THE SALARIES ADJUSTMENT COMMITTEE.

The Commission has, as instructed by the Council and Fourth Committee of the Assembly, examined the report of the Salaries Adjustment Committee dated September 28th. It has also gone carefully into the statistics referred to in that 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 opinion 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 should be thoroughly satisfied of its justice.

Appendix.

LEAGUE PUBLICATIONS. — REPORT OF THE SUPERVISORY COMMISSION.

During the year various questions concerning League publications have specially held the attention of the Rapporteur of the Supervisory Commission, who has discussed them with the higher officials of the Secretariat. They have been examined from different points of view by two Secretariat Committees, presided over respectively by M. Avenol and Professor Attolico. After consideration of the conclusions arrived at by these Committees, the Secretary-General has made the following proposals to the Commission, which has agreed to them.

I. CENTRALISATION AND CO-ORDINATION OF PUBLICATIONS.

While it is desirable that Sections should continue to be responsible and retain the right of initiative in regard to the use of their publication grants, it would appear advisable to combine and centralise in one single service the various administrative duties connected with publications.

This service would have the following powers:

1. It would draw up, under the direction of the Publications Committee (see below), periodical programmes of publications and ensure their execution after approval by the Secretary-General;
2. Ascertain, whenever an application for printing was submitted, whether the various regulations had been complied with or whether the matter should be referred to the Secretary-General for decision;
3. Prepare the printing contracts, submit them to the Contracts Committee, and distribute them amongst the printers, keeping as closely as possible to the periodical programmes mentioned above;
4. Ensure the technical execution of these contracts (authors' corrections, etc.);
5. Ensure and supervise the official distribution, the free distribution (in accordance with the authorisation given in regard to free distribution or exchanges), and the maintenance of stocks;
6. Direct, organise and develop the sales service;
7. Keep a central account for publications which, whilst not affecting the budgetary accountancy system under the financial department, would include all publications expenditure, show the distribution of publications among the categories laid down by the Publications Committee, the respective cost of each category, the cost price of each publication, and the cost of the free distributions. This accountancy service would, further, procure the particulars required for fixing the selling price;
8. Present an annual report to the Secretary-General, who would communicate it to the Supervisory Commission.

(a) *Publications Committee.*

The Secretary-General intends to create a special Committee (Deputy-Secretary-General, Treasurer, Chief of Publications Service), whose duty it will be, after hearing the proposals made by the Sections, to submit before the end of each quarter, for the approval of the Secretary-General, as detailed a programme as possible of the publications for the following quarter.

The Committee will distinguish between:

- (a) Assembly and Council documents;
- (b) Periodical publications of undoubted necessity or utility, which have, further, been approved by the Assembly or the Council (*Official Journal, Treaty Series, Monthly Summary, Bulletin of Statistics, Bulletin of Epidemiological Intelligence, Annual Memorandum of the Economic and Financial Section*);
- (c) Minutes of:
 1. Advisory Committees, Sub-Committees, etc.;
 2. International Conferences, their Committees and Sub-Committees;
- (d) Occasional publications.

This Committee will lay before the Secretary-General all proposals likely to reduce costs of publication. Its supervision naturally should be exercised most strictly over the occasional publications.

The Chief of the Publications Service will carry out the decisions of the Committee after they are approved by the Secretary-General.

The establishment of a periodical programme of publications will certainly result in a decrease in the cost price by ensuring a better distribution of printing over the year, by allowing the supplementary expenditure for urgent printing to be reduced to a minimum and also by eliminating publications the value or dissemination of which is not proportionate to the expense involved.

The Publications Committee will fix the number of copies to be printed in each case.

The Commercial Sales Agent will attend all discussions of the Publications Committee relative to his department.

(b) *Supervision of Free Distribution.*

The supervision of free distribution will continue to be exercised, as in the past, with a view to reducing it as far as possible. This task will certainly be facilitated by the statements of expenditure shown in the accounts of the Publications Department.

II. DEVELOPMENT OF THE SALES DEPARTMENT.

Very careful consideration has been given to the development of the Sales Department.

This Department was originally organised on as economic a basis as possible. A sales agent, an accountant, and a stenographer started work under the general direction of the head of the Précis-Writing and Publications Department on the following basis: the establishment of authorised agents in the different countries, each of these agents having a monopoly of sales in his country; by way of exception, publications were sold from Geneva to nationals of countries where there was then no authorised agent; furthermore, sales on the spot to persons visiting the Secretariat. This was the only possible system with a small staff, whose time was entirely occupied in sending publications to the agents, making out bills and preparing catalogues.

As public interest in the work of the League increased and as the demand for its publications grew, it became evident that this organisation was insufficient. The authorised agents do their work fairly well, but with a few exceptions none of them is very much interested in the sale of League documents, which are naturally much less in demand than novels. They do little to push them, and it became evident that these efforts had to be made in Geneva.

For this a larger staff was required. At present the Sales Department numbers five: one sales agent and his assistant, entrusted respectively with sales in English and sales in the Latin, Germanic and Slav languages, one accountant, and two stenographers. The total of salaries appropriated in the 1927 budget for these five posts is 40,761 francs, including 15,300 francs for the sales agent. The net yield from the sale of publications last year was 149,602 francs.

The Secretary-General considers that the yield from sales could be increased by the following measures:

(a) Direct propaganda from Geneva on behalf of League publications should be developed. For this purpose the method which is already employed of sending circular letters to booksellers and to certain classes of purchasers (bankers, doctors, etc.), according to the nature of the publication, would be extended. The Sales Department would also insert advertisements in certain newspapers, especially technical papers. It would also extend as far as possible its card indexes of addresses in all countries and would model its methods on those of an up-to-date commercial firm.

To meet all this expenditure, the Sales Department has at the present time a credit of 30,000 francs (35,000 francs according to the draft budget for 1927), which appears under (e) "Publications Department: " Travelling, transport charges, advertising for Sales Department, catalogues, etc." The Secretary-General proposes that this item should be brought up 50,000 francs. He is confident that this increase will be more than compensated for by results from sales in 1927, for the following reasons:

(b) The system of national agents, who were probably necessary at the beginning when sales of publications had not assumed their present dimensions, would have to be largely modified. It seems desirable to retain in each capital one agent from whom booksellers or private persons can obtain publications which they urgently require, but that agent, with such exceptions as may seem expedient, would no longer have the sole right of sale. The contract concluded with the German agent would serve as a basis for a revision of existing contracts in so far as bookselling practice in each country permits. According to the contract with the German agent, the latter is a *commission-agent*—that is to say, he simply distributes our publications to German booksellers at a discount of 30 per cent on the full catalogue prices, while he receives for his expenses 8 per cent of the net sums received. Further, any German purchaser or subscriber who applies can be supplied directly from Geneva.

(c) It is clear that, with the increase of direct sales from Geneva owing to the abolition of the monopoly clause in agreements with the national agents, and with the intensification of the propaganda of the Sales Department as explained above, the present staff of this Department is too small. The Department should be organised on the lines of a sound commercial firm; in particular, it should be able to do its work speedily and immediately execute orders received from agents or private persons.

III.

It now remains to consider how the Publications Department can be constituted. It was in order to effect the grouping explained above that the Secretary-General, in his budget proposals, provided for an extension of the powers of the Head of the Précis-Writing Department. The latter would become Head of the Précis-Writing and Publications Department and would be released from the bulk of the important précis-writing work which he himself performs in order to deal only with the revision of the work of the other précis-writers and, in particular, with the direction of the Publications Department, to which he would have to devote a large part of his time.

The budget already provides for an increase in the salary of the head of these departments.

He would have to be helped by an assistant with sufficient administrative authority and technical competence, classed as a Member of Section, Class A. This assistant would replace the present sales agent (15,300 francs).

The Member of Section, Class A, responsible for sales will be in charge of the commercial staff placed under his orders. By agreement with the Contracts Committee, he will conclude contracts with the authorised agents in the different countries and will organise sales in Geneva. He will particularly direct his efforts towards propaganda for League publications in the different countries. For this purpose he will have to collaborate with the sections which publish documents and with the members of the Secretariat having special knowledge as to the possibilities of sale in the different countries, more particularly the members of the Information Section.

The Secretary-General proposes for the moment to inscribe in the budget the normal basic salary for this Member of Section, Class A. He would propose, however, that he should be permitted provisionally and for a certain time to combine the appointment of the sales agent with one of the two following methods:

(a) The appointment, for a short period, of an expert having had previous experience either in a publishing house or in a national sales department, who would lay the foundations of the new department;

(b) Resort for a shorter period to a small number of experts, who would lay down the guiding principles to be followed.

In order to realise, according to circumstances, the best possible combination of the methods indicated, the Secretary-General asks that provisionally, and for 1927 only, a supplementary credit of 15,000 francs should be inscribed in the budget under the heading "Consultation with experts to develop the sale of publications". It would be understood that the Secretary-General could employ part of this extraordinary credit in order to grant an adequate increase of salary to the new Member of Section, Class A, should it be found that the qualities of the candidate selected really deserved this increase.

The Secretary-General also proposes that the present First-Class Assistant, who knows enough French, English and German to conduct commercial correspondence, has practical experience of bookselling, and has given proofs of organising capacity and initiative, should receive an increase of 1,000 francs instead of 250 francs as provided in the budget—that is to say, 10,471 francs.

The normal budget for the staff of the Sales Department—excluding the exceptional credit of 15,000 francs for the consultation of experts in 1927—would therefore be as follows:

| | Francs |
|---|--------|
| 1. One Member of Section, Class A (basic salary) | 19,000 |
| 2. One First-Class Assistant | 10,471 |
| 3. One Stenographer (new post) | 7,500 |
| 4. Two Stenographers recruited locally (no change) | 10,315 |
| 5. One Accountant (Second-Class Assistant) provided for in the Budget | 4,500 |
| Total | 51,786 |

This constitutes an increase of 11,025 francs on the present budget estimates.

In this way a sound commercial Sales Department could be organised, still remaining under the direction of the Head of the Précis-Writing and Publications Department, who will assist the Sales Agent with his advice, ensure co-ordination with the other departments of the Secretariat, co-operate in preparing catalogues and in drafting advertisements and circulars, and in particular, see that the work of a department made up of commercial agents does not develop in such a way as to be harmful to the general interests of the League — as, for example, by the tone of its advertisements and propaganda.

CONCLUSIONS.

The Secretary-General is convinced that the re-organisation of this department on the lines proposed will result in considerable savings, and that in any case this re-organisation and grouping will enable the Secretary-General himself and the Supervisory Commission to follow and supervise the employment of publication credits to the best advantage.

Pending these results, is it possible to effect savings at the present time?

The Secretary-General has confined himself to drawing the attention of the Supervisory Commission to the question of the publication of full minutes of Committees and Sub-Committees.

In 1925 the cost of these publications exceeded 75,000 francs. It seems that these Committees are more and more asking for their minutes to be printed, and excellent arguments can be adduced in favour of doing so. It is possible, however, that the publicity and propaganda, which are the aim of these publications, might be obtained by the issue of detailed reports reflecting as accurately as possible the nature of the work of the Committees. In the absence of any regulations, it seems difficult for the Secretary-General to prohibit the publication of these minutes, which is sometimes asked for with great insistence, and in reply to which he can only advance his desire to limit expenditure.

The Supervisory Commission, having studied the question, proposes that the Fourth Committee should submit the following resolution to the Assembly:

" The Assembly,

" While appreciating the results of the sale of publications, and approving the proposals submitted to it by the Supervisory Commission and the Secretary-General relative to the extension of these sales and a stricter supervision of the employment of the grants for printing:

" 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;

" Requests the Supervisory Commission to report to it again next year on the printing expenses and to indicate the saving effected in consequence of this decision."

The above proposals would involve the following changes in the budget:

BUDGET OF THE SECRETARIAT (Annex 7).

I. On page 170, Item 4, II (a), "Publications", would be subject to the following alterations:

| Posts | | | | Sw. Frs. |
|--------------------------|------|--|-------------------|----------|
| 1926 | 1927 | | | |
| — | I | Member of Section A (basic salary) | 19,000-800-28,000 | 19,000 |
| I | — | Sales Agent | 8,"—,"—" | " |
| I | I | Senior Assistant | 8,700-250-11,250 | 10,471 |
| — | I | Shorthand-typist | 7,500-250-10,000 | 7,500 |
| Locally-recruited Staff: | | | | |
| 2 | 2 | Shorthand-typists | 4,800-150-7,000 | 10,315 |
| I | I | Second-Class Clerk | 4,500-175-7,000 | 4,500 |

II. On page 176, "Publication Department", Item (e) in Schedule H would be increased from 35,000 to 50,000 francs in 1927.

The receipts from the sale of publications shown on page 163 (Appropriations in Aid) would also be increased by 15,000 francs, making 175,000 instead of 160,000 francs.

The Secretary-General does not feel that sales for 1927 can be expected to exceed 175,000 francs, for some time may be needed before the Sales Department as re-organised on the lines described above can be got into working order, and difficulties may arise out of the revision of the contracts with agents.

III. Further, a sum of 26,000 francs, representing the difference between the budget estimates originally submitted to the Assembly and the present proposals (11,000 francs for additional salaries, plus 15,000 francs for the consultation of experts), will be deducted from the total printing costs distributed among the different chapters of the 1927 budget as follows:

1927 BUDGET (Annex 7).

| | Reduction Francs |
|---|---------------------|
| Session of the Assembly, Schedule A, 5 | 3,300 |
| Economic and Financial Organisation: | |
| Schedule L, 2 (b) | 4,400 |
| Schedule L, 3 (c) | 2,200 |
| Mandates, Schedule M, 4 | 2,000 |
| Transit, Schedule N, 5 | 3,300 |
| Health, Schedule O, III (b) | 3,300 |
| Social Questions: | |
| Schedule P, 3, II | 1,500 |
| Schedule P, 4, II (a) | 1,500 |
| Reduction of Armaments, Schedule Q, IV, 4 (a) | 3,500 |
| Intellectual Co-operation, Schedule R, A (6) | 1,000 |
| Total | 26,000 |

The Secretary-General does not at present see his way to propose any further reductions in printing expenditure. The printing contracts, particularly those with French printers, may be more expensive in 1927 than this year; and the increase in sales necessitates larger editions of the various publications, so that the development of the Sales Department would probably be hampered if the present budget estimates were reduced.

INTERNATIONAL LABOUR OFFICE.

The Director of the International Labour Office states that the Office has already a Publications Department and a Publications Committee on the lines described in the present report, while sales propaganda is conducted in the manner recommended here. The International Labour Office will, however, be glad of the opportunity of profiting by the advice of the Committee or expert whose appointment is suggested.

II. MODIFICATIONS TO BE MADE IN THE 1927 BUDGET.

(Documents A. 4 (1). and A. 4 (a) (1). 1926. X.)

Geneva, September 25th, 1926

Note. — The following report was submitted by the Supervisory Commission to the Fourth Committee.

It was adopted by the Fourth Committee subject to the following two modifications, which were made after a delegation from the Fourth Committee had had a discussion with a delegation from the Fifth Committee:

1. *Settlement of Armenian Refugees.*

The inclusion in the budget of a sum of 15,000 francs was approved, subject to the conditions already set forth¹, in order to provide for the printing and distribution of literature regarding the proposed financial operation and to permit Dr. Nansen — or his representative — to lay his proposals before possible contributors in Europe or America.

2. *Refugee Service.*

A supplementary credit of 18,750 francs was voted in order to obviate the necessity of curtailing the work of the Berlin delegation of the Refugee Service.

REPORT OF THE SUPERVISORY COMMISSION.

8. DEDUCTION OF THE GERMAN CONTRIBUTION TO THE BUDGET OF THE INTERNATIONAL LABOUR ORGANISATION FOR 1926 FROM THE GENERAL BUDGET FOR 1927.

Germany, before her entry into the League of Nations, had already adhered to the International Labour Office. Her contribution for 1926 had been fixed at 265,766 francs, of which she has so far paid 132,883 francs, the remainder being due by the end of the year. According to the Financial Regulations (Article 22), the total amount receivable from States not Members of the League must be shown separately in the budget and, "when received, be applied to reduce the total sum chargeable for the following year to the Members of the League". The sum of 265,766 francs must therefore be deducted from the general budget of the League for 1927, since this sum has been, or will be, received by the International Labour Office and will proportionally reduce the amount of the next budget due to be paid to the Labour Office by the Secretary-General.

9. SUPPLEMENTARY CREDITS: SECRETARIAT AND SPECIAL ORGANISATIONS.

A. *Committee for the Protection of Women and Children in Certain Territories in the Near East.*

The Supervisory Commission has received a request for supplementary credits for the work of the Committee for the Protection of Women and Children in certain territories in the Near East. By a resolution taken on September 19th, the Fifth Committee recommended the Assembly to vote a sum of 45,000 francs for Miss Jeppe's mission at Aleppo and to allocate to Dr. Kennedy a credit of 20,000 francs for the work of the League of Nations Neutral House in Constantinople.

The Supervisory Commission desires to point out that it was clearly understood last year, when the situation was most carefully examined, that the 1927 budget should not contain any credit for the work undertaken by Miss Jeppe and Dr. Kennedy, but that reliance would henceforth be placed upon private effort to meet the expenses of the Aleppo Home and the Neutral House in Constantinople.

Accordingly, in spite of the importance of these missions, the Supervisory Commission recommends that no new credit be included in the budget for the work in question.

In view of the interest shown by the League of Nations in the question of Armenians, the Commission considers that the patronage of the League of Nations should not be withdrawn from Miss Jeppe; the Treasurer would continue to serve as an intermediary between Miss Jeppe and private organisations.

B. *Settlement of Armenian Refugees.*

On September 22nd the Fifth Committee decided to recommend the Assembly to include in the 1927 budget a credit of 25,000 francs to meet the expenses of the committee which the Council might decide to set up to study the possibility of collecting the necessary funds with a view to settling the Armenians in their National Home

¹ See paragraphs 1, 2 and 3 of the resolution adopted by the Assembly on September 25th, 1926, on the subject of the Settlement of Armenian Refugees.

The Supervisory Commission desires, in the first place, to point out that the approval which it gave last year to the credit of 50,000 francs included in the budget for 1926 was contingent upon the prospects of raising a loan of £900,000. In its report to the Fourth Committee of the Sixth Assembly, the Commission expressed itself as follows:

“On the understanding, therefore, that, should the main scheme prove impracticable, this credit would automatically lapse, the Supervisory Commission has decided to recommend its adoption by the Fourth Committee.”

In its report to the Council, the Financial Committee recognised that, in the present circumstances, it was impossible to carry out the scheme devised by the special committee appointed by the Council in accordance with the resolution of the last Assembly, and the Supervisory Commission therefore considers that it would not be sound financial policy to include a credit in the present budget, particularly as the realisation of the scheme does not depend upon the League of Nations (see decision of the Fourth Committee, page 238).

C. *International Convention on Slavery.*

The following draft resolution has been submitted to the Commission, having been adopted by the Sixth Committee on September 23rd, 1926:

“The Assembly desires that the League of Nations should continue to interest itself in securing the progressive abolition of slavery and conditions analogous thereto and therefore begs that the Council will prepare and communicate to the Assembly every year a document mentioning the laws and regulations which parties to the Convention on Slavery, in accordance with Article 7, will have communicated to the Secretary-General, and that the Council will include therein any supplementary information which the Members of the League may be disposed spontaneously to furnish with regard to the measures taken by them to this end.”

The Supervisory Commission recommends that the Fourth Committee should include in the budget for 1927 a credit of 1,000 francs to cover the cost of printing a list mentioning the laws and regulations which parties to the Convention will have communicated to the Secretariat; only when the Convention has come into force will it be necessary to consider whether a further credit must be provided to meet the cost of printing any supplementary information which the Members of the League may be disposed spontaneously to furnish with regard to the measures taken by them to ensure the gradual abolition of slavery.

D. *Third General Conference on Communications and Transit.*

On September 22nd, the Second Committee adopted the following resolution, which was forwarded to the Supervisory Commission through the Chairman of the Fourth Committee:

“The Second Committee,

“Considering that the Third General Conference on Communications and Transit will have to deal particularly with the questions of liaison between the Organisation and countries outside Europe, and the best method of extending the services which the Organisation is able to render in connection with the investigation of the main problems of communications affecting relations between continents;

“Taking into account the difficulties experienced in this connection by the Organisation which have been referred to in the reports of the Advisory and Technical Committee for Communications and Transit;

“Authorising an exception to the present practice of holding conferences of the League of Nations:

“Expresses the hope that, should the Fourth Committee consider it possible to grant the necessary credits, the Council should convene this Conference in a town outside Europe.”

In view of the fact that the representatives of the non-European Governments have not had time to consult their Governments upon this question, it would appear difficult to include in the budget for 1927 a credit for a conference of the kind contemplated by the Second Committee's resolution.

Nevertheless, the Supervisory Commission will sympathetically consider any proposals which may later be made to it with a view to holding outside Europe an important conference of the League of Nations.

E. *Liaison in Technical Matters with Latin America.*

The Paraguayan delegation has submitted the following proposal to the Fourth Committee:

“In view of the fact that the technical organisations of the League of Nations will probably be called upon in the coming year to take action in Latin-American countries, it is desirable that a credit for that purpose be included in the budget. As it is not yet possible to know to which technical organisation such action will fall, I would propose that the provision in question appear in the form of an additional credit under the rubric ‘Liaison with Latin America’, with the following indication as to the method of its employment: ‘Liaison in technical matters with the countries of Latin America’.

“For the moment, as it is not possible as yet to state precisely what form the action referred to will take, it is of no use seeking to fix the exact amount of the necessary expenditure. I would therefore propose to set a maximum of 30,000 gold francs, on the understanding that very precise details will later be given in regard to the application of the credit in question.”

The Supervisory Commission, recognising the advantage of interesting the Latin-American countries more directly in the technical activities of the League of Nations, recommends that a credit of 30,000 francs should be entered under the item "Liaison with Latin America", under the special heading "Technical Investigations to be undertaken in Latin America".

Several examples of practical value have been suggested to the Commission, notably in connection with the campaign against infant mortality, malaria, the compilation of medical statistics, etc.

The Commission considers that it would be better not to make a premature choice of one or other of these subjects. It will be for the Secretary-General, when full information has been collected, to take a decision as to the ultimate purposes for which this credit will be employed.

F. *Miscellaneous Credits.*

(a) *Tokio Office of the Information Section.*

The Supervisory Commission recommends the Fourth Committee to make an increase of 10,000 francs in the credit provided in the budget for the Tokio Office of the Information Section. The two chief reasons for this increase are as follows:

(1) The rate of the yen rose last year from 2 Swiss francs to 2.50, and 20,000 Swiss francs, which represented 10,000 yen last year, now only represent 8,000 yen.

(2) In view of the inadequacy of the funds at his disposal, the Director of the Office has been obliged to apply to the Japanese League of Nations Union for the premises he requires. The Japanese Government also put in the telephone free of charge. These arrangements are only temporary, and the Office will sooner or later have to pay for the lease of the premises and for the telephone.

(b) *Internal Control Office.*

The Supervisory Commission recommends the Fourth Committee to increase the number of clerks in the Internal Control Office from three to four, the present staff not being sufficient for the work. It is understood that this appointment will be made for only one year and that the Commission's Rapporteur, when examining the 1928 budget, will consider the advisability of maintaining the post. The additional credit required is 5,000 francs.

(c) *Miscellaneous Staff at Geneva.*

It has been found necessary further to strengthen the vigilance staff employed in the Secretariat buildings. The Supervisory Commission proposes that the Fourth Committee should provide for the engagement of additional staff for this purpose, whose total salaries would amount to 21,600 francs. On the other hand, the sub-heading "Temporary Staff" of the item "Session of the Assembly" can be reduced by 1,800 francs (item 1 of the budget).

(d) *Reduction of Armaments.*

The work of the organs of the Council dealing with disarmament has developed to a much greater extent than was anticipated when the budget was drawn up. The Sub-Commissions, having sat for over ten weeks, will resume their work as soon as the Assembly closes, and it is certain that this work will continue over a considerable part of next year.

In these circumstances, the staff of the Section has proved insufficient, and the credits provided for the costs of printing have been placed at a figure which is obviously too low.

The Supervisory Commission recommends the Fourth Committee to provide on a quite temporary basis for the addition of two stenographers to the staff and for the increase of the credit provided for the printing and documentation expenses of the Commissions and Sub-Commissions. The additional credits will amount to 18,000 francs in the case of the staff and to 30,000 francs in the case of printing.

10. SUPPLEMENTARY CREDITS: INTERNATIONAL LABOUR ORGANISATION.

1. *Refugee Service.*

The Supervisory Commission has taken cognisance of the resolution adopted by the Fifth Committee with regard to the question of Russian and Armenian refugees.

In agreement with the Director of the International Labour Office, the Commission has reduced the credits provided for agencies abroad by 5,000 francs; the budget, as approved by the Commission, therefore amounts to 306,575 francs, this constituting an increase of 3,575 francs over the estimates provisionally entered in the budget of the International Labour Organisation.

The Supervisory Commission is unable to concur in the Fifth Committee's proposal that the League of Nations should increase by 18,750 francs the credit provided for the Berlin Office to make up for the reduction of 50 per cent which it is thought Germany has decided to make in 1927 in the contribution which she previously paid to the Office.

The Commission is fully aware of the importance of the work done by the Berlin Office. On the other hand, it does not consider it possible to increase the sum paid in 1926 by the League of Nations; if, therefore, the German Government finds it necessary to reduce its contribution for 1927 to half the sum it contributed to the Office in 1926, the Commission considers that the total expenditure of the Office for 1927 should be reduced accordingly (see decision of the Fourth Committee, page 1).

2. *Committees.*

After going into the question thoroughly, the Supervisory Commission had decided to accept the proposals made by the Director of the International Labour Office with regard to the creation, as decided upon by the General Conference, of two further committees (Committee of Experts for the study of the reports in connection with Article 408 of the Treaty, and Committee of Experts on native labour), which will involve an increase of 10,000 francs in the budget of the International Labour Organisation.

* * *

A schedule showing the modifications made by the Fourth Committee in the budget (apart from the changes concerning the Publication Service) will be found in the General Report of the Committee (A. 105. 1926. X, page 7).

ANNEX 12.

A. 41. 1926. X.

FINANCIAL POSITION ON AUGUST 31ST, 1926.

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 1926 was communicated by the Secretary-General, on November 2nd, 1925, 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 eighth financial period (1926) were received during the eight months as follows:

| | Gold Francs |
|----------------------|---------------|
| In January | 627,607.02 |
| February | 2,159,888.95 |
| March | 572,384.42 |
| April | 1,512,222.60 |
| May | 4,012,683.58 |
| June | 1,055,364.51 |
| July | 2,066,792.36 |
| August | 656,264.29 |
| | 12,663,207.73 |

The amount to be apportioned between the Members of the League for 1926 being 22,930,633 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 1926 have been 12,663,207.73 gold francs, or approximately 55 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 1925, there was due to the League by way of unpaid contributions appertaining to the second, third, fourth, fifth, sixth and seventh financial periods, as well as to the adjusted arrears account, a total sum of 8,743,237 gold francs. This was distributed as follows:

| | Balances on August 31st, 1926 | Balances on Dec. 31st, 1925 |
|---|----------------------------------|--------------------------------|
| | Gold Francs | |
| 1. On the second financial period (July 1st to December 31st, 1920) | | 29,947.47 |
| on which no payment has since been made | 29,947.47 | |
| 2. On the third financial period (1921) | | 208,333.— |
| on which no payment has since been made | 208,333.— | |
| 3. On the fourth financial period (1922) | | 384,386.— |
| on which no payment has since been made | 384,386.— | |
| 4. On the adjusted arrears account | | 285,036.50 |
| which sum has since been reduced to | 279,912.90 | |
| 5. On the fifth financial period (1923) | | 2,194,131.42 |
| on which no payment has since been made | 2,194,131.42 | |
| 6. On the sixth financial period (1924) | | 2,069,089.89 |
| which sum has since been reduced to | 1,900,286.33 | |
| 7. On the seventh financial period (1925) | | 3,572,312.72 |
| which sum has since been reduced to | 1,646,110.— | 0 |

The total sum on account of arrears received during the eight months of the current year amounts to 2,100,129.88 gold francs, leaving yet outstanding the sum of 6,643,107.12 gold francs (see Appendices B and C).

It will be seen that there has been collected:

| | | |
|---|--------|--|
| In respect of the first period | 100 % | of the revised total of contributions. |
| In respect of the second period (1920) | 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) | 91 % | » » » » |
| In respect of the sixth period (1924) | 91 % | of the Budget. |
| In respect of the seventh period (1925) | 93 % | » » |

The cash receipts of the League from contributions have been, for the period January 1st to August 31st, 1926, as follows:

| | Gold Francs |
|---|----------------------|
| (a) From arrears of contributions | 2,100,129.88 |
| (b) From payments on 1926 Budget | 12,663,207.73 |
| Total | <u>14,763,337.61</u> |

The amount receivable is:

| | |
|--|----------------------|
| (a) From arrears of contributions | 6,643,107.12 |
| (b) From balances due in respect of 1926 | 10,267,425.27 |
| Total | <u>16,910,532.39</u> |

WORKING CAPITAL FUND.

On December 31st, 1925, the total paid-up Working Capital of the League amounted to Gold Francs
4,389,497.01

Receipts of Working Capital during the period from January 1st, 1926, to August 31st, 1926, increased this sum to Gold Francs
4,394,222.31

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, 1926, the Working Capital Fund was employed thus:

| | |
|---|---------------------|
| (1) With the Permanent Court of International Justice | 338,744.60 |
| (2) With the Secretary-General ¹ | 4,055,477.71 |
| | <u>4,394,222.31</u> |

¹ Including the share of the International Labour Organisation, amounting to 1,480,195.27 gold francs.

The Working Capital with the Secretary-General was, on August 31st, 1926, thus employed:

| | |
|---|--------------|
| (1) Advances to the Iraq Commission (balance not reimbursed) | 197,472.— |
| (2) Advances to the Danzig High Commission | 30,733.44 |
| (3) Advances to the Greco-Bulgarian Military Commission | 12,627.61 |
| (4) Advances to the Agent of the Financial Committee in Austria | 12,000.— |
| (5) On special deposit in bank | 3,802,644.66 |
| | <hr/> |
| | 4,055,477.71 |

Voluntary Contributions to the Working Capital Fund.

The following sums have been paid in as voluntary contributions towards the Working Capital Fund in response to the letter of the Secretary-General drawing attention to the Fourth Assembly's recommendation on this subject:

| | |
|---------------------|-------------|
| | Gold francs |
| Abyssinia | 15,613.98 |
| Finland | 783.19 |
| Latvia | 21,830.98 |
| | <hr/> |
| Total | 38,228.15 |

BUILDING FUND OF THE LEAGUE.

Taking it for granted that the Seventh Assembly will ratify the recommendations made to it by the Sixth Assembly and by the Supervisory Commission (see Report of the Supervisory Commission, Annex 2, pages 72 and 73), the Building Fund amounted on August 31st, 1926, to the total sum of 16,809,103.40 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 | 106,262.18 |
| | <hr/> |
| | 16,809,103.40 |

It should be noted that the sum of 16,809,103.40 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 |
| 1. International Labour Office Building (approximate figure the accounts not having been definitely closed) | 3,310,000.— |
| 2. Purchase of Sites for New Buildings (including miscellaneous expenses): | |
| (a) Bartholoni property | 1,133,675.35 |
| (b) Moynier property | 752,660.85 |
| 3. Annex: | |
| (a) Purchase price | 270,000.— |
| (b) Notaries' fees and other expenses incidental to purchase | 2,529.20 |
| (c) Allowances to evicted tenants | 10,000.— |
| (d) Alterations, including bridge | 7,246.— |
| 4. Competition for new Buildings: | |
| (a) Jury of architects | 39,913.35 |
| (b) Printing | 26,580.10 |
| (c) Miscellaneous | 56.80 |
| 5. New Assembly Hall: | |
| (a) Preliminary expenses | 6,345.05 |
| (b) Soundings | 6,660.— |
| | <hr/> |
| | 5,565,666.70 |

Appendice A.

CONTRIBUTIONS AU BUDGET DE 1926
SOMMES VERSÉES ET SOLDES DUS AU 1^{er} SEPTEMBRE

CONTRIBUTIONS TO THE BUDGET OF 1926
SUMS PAID AND BALANCES DUE AS ON SEPTEMBER 1st.

| Etats | Montant de la contribution | Sommes versées | Soldes dus | States |
|--|-------------------------------|-------------------------|--------------------------------------|---|
| | Amount of contribution | Paid | Balance due | |
| | Francs-or — Gold Francs | Francs-or — Gold Francs | Francs-or — Gold Francs ⁵ | |
| Afrique du Sud . . . | 367.085,91 | — | 367.085,91 | South Africa |
| Albanie | 24.472,39 | 6.103,55 | 18.368,84 | Albania |
| Argentine | 709.699,43 | — | 709.699,43 | Argentina |
| Australie | 660.754,64 | 440.500,32 | 220.254,32 | Australia |
| Autriche | 195.779,15 | 72.048,50 | 123.730,65 | Austria |
| Belgique | 440.503,09 | 129.547,06 | 310.956,03 | Belgium |
| Bolivie | 97.889,58 | — | 97.889,58 | Bolivia |
| Brésil | 709.699,43 | 709.699,43 | — | Brazil |
| Empire britannique | 2.569.601,33 | 1.927.201,00 | 642.400,33 | British Empire |
| Bulgarie | 122.361,97 | 122.361,97 | — | Bulgaria |
| Canada | 856.533,79 | 139.930,20 | 716.603,59 | Canada |
| Chili | 342.613,52 | — ¹ | 342.613,52 | Chile |
| Chine | 1.125.730,12 | 103.635,31 | 1.022.094,81 | China |
| Colombie | 146.834,36 | — | 146.834,36 | Colombia |
| Costa-Rica | 24.472,39 | 24.472,39 | — | Costa Rica |
| Cuba | 220.251,55 | — ¹ | 220.251,55 | Cuba |
| Danemark | 293.668,73 | 293.668,73 | — | Denmark |
| Républ. Dominicaine | 24.472,39 | 24.472,39 | — | Dominican Republ. |
| Espagne | 978.895,75 | 978.895,75 | — | Spain |
| Esthonie | 73.417,18 | 55.054,77 | 18.362,41 | Esthonia |
| Ethiopie | 48.944,79 | 48.944,79 | — | Abyssinia |
| Finlande | 244.723,93 | 122.414,58 | 122.309,35 | Finland |
| France | 1.933.319,11 | 283.146,16 | 1.650.172,95 | France |
| Grèce | 171.306,76 | — | 171.306,76 | Greece |
| Guatémala | 24.472,39 | — | 24.472,39 | Guatemala |
| Haiti | 24.472,39 | 24.472,39 | — | Haiti |
| Honduras | 24.472,39 | — | 24.472,39 | Honduras |
| Hongrie | 195.779,15 | 97.889,58 ² | 97.889,57 | Hungary |
| Inde | 1.370.454,06 | 673.738,— | 696.716,06 | India |
| Irlande (Etat libre d') | 244.723,93 | 122.361,90 | 122.362,03 | Irish Free State |
| Italie | 1.468.343,61 | 734.171,75 | 734.171,86 | Italy |
| Japon | 1.468.343,61 | 1.468.343,61 | — | Japan |
| Lettonie | 73.417,18 | 73.417,18 | — | Latvia |
| Libéria | 24.472,39 | 6.202,74 ² | 18.269,65 | Liberia |
| Lithuanie | 97.889,58 | 20.730,40 | 77.159,18 | Lithuania |
| Luxembourg | 24.472,39 | — | 24.472,39 | Luxemburg |
| Nicaragua | 24.472,39 | — | 24.472,39 | Nicaragua |
| Norvège | 220.251,55 | 220.251,55 | — | Norway |
| Nouvelle-Zélande . . . | 244.723,93 | 244.723,93 | — | New Zealand |
| Panama | 24.472,39 | — | 24.472,39 | Panama |
| Paraguay | 24.472,39 | 1.755,55 | 22.716,84 | Paraguay |
| Pays-Bas | 562.865,06 | 562.865,06 | — | Netherlands |
| Pérou | 220.251,55 | — | 220.251,55 | Peru |
| Perse | 122.361,97 | — | 122.361,97 | Persia |
| Pologne | 783.116,61 | — | 783.116,61 | Poland |
| Portugal | 146.834,36 | 146.834,36 | — | Portugal |
| Roumanie | 538.392,67 | 269.196,32 | 269.196,35 | Roumania |
| Salvador | 24.472,39 | — | 24.472,39 | Salvador |
| Royaume des Serbes, Croates et Slovènes | 489.447,88 | 489.447,88 | — | Kingd. of the Serbs, Croats & Slovenes |
| Siam | 220.251,55 | 164.806,68 | 55.444,87 | Siam |
| Suède | 440.503,09 | 440.503,09 | — | Sweden |
| Suisse | 416.030,70 | 416.030,70 | — | Switzerland |
| Tchécoslovaquie . . . | 709.699,43 | 709.699,43 | — | Czechoslovakia |
| Uruguay | 171.306,76 | 171.306,76 | — | Uruguay |
| Venezuela | 122.361,97 | 122.361,97 | — | Venezuela |
| | 22.930.633,— | 12.663.207,73 | 10.267.425,27 | |

¹ Payé le 3 septembre. — Paid on September 3rd.

² Un nouvel acompte a été payé depuis le 1^{er} septembre. — A further payment has been received since September 1st.

Appendix B.

UNPAID CONTRIBUTIONS.

The contributions yet unpaid in respect of the first seven financial periods and of the adjusted arrears account are as follows:

| | <i>Gold francs</i> | <i>Gold francs</i> |
|---|-----------------------|------------------------|
| <i>First financial period (1919/20):</i> | | |
| All contributions have been paid or adjusted. | | |
| <i>Second financial period: July 1st to December 31st, 1920:</i> | | |
| Peru (unpaid balance) | 29,947.47 | |
| 99.5 % of the revised total of contributions for 1920 has been paid. | | |
| <i>Third financial period (1921):</i> | | |
| Peru | 208,333.— | |
| 99 % of the revised total of contributions for 1921 has been paid. | | |
| <i>Fourth financial period (1922):</i> | | |
| China (unpaid balance) | 182,119.— | |
| Peru (entire contribution) | 202,267.— | |
| | <hr/> | 384,386.— |
| 98 % of the revised total of contributions for 1922 has been paid. | | |
| <i>Adjusted arrears account of States (Decisions of the Fourth and Fifth Assembly):</i> | | |
| | <i>Reduced amount</i> | <i>Paid on account</i> |
| | <i>Gold francs</i> | <i>Gold francs</i> |
| Salvador | 60,850.— | 18,255.— |
| Nicaragua | 55,326.58 | — |
| Honduras | 55,326.58 | — |
| Guatemala | 25,618.— | 10,247.23 |
| Paraguay | 25,618.— | 10,247.20 |
| Liberia | 106,581.30 | 10,658.13 |
| | <hr/> | <hr/> |
| | 329,320.46 | 49,407.56 |
| | | 279,912.90 |
| <i>Fifth financial period (1923):</i> | | |
| Bolivia (unpaid balance) | | 100,000.— |
| China (entire contribution) | | 1,767,773.28 |
| Honduras " " | | 27,196.51 |
| Nicaragua " " | | 27,196.51 |
| Peru " " | | 271,965.12 |
| | | <hr/> |
| | | 2,194,131.42 |
| 91 % of the revised total of contributions for 1923 has been paid. | | |
| <i>Sixth financial period (1924) ¹:</i> | | |
| Bolivia (entire contribution) | | 115,871.12 |
| China " " | | 1,506,324.51 |
| Honduras " " | | 23,174.23 |
| Nicaragua " " | | 23,174.23 |
| Peru " " | | 231,742.24 |
| | | <hr/> |
| | | 1,900,286.33 |
| 91 % of this budget has been paid. | | |
| <i>Seventh financial period (1925):</i> | | |
| Bolivia (entire contribution) | | 121,166.51 |
| China " " | | 1,211,665.15 |
| Honduras " " | | 24,233.30 |
| Nicaragua " " | | 24,233.30 |
| Panama " " less rebate | | 22,478.71 |
| Peru " " | | 242,333.03 |
| | | <hr/> |
| | | 1,646,110.— |
| Almost 93 % of this budget has been paid. | | |
| <i>Résumé of contributions in arrears on August 31st, 1926:</i> | | |
| Second financial period (1920) | | 29,947.47 |
| Third financial period (1921) | | 208,333.— |
| Fourth financial period (1922) | | 384,386.— |
| Adjusted Arrears Account | | 279,912.90 |
| Fifth financial period (1923) | | 2,194,131.42 |
| Sixth financial period (1924) | | 1,900,286.33 |
| Seventh financial period (1925) | | 1,646,110.— |
| | | <hr/> |
| | | 6,643,107.12 |

¹ The figures shown hereunder represent the *revised* contributions, *i.e.* the contributions less the amount included for the reimbursement of the Temporary Contribution to the Working Capital Fund which was repaid in 1925, to the States which had paid their quota for 1924. (See Reports of the Auditor and of the Supervisory Commission, Annex 3, page 141, and Annex 2, paragraph 10.)

Appendice C.

RELEVÉ DES ARRIÉRÉS PERÇUS ET A PÉRCEVOIR (au 1^{er} janvier et au 31 août 1926).

STATEMENT SHOWING ARREARS COLLECTED AND DUE
(January 1st and August 31st, 1926.)

| Etats | Montant dû au 1 ^{er} janvier 1926 | Acomptes versés sur les arriérés, au cours des huit premiers mois de 1926 | Solde des arriérés encore impayés au 1 ^{er} septembre 1926 | TOTAL DES SOLDES DUS AU 1 ^{er} SEPT. 1926 | States |
|---------------------------------------|---|---|---|--|-----------------------|
| | Amount due on January 1st, 1926 | Payments on account of arrears made during eight months of 1926 | Balance of arrears yet unpaid as on September 1st, 1926 | TOTAL OF BALANCE DUE SEPT. 1st, 1926 | |
| Afrique du Sud . | — | — | — | — | South Africa |
| Albanie | 7.258,16 (1925) | 7.258,16 | — | — | Albania |
| Argentine . . . | 848.165,60 (1925) | 848.165,60 | — | — | Argentina |
| Australie . . . | — | — | — | — | Australia |
| Autriche | — | — | — | — | Austria |
| Belgique | — | — | — | — | Belgium |
| Bolivie | 100.000,— (1923) 124.643,97 (1924) 121.166,51 (1925) | — 8.772,85 ¹ — | 100.000,— 115.871,12 121.166,51 | — 337.037,63 — | Bolivia |
| Brésil | — | — | — | — | Brazil |
| Empire Britann. | — | — | — | — | British Empire |
| Bulgarie | — | — | — | — | Bulgaria |
| Canada | — | — | — | — | Canada |
| Chili | — | — | — | — | Chile |
| Chine | 182.119,— (1922) 1.767.773,28 (1923) 1.620.371,61 (1924) 1.211.665,15 (1925) | — — 114.047,10 ¹ — | 182.119,— 1.767.773,28 1.506.324,51 1.211.665,15 | — — 4.667.881,94 — | China |
| Colombie | 160.319,39 (1925) | 160.319,39 | — | — | Colombia |
| Costa-Rica . . . | — | — | — | — | Costa Rica |
| Cuba | — | — | — | — | Cuba |
| Danemark | — | — | — | — | Denmark |
| République Domi- nicaine | — | — | — | — | Dominican Republic |
| Espagne | — | — | — | — | Spain |
| Esthonie | — | — | — | — | Esthonia |
| Finlande | — | — | — | — | Finland |
| France | 367.363,76 (1925) | 367.363,75 | — | — | France |
| Grèce | — | — | — | — | Greece |
| Guatémala . . . | 15.370,77 (C.A. ²) 6.058,32 (1925) | — 6.058,32 | 15.370,77 — | — 15.370,77 ² | Guatemala |

¹ Cette somme correspond à la partie de la contribution qui a été annulée conformément à une recommandation du Commissaire aux comptes et de la Commission de contrôle (voir note 1, page 245.)

¹ This sum represents the part of the contribution which was cancelled as a result of recommendation of the Auditor and of the Supervisory Commission. (See note 1, page 245.)

² Compte des contributions arriérées revisées; ces contributions seront versées par acomptes échelonnés sur un certain nombre d'années (Décisions de la quatrième et de la cinquième Assemblées).

² Compounded arrears account payable in instalments spread over a number of years (Decisions of the fourth and fifth Assemblies).

Appendice C (suite).

RELEVÉ DES ARRIÉRÉS PERÇUS ET A PERCEVOIR (au 1^{er} janvier et au 31 août 1926).

STATEMENT SHOWING ARREARS COLLECTED AND DUE
(January 1st and August 31st, 1926).

| Etats | Montant dû au 1 ^{er} janvier 1926 | Acomptes versés sur les arriérés, au cours des huit premiers mois de 1926 | Solde des arriérés encore impayés au 1 ^{er} septembre 1926 | TOTAL DES SOLDES DUS AU 1 ^{er} SEPT. 1926 | States |
|----------------------|---|---|---|--|-------------|
| | Amount due on January 1st, 1926 | Payments on account of arrears made during eight months of 1926 | Balance of arrears yet unpaid as on September 1st, 1926 | TOTAL OF BALANCE DUE SEPT. 1st, 1926 | |
| Haïti | — | — | — | — | Haiti |
| Honduras | 55.326,58 (C.A.1) 27.196,51 (1923) 24.928,79 (1924) 24.233,30 (1925) | — — 1.754,56 ² — | — — 23.174,23 24.233,30 | — — 129.930,62 — | Honduras |
| Hongrie | — | — | — | — | Hungary |
| Inde | — | — | — | — | India |
| Italie | — | — | — | — | Italy |
| Japon | — | — | — | — | Japan |
| Lettonie | — | — | — | — | Latvia |
| Libéria | 95.923,17 (C.A.1) | — | 95.923,17 | 95.923,17 ¹ ² | Liberia |
| Lithuanie | 68.014,30 (1925) | 68.014,30 | — | — | Lithuania |
| Luxembourg | — | — | — | — | Luxemburg |
| Nicaragua | 55.326,58 (C.A.1) 27.196,51 (1923) 24.928,79 (1924) 24.233,30 (1925) | — — 1.754,56 ² — | — — 23.174,23 24.233,30 | — — 129.930,62 — | Nicaragua |
| Norvège | — | — | — | — | Norway |
| Nouvelle-Zélande | — | — | — | — | New Zealand |
| Panama | 24.233,30 (1925) | 1.754,59 ² | 22.478,71 | 22.478,71 ¹ | Panama |
| Paraguay | 20.494,40 (C.A.1) 24.928,79 (1924) | 5.123,60 24.928,79 | 15.370,80 — | 15.370,80 — | Paraguay |
| Pérou | 29.947,47 (1920) 208.333,— (1921) 202.267,— (1922) 271.965,12 (1923) 249.287,94 (1924) 242.333,03 (1925) | — — — — 17.545,70 ² — | — — — — 231.742,24 242.333,03 | — — — — 1.186.587,86 — | Peru |
| Pays-Bas | — | — | — | — | Netherlands |
| Perse | — | — | — | — | Persia |
| Pologne | 467.268,60 (1925) | 467.268,60 | — | — | Poland |

¹ Voir note 2, page 246.

¹ See note 2, page 246.

² Voir note 1, page 246.

² See note 1, page 246.

³ Un nouveau paiement a été effectué depuis le 1^{er} septembre.

³ A further payment has been made since September 1st.

Appendice C (*fin*).

RELEVÉ DES ARRIÉRÉS PERÇUS ET A PERCEVOIR (au 1^{er} janvier et au 31 août 1926).
 STATEMENT SHOWING ARREARS COLLECTED AND DUE
 (January 1st and August 31st, 1926).

| Etats | Montant dû au 1 ^{er} janvier 1926 | Acomptes versés sur les arriérés, au cours des huit premiers mois de 1926 | Solde des arriérés encore impayés au 1 ^{er} septembre 1926 | TOTAL DES SOLDES DUS AU 1 ^{er} SEPT. 1926 | States |
|---|---|---|---|--|---|
| | Amount due on January 1st, 1926 | Payments on account of arrears made during eight months of 1926 | Balance of arrears yet unpaid as on September 1st, 1926 | TOTAL OF BALANCE DUE SEPT. 1st, 1926 | |
| Portugal | — | — | — | — | Portugal |
| Roumanie | — | — | — | — | Roumania |
| Salvador | 42.595,— (C.A. ¹) | — | 42.595,— | 42.595,— ¹ | Salvador |
| Royaume des Serbes, Croates et Slovènes | — | — | — | — | Kingdom of the Serbs, Croats and Slovenes |
| Siam | — | — | — | — | Siam |
| Suède | — | — | — | — | Sweden |
| Suisse | — | — | — | — | Switzerland |
| Tchécoslovaquie | — | — | — | — | Czechoslovakia ^o |
| Uruguay | — | — | — | — | Uruguay |
| Venezuela | — | — | — | — | Venezuela |
| Total | 8.743.237,— | 2.100.129,88 | 6.643.107,12 | 6.643.107,12 | Total |

ANNEX 13

A. 105. 1926. X.

FINANCIAL QUESTIONS.

REPORT OF THE FOURTH COMMITTEE TO THE ASSEMBLY.

Rapporteur: H.E. M. Andreas OLDENBURG (*Denmark*).

This year, the Fourth Committee instructed its general Rapporteur to deal with all the questions included in its agenda except that of arrears of contributions, which, in accordance with precedent, was referred to a special sub-committee; the proposals of the Fourth Committee on this matter were embodied in a special report to the Assembly.

¹ Voir note 2, page 246.

¹ See note 2, page 246.

At the beginning of its report, the Committee desires to pay its tribute to the first Financial Director of the League of Nations, who has just relinquished his duties as a member of the Secretariat. The sound financial organisation of the League is in no small measure due to the untiring efforts and the thorough technical knowledge of Sir Herbert Ames.

I. AUDITED ACCOUNTS FOR 1925.

The Committee unanimously recommends the Assembly to approve the accounts of the Secretariat and the autonomous organisations of the League in the form in which they have been submitted to it. It also associates itself with the various recommendations formulated by the Auditor in the reports attached to the closed accounts.

II. BUDGET FOR 1927.

A. *Secretariat and Special Organisations of the League.*

After discussion, the Committee adopted the following resolution proposed by the delegate for India :

“The Fourth Committee,

“Noting the tendency of the Budget of the League to increase, and considering that, in the present financial state of most countries of the world, every effort should be made to resist this tendency;

“Is of opinion that, as a preliminary to the discussion of the details of the Budget and as a general guide to their consideration, 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;

“And that copies of this resolution should be communicated to other Committees concerned with measures involving expenditure.”

It was agreed that this resolution should be interpreted in the light of the speeches made during the discussion which is recorded in the Committee's Minutes. The purpose of the resolution is to serve as a serious warning likely to exercise influence on all concerned, on the other hand, it must not prevent future sessions of the Assembly from undertaking work of essential importance.

During the discussion of the Budget, the Secretary-General stated that the principle he had adopted, and which he intended to observe in the future, was to charge to Item 3, “Unforeseen expenditure subject to special vote of the Council”, only expenditure which could not be entered against any heading already included in the Budget. This appropriation, which amounts to 500,000 francs, is exclusively reserved for expenditure of a political nature, whereas the other items in respect of unforeseen expenditure are included in the Budget in order to meet other unexpected contingencies arising in the course of the year.

The Budget of the Secretariat and autonomous organisations contains a certain number of credits corresponding to expenses which may not actually have to be incurred, but which the Secretary-General is bound to take into account owing to the provisions of the Covenant or of Treaties or resolutions by the Council and the Assembly. In the administration of a State, these estimates would not appear in the ordinary budget, but would, if necessary, be asked for in the form of supplementary credits. Owing, however, to the fact that the Assembly only meets once a year, the Secretary-General and the competent officials of the autonomous organisations are compelled to include in the Budget comparatively large sums to provide for all contingencies which may arise during the ensuing year.

Certain members of the Committee expressed the opinion that measures might perhaps be taken to obviate the increased contributions which result from the present system. The Secretary-General and the Chairman of the Supervisory Commission undertook to consider, before the next ordinary session of the Assembly, whether it would be possible to comply with the suggestions submitted during the discussion and which are recorded in the Commission's Minutes.

As the result of a long discussion which arose during the debate on the Budget of the Labour Organisation, but which in reality referred to the financial system of the League of Nations as a whole, the Fourth Committee recognised that it would be difficult to make the present system of supervision more effective by means of new regulations. As the Chairman of the Supervisory Commission pointed out, there are three different aspects to the question. The control of expenditure and accounts is effected by the Auditor; the present Auditor, who is the highest official in the Italian Treasury, submits his report to the Supervisory Commission, which examines it after it has been previously studied in detail by the Rapporteur. In the second place, supervision of the Budget estimates in respect of work undertaken as the result of decisions by the competent bodies falls upon the Supervisory Commission, which, as is shown by its reports, effects considerable saving in the draft budgets submitted to it. Finally, as regards new work undertaken by the

Assembly or the development of work that has already been begun, the power of decision lies with the Fourth Committee and, in the last resort, with the Assembly. Their intervention is facilitated by the adoption of the resolution submitted by the delegation for India. After discussion the Committee considered that this system was practical and satisfactory as far as it goes; a better degree of correlation between the decisions of the delegates on the different Committees would ease the task of the Fourth Committee, and the Supervisory Commission and the Fourth Committee should be given sufficient time to study all proposals with the desired thoroughness.

When the credits relating to salaries of the Secretariat were being considered, a discussion arose regarding the "representation" of the different nationalities on the Secretariat. The Secretary-General repeated the assurances which he had given to the Committee last year. Although "administrative" posts (precis-writers, translators, stenographers, etc.) are as a general rule reserved for the nationals of English-speaking or French-speaking countries, the Secretary-General will continue to do what he can in order that, having regard to the necessary qualifications of the different candidates, the higher posts may as far as possible be distributed among the nationals of the different States Members of the League of Nations. It should be pointed out, however, that, owing to the contracts which were concluded as a result of the decision taken at the second ordinary session of the Assembly, vacancies are few and there is hardly any increase in the number of posts from year to year. The Secretary-General drew attention to the fact that, whenever a new post is created, preference is given—granted equal qualifications—to nationals of States "represented" either inadequately or not at all. In order that recruiting may be on a widely international basis, a perfect knowledge of the official languages is only deemed indispensable in the case of administrative posts. On the other hand, while preserving their nationality, officials of the League of Nations are responsible in the performance of their duties to the Secretary-General alone; they cannot demand or receive instructions from their Government or from any other authority.

In agreement with a proposal made by one of the delegates, the Secretary-General promised next year to communicate the Staff Regulations to the members of the Fourth Committee, and to arrange that the Staff List now distributed to the members of the Fourth Committee should contain a list of resignations for the year.

The Secretary-General stated that he would examine with interest the desirability of adopting the suggestions made by the British delegation for the keeping of efficiency records for staff engaged in clerical work.

After a discussion, the Committee decided, while voting the necessary credits, to recommend to the Assembly that the title of Item 6 in the budget should be changed from "Latin-American Liaison Office" to "Liaison with Latin America".

The Secretary-General agreed to examine with the Supervisory Commission whether it would be expedient to alter the rates at present laid down for the subsistence allowances of members of committees and of officials of the League of Nations travelling on League business, taking into account the variation of prices since 1921. It was also agreed that the Supervisory Commission might do well to consider the expediency of suppressing or reducing the credits provided for the fidelity guarantee, the League of Nations being perhaps sufficiently guaranteed against embezzlement by the sums standing to the credit of its officials under the Provident Fund.

On a proposal of the Second Committee, and without exceeding the maximum figure of 1,000,000 francs fixed by the Assembly at its sixth ordinary session, the Fourth Committee included in the budget of the Health Organisation a contribution towards the cost of the Bureau of Epidemiological Intelligence at Singapore. The Secretary-General informed the Committee that the budget of the Health Organisation would not next year exceed the sum of 1,000,000 francs even if it was found necessary to increase the present credit allowed for the Far Eastern Bureau.

B. *Budget of the International Labour Organisation.*

In his explanation of the general principles which guide the Governing Body of the International Labour Office in drawing up the budget estimates, M. Albert Thomas pointed out that the resolution submitted by the delegate of India and adopted by the Committee constituted the rule which governed the discussion of the Budget. This general rule, however, was somewhat modified by the fact, verified by the members of the Governing Body, that the work of the International Labour Office was steadily increasing; the admission of new States, however, and the increased contribution of certain others have compensated for the consequent additional expenditure. It may therefore be said that the Budget of the International Labour Office is an elastic and discriminating application of the motion voted by the Fourth Committee.

In reply to observations made by various delegates, the Director of the International Labour Office stated that he was making every effort, within the limits fixed by the Treaty of Peace and taking into consideration the exigencies of the service, to secure a more equitable "representation" of all nationalities. He would be able to continue these efforts during 1927, thanks to the increased credits which had been granted him. The competitive examinations which were about to be organised would open the doors of the Organisation to nationals of countries which were represented inadequately or not at all.

The Director promised to consider, with the help of the Supervisory Commission, whether it would not be advisable to include under Section II of the Budget, "Capital Expenditure", the credits for the purchase of material for the correspondents' offices.

In reply to a question, the Chairman of the Supervisory Commission stated that the principles adopted by the Commission concerning the expenses chargeable to credits for unforeseen expenditure, applied to the Secretariat as well as to the autonomous organisations, such as the International Labour Office and the Permanent Court of International Justice.

C. *Permanent Court of International Justice.*

The Fourth Committee noted with interest the observations regarding the emoluments of the deputy judges of the Court contained in the report of the Supervisory Commission. The delegate for the British Empire having proposed that the abnormal situation created by the fact that the emoluments of the deputy judges amount in some cases to almost as much as those of the judges themselves should be investigated, and, the Registrar having stated that the Court would have no objection to one or more members of the Court attending such an investigation, in a purely personal capacity, the Committee was of opinion that this enquiry might be entrusted to the Supervisory Commission. It was agreed that this enquiry, the results of which would be communicated to the next ordinary session of the Assembly, should not, in accordance with Article 32 of the Statute of the Court, affect established situations.

In reply to a question, the Registrar stated that the scale of subsistence allowances of the Registry officials was identical with that in force in Geneva, the exchange of Swiss francs into florins being effected at a rate fixed by the Supervisory Commission. If the rate of exchange applicable to the Secretariat were modified, this modification will also be applied to the Court staff.

III. REPORTS OF THE SUPERVISORY COMMISSION

Subject to the observations which follow, the Fourth Committee adopted the conclusions of the various reports submitted by the Supervisory Commission. The Committee particularly examined the following points :

(a) *League Building Fund.* — The Fourth Committee approved the proposals of the Supervisory Commission as explained in the report on its eighteenth and nineteenth sessions. It therefore proposes to the Assembly that the whole cost of the International Labour Office building shall be charged to the League Building Fund; the sale price of the Hôtel National should also be added to the Building Fund.

The Committee also approved the schedule of allocation of the annuities to be made of States which, by the prompt payment of their contributions, have contributed to the constitution of the Building Fund. The Chairman of the Supervisory Commission explained that the sum of 1,400,000 francs, which is to be distributed in 1927, may in the future be increased or decreased. The Supervisory Commission, however, after examination of the sums at present available and of the expenditure to be met, considered that the sum of 1,400,000 francs was approximately what States might reasonably expect to receive annually.

The Chairman of the Supervisory Commission added that, after deduction of the sums already spent (see document A.41.1926.X), and not including the surplus for 1925, the fund amounted to 7,972,135.51 francs, which were placed in fixed term accounts in various banks at 5 per cent. interest.

The Secretary-General promised that the amount due from States should be included in the schedule of allocation for 1927, after deduction of the sums reimbursable to them during 1927 as annuities. This is the basis on which they will be requested to pay their contributions towards the expenses of the new financial year.

The Committee was informed by the Rapporteur to the Assembly at its special session on the question of the new buildings that, instead of erecting temporary huts, for which authority had previously been given, the Secretary-General had been able to purchase a building situated behind the Secretariat, which it will be possible to sell at a reasonable price as soon as the Secretariat is established in the new building. The Committee ratified this decision of the Secretary-General, which will result in a considerable saving.

The Secretary-General, in reply to a question put by the same delegate, explained that, as it had been impossible to come to an amicable arrangement with the owner of the property called "La Perle du Lac", he had been informed that the Genevese authorities were taking the necessary measures for expropriation, although, as regards the League of Nations, all negotiations would be carried on with the Federal Government.

(b) The Fourth Committee was informed that the Supervisory Commission was considering a suggestion to set up an Administrative Tribunal to deal with all cases of dispute in regard to the carrying out of staff contracts which might arise between the heads of the League's Organisations and their subordinates. When the scheme has been definitely drawn up by the Supervisory Commission, a proposal will be laid before the Assembly.

(c) The Committee approved the Supervisory Commission's recommendations in regard to the allowances to be granted to the Deputy-Auditor, and the printing of a bibliographical bulletin, giving a list of works relating to the League of Nations. It noted that it would be impossible, without increasing expenditure on staff and material, to publish an annual list of articles on the League of Nations appearing in the periodical publications of the various countries. It also concurred in the opinion of the Supervisory Commission that there was no justification either in equity or law for restoring, in favour of the Heads of Sections of the International Labour Office, Article 60 of the Statute, which provided for a payment on the expiration of contracts. It noted, however, that the Supervisory Commission would have no objection to these officials bringing the question before the Administrative Tribunal when it had been set up.

IV. MISCELLANEOUS QUESTIONS.

(a) The Committee took note of the report of the Council and of the Director of the International Labour Office on new works involving additional expenditure on the part of the League.

(b) The Committee approved a proposal of the Council to grant an allowance of 2,000 Swiss francs to members of the Mandates Commission who have sat more than thirty days during any one given year. It noted that this proposal had been approved by the Supervisory Commission, which had particularly emphasised that this case must not in any way constitute a precedent, in view of the special situation of the members of the Mandates Commission, who, according to the Commission's Rules of Procedure, may not fill any office which makes them directly dependent upon their Governments. The Supervisory Commission also noted that the sessions of the Mandates Commission were longer than those of other League Committees (44 meetings in 1925), and that the study of the many and voluminous reports transmitted by the mandatory Powers imposed heavy work upon the members of the Commission.

(c) The Committee noted with satisfaction the agreement between the Allocation of Expenses Committee and the German delegation concerning the Reich's contribution to the expenses of the League. The Committee therefore recommends the Assembly to fix Germany's number of units at 79 in the scale of the allocation of League expenses.

(d) At the request of a member of the Committee, the Secretary-General undertook, if and when a suitable occasion occurred, to draw the attention of the Council to the desirability of securing a higher proportion of nationals of States which are not Members of the Council on the various League Committees.

(e) The Committee proposed that the Assembly should ratify the amendment to Article 6 of the Staff Provident Fund Regulations, approved by the Council on March 15th. The first paragraph of the amended article will be as follows :

"On the termination of a member's services or at his death, the balance standing to the credit of his account, including interest up to the date of termination of service or death, calculated at the rate of the last annual distribution of interest, and interest thereafter down to the date of tender of payment, at the rate of 3 per cent. or such other rate as the Board of Management may fix, shall be paid to him, or, if the member is dead, to the person or persons entitled under the annex to this article."¹

(f) The Supervisory Commission having noted that certain difficulties have been experienced in connection with the payment of expenses to members of League Commissions, the Fourth Committee considers it desirable to propose that the Assembly should adopt the following resolution :

"The Assembly :

"Notes that the Internal Control Service of the League of Nations experiences difficulty and is caused considerable trouble by the fact that members of Committees and other persons who have to submit requests for repayment do not always take into consideration the exact terms of the various regulations governing the financial administration of the League of Nations; and, therefore,

"Requests members of Committees and all other persons performing work of any kind whatever at the request and at the expense of the League of Nations to comply strictly with the above Regulations, and, in case of doubt, to apply for information beforehand to the competent officials."

(g) The Fourth Committee noted a report submitted to it by the Supervisory Commission on the question of publications; the text of this report is given as an annex to the report of the Commission. It may be useful to point out that the suggested changes in the various items in the Budget estimates do not involve any increase in the total.

¹ For the annex, see document A.72. 1926. X.

The Fourth Committee also proposes that the Assembly should adopt the following resolution, which has been drafted with a view to giving effect to the proposals made by the Supervisory Commission in its May report (document A.5.1926.X) :

“The Assembly :

“While appreciating the results of the sale of publications and approving the proposals submitted to it by the Supervisory Commission and the Secretary-General relative to the extension of these sales and a stricter supervision of the employment of the grants for printing ;

“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 ;

“Requests the Supervisory Commission to report to it again next year on the printing expenses and to indicate the saving effected in consequence of this decision.”

(h) In accordance with a proposal made by the Supervisory Commission, the Fourth Committee, considering that the salaries of all officials of lower rank than Under-Secretary-General are subject to an annual increment, and, moreover, that members of the Secretariat of higher rank than Chief of Section are not entitled to share in the Provident Fund, proposes that the salary of the Treasurer of the League should be on the following scale :

40,000 francs, rising by annual increments of 1,000 francs to 45,000 francs.

(i) The Committee has been informed by the Supervisory Commission that, owing to an error which occurred in the preparation of the Budget, the number of posts of Member of Section A in the Information Section should be increased from 10 to 11, and the Members of Section B *reduced* from 7 to 6. This correction will not involve any change in the 1927 Budget.

(j) The Supervisory Commission informed the Commission that the 1926 Conference of the International Labour Organisation was in session for a longer period than had been anticipated in the Budget estimates, and that consequently the appropriation in the Budget was exceeded. No transfer can, however, be made, as no saving can be effected on the only other item in the same chapter.

After considering the question, the Committee has decided to propose that the Assembly authorise the Governing Body, as an entirely exceptional measure and notwithstanding Article 29 of the Financial Regulations, to sanction the transfer of funds from another chapter in the Budget.

The only other solution would have been to ask the Assembly to vote a supplementary credit for 1926 ; but this method would have been both unpractical and unnecessary, as savings can probably be made on the items in Chapter II.

V. REPORT OF THE SALARIES ADJUSTMENT COMMITTEE (DOCUMENT A. 78. 1926. X).

The Fourth Committee approved the following report submitted to it by the Supervisory Commission :

“The Commission have, as instructed by the Council and the Fourth Committee of the Assembly, examined the report of the Salaries Adjustment Committee dated September 18th. They have also gone carefully into the statistics referred to in that 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 opinion 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 should be thoroughly satisfied of its justice."

* * *

The Fourth Committee's Report would not be complete without mentioning the gratitude of its members to their chairman, M. Titulesco, the distinguished delegate of Roumania, who has conducted the Committee's discussions with authority, tact and impartiality. A tribute must also be paid to M. Stefan Osusky, the Chairman of the Supervisory Commission, whose clear and lucid explanations have, time and again, served to illuminate the Committee's discussions and guide its decisions.

In conclusion, the Fourth Committee has the honour to propose to the Assembly the adoption of the following draft resolutions :

Draft Resolutions.

"1. The Assembly of the League of Nations, in virtue of Article 38 of the Regulations for the Financial Administration of the League, finally approves the audited accounts of the League for the seventh financial period, ending December 31st, 1925.

"2. The Assembly, in virtue of Article 17 of the Regulations for the Financial Administration of the League :

• "Approves, for the financial year 1927, the general Budget of the League, of the Secretariat and of the Special Organisations of the League, of the International Labour Organisation and of the Permanent Court of International Justice, the total amount of which including supplementary credits is 24,512,341 gold francs.¹

"And decides that the said budgets shall be published in the *Official Journal*.

"3. The Assembly adopts, in so far as they have been approved by the Fourth Committee, the conclusions of the various reports of the Supervisory Commission submitted to its consideration.

"4. The Assembly approves the schedule showing the proportional interest of each Member of the League in the League Building Fund (document A. 39. 1926).

"5. The Assembly fixes at 79 the number of units allocated to Germany in the scale of apportionment of the League's expenditure.

"6. The Assembly adopts the conclusions of the report of the Fourth Committee (document A. 105. 1926. X.)."

¹ The original Budget amounted to 24,615,097 gold francs. The following modifications were made by the Fourth Committee :

A. DECREASES.

| | Francs | Francs |
|---|-----------|-----------|
| Deduction of the German contribution to the Budget of the International Labour Office for 1926 from the General Budget for 1927 | 265,766.— | |
| Item 1 of the Budget of the Secretariat, "Session of the Assembly" | 3,800.— | |
| Item 2 of the Budget of the Secretariat, "Sessions of the Council" | 5,000.— | |
| | <hr/> | 274,566.— |

B. INCREASES.

| | | |
|--|-----------|-----------------|
| <i>1. Budget of the Secretariat.</i> | | |
| International Convention on Slavery | 1,000.— | |
| Settlement of Armenian Refugees | 15,000.— | |
| Item 6. Technical investigations to be undertaken in Latin America. | 30,000.— | |
| Item 4. (a) Tokyo Office of the Information Section | 10,000.— | |
| Internal Control Office | 5,000.— | |
| Item 4. (b) House staff at Geneva | 21,600.— | |
| Item 23. International Health Organisation | 8,885.— | |
| Item 25. Reduction of Armaments | 48,000.— | |
| | <hr/> | |
| | 139,485.— | |
| <i>2. Budget of the International Labour Organisation.</i> | | |
| Chapter II. (a) Russian and Armenian Refugees | 22,325.— | |
| Item 13. Commissions | 10,000.— | |
| | <hr/> | |
| | 32,325.— | |
| Total increase | | 171,810.— |
| Net decrease | | <hr/> 102,756.— |
| The 1927 Budget will therefore amount to 24,615,097 francs minus 102,756 francs making | | 24,512,341.— |

ANNEX 14.

A. 78. 1926. X.

COST OF LIVING IN GENEVA :

REPORT OF THE SALARIES ADJUSTMENT COMMITTEE.

Note by the Secretary-General :

In accordance with the Council's decision, the Secretary-General has the honour to circulate to the delegates at the Seventh Ordinary Session of the Assembly the following report by the Salaries Adjustment Committee on the Cost of Living, together with the report by M. Villegas, adopted by the Council at its meeting on Monday, September 20th, 1926.

1. The following report gives the estimated level of cost of living in Geneva in 1926, compiled in the manner laid down by the Fourth Ordinary Session of the Assembly. The Fourth Ordinary Session of the Assembly laid down that the index number should cover the four groups ; food, ; fuel and light ; domestic service and rent, and should be based on the period July - December 1921 = 100.

2. As regards *food, fuel and light* and *domestic service*, the figures are compiled as in previous years, the two former being supplied by the Bureau Fédéral de Statistique. They are set out in detail in Appendix A, and the figures for domestic service are furnished by the Chambre de Travail de Genève.

3. *Rent.* — Hitherto, it has been the practice to enquire locally, from the Société des Régisseurs de Genève, as to what in their opinion has been the movement in rents in Geneva during the preceding twelve months. It was recognised by the Sub-Committee of the Fourth Committee of the Assembly, which considered the matter in great detail in 1923, that this source of information was not very satisfactory, and attempts were made to obtain from the official authorities some statistics as to the movement of rents. No such information being then available, the Committee decided to accept the statements made by the local *régisseurs*. The Salaries Adjustment Committee, since that date, has enquired each year until 1925 from the local *régisseurs* as to what in their opinion has been the movement in rents, and, though the replies received were not in conformity with the experience of the staff, they were nevertheless accepted for want of any more solid basis. In 1925, however, the Federal Labour Office began the compilation of an official index number of rents in Switzerland, and for this purpose invited the collaboration of the different cantons. The Canton of Geneva, in May 1925, accordingly undertook a comprehensive enquiry into the level of rents in Geneva. This enquiry covered all flats of two rooms upwards, and for each category of flat the percentage increase as compared with the period December 1920 was shown. The figures for December 1920 were published by the Federal Census Department as a result of the decennial census of December 1920. In this volume statistics are given for flats of two to six rooms. In May 1926 the Canton of Geneva repeated its enquiry of May 1925, but for financial reasons limited its enquiry to flats of three and four rooms only. For the period December 1920-26 comparative figures are therefore available for flats of three and four rooms only, although additional information is available for flats of five and six rooms for 1920-25. A summary of the figures is given in Appendix B. It will be seen from this table that the percentage increase from December 1920 to May 1925 for flats of three, four, five and six rooms was 20 per cent, and from December 1920 to May 1926 the increase for three- and four-roomed flats only was 24 per cent.

The percentage increase relates to December 1920, whereas the percentage increase required for the purposes of calculation is that since the last six months of 1921. No information is available as to the amount by which rents increased in the first six months of 1921. The figure of 20 is therefore taken as the percentage increase for the purposes of calculation

for the year 1925. For the year 1926, although the figures relate to flats of three and four rooms only, these flats form over 55 per cent. of the total number of flats in Geneva. The increase for five-roomed flats, if figures were available, would not affect the general increase, judging by the fluctuations in this class of flat in 1925. The number of five-roomed flats is about 3,600 as compared with 22,000 flats of three rooms and four rooms. The number of six-roomed flats is 2,135. The omission of these two categories in 1926 would probably not affect the final percentage to any significant extent. If these two figures are accepted, viz 20 per cent for 1925 and 24 per cent for 1926, the result of the final index number is as shown in Appendix C.

A further point, however, which requires notice relates to the figures for 1923. In that year, it will be remembered, the Fourth Committee of the Assembly estimated that the cost of living had fallen by 13 per cent. since 1921, and on this basis salaries were reduced by 2.6 per cent. (13 per cent. of 20). In 1925, however, the results of an enquiry by the Federal Government were published which showed that rents in Geneva had risen between 1921-23 by about 7 ½ per cent. Though this enquiry was not of a comprehensive nature, but was based on about 10 per cent. of the flats, it indicates that rents were not stationary from 1921 to 1923 as hitherto assumed. This official confirmation of the unsatisfactory nature of the information hitherto obtained as regards the level of rents between 1921 and 1923 involves a readjustment of the figure for 1923 on which salaries were reduced. This figure now becomes 89 instead of 87. (See Appendix C). On the other hand, the effect of the introduction of this new figure for 1923 is to reduce the percentage increase in the cost of living since that date, although the change in the cost of living between 1921 and the two years 1925 and 1926 is not affected. This change in the figure for 1923 thus affects the question as to whether a sufficient minimum increase of 10 per cent. since 1923 has been reached to justify a further readjustment of salaries.

It also, however, considered retrospectively, indicates that, had this change been known in 1923, the Assembly would in all probability have reduced salaries by only 2.2 per cent. (20 per cent. of 11) instead of 2.6 per cent. This reduction of 2.6 per cent. instead of the revised figure of 2.2 per cent. has now been sustained by the staff for three successive years (1924-25-26).

The foregoing summary will have brought out the difficulty of basing a clear arithmetical conclusion as to the movement of rents upon the statistical data which are available, especially in view of the reservations which the official statisticians attach to their figures. Those data, however, suggest certain considerations to which the Committee will revert below. Meanwhile, taking the figures, subject to all qualifications, as being the best available, the Committee has to report that, using the actual figure on which salaries were reduced in 1923 and the revised figures obtained in 1925 and 1926,

- (a) A rise of about 9 per cent. has occurred in 1926 since 1923, and
- (b) A rise of nearly 10 per cent. had occurred in 1925 since 1923.

If the figure for 1923 is also revised in the light of one of the official enquiries, the reduction which has been in force during the last three years would be 2.2 per cent. of the total salaries instead of 2.6 per cent., the amount which has actually been deducted.

The Committee would now revert to the general considerations to which it alluded above as meriting special attention. In the first place, official figures for rent are now available, whereas hitherto the calculation of this element in the cost of living was dependent on a private enquiry made by the *régisseurs* themselves. Whatever the criticisms or reservations made in regard to the official figures, they nevertheless possess considerably greater authority than those which have been previously available and therefore cannot be ignored.

At the same time, while constituting a more satisfactory basis for future estimates of the movement of rents, the official statistics hardly furnish an adequate basis for criticising the figures of the past or for making any close comparison between the levels of rent in 1925 and 1926 and the foregoing period. Their general tendency, however, is sufficiently definite to warrant the conclusion that there has been a substantial rise in the rents of the class of flats occupied by the staff of the League, though this rise has probably been accompanied by some measure of improvement in the accommodation available. Thirdly, it has been pointed out that about 40 per cent. of the staff live in pensions and hotels and they are, therefore, not directly affected by the rise in house rents. It is impossible to distinguish between the amounts represented by food, heating and rent, respectively, in the prices of hotels and pensions. The staff pressed the contention that there had been a distinct upward movement in these prices during the last two years, partly of a permanent character, partly on account of seasonal increases. The enquiries which have been made (Appendix D) though of an incomplete character, bear out this contention as far as they go, and the Committee is prepared to accept the conclusion that an appreciable rise in prices has occurred.

The general conclusion 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.

Appendix A.

INDEX NUMBERS OF FOOD, FUEL AND LIGHT
1921-26.

| Month | Food. | | | | | |
|--------------------|-------|-----------------------|---------|---------|---------|--|
| | 1921 | 1922-23 | 1923-24 | 1924-25 | 1925-26 | |
| July | 211 | 157 | 166 | 170 | 169 | |
| August | 209 | 155 | 166 | 170 | 169 | |
| September | 208 | 156 | 167 | 170 | 170 | |
| October | 204 | 158 | 167 | 174 | 168 | |
| November | 198 | 160 | 171 | 175 | 168 | |
| December | 192 | 160 | 172 | 175 | 167 | |
| January | — | 160 | 173 | 172 | 165 | |
| February | — | 158 | 172 | 172 | 163 | |
| March | — | 159 | 171 | 171 | 161 | |
| April | — | 161 | 169 | 169 | 161 | |
| May | — | 164 | 169 | 168 | 159 | |
| June | — | 166 | 170 | 169 | 159 | |
| Average | 203.6 | 159.5 | 169.4 | 171.2 | 165.8 | |
| Base 1921 = 100 | 100 | 78.3 | 83.2 | 84.0 | 81.4 | |
| Base 1922-23 = 100 | — | 100 | 106.2 | 107.3 | 104.0 | |
| | | Fuel and Light (Soap) | | | | |
| July | 199 | 180 | 172 | 163 | 152 | |
| August | 199 | 178 | 172 | 163 | 152 | |
| September | 196 | 177 | 172 | 162 | 151 | |
| October | 195 | 178 | 173 | 162 | 151 | |
| November | 192 | 177 | 173 | 161 | 150 | |
| December | 191 | 177 | 173 | 161 | 150 | |
| January | — | 174 | 171 | 158 | 149 | |
| February | — | 174 | 171 | 157 | 148 | |
| March | — | 173 | 170 | 156 | 147 | |
| April | — | 174 | 168 | 155 | 146 | |
| May | — | 174 | 165 | 154 | 145 | |
| June | — | 174 | 164 | 153 | 145 | |
| Average | 195.3 | 175.8 | 170.9 | 158.7 | 148.8 | |
| Base 1921 = 100 | 100 | 90 | 87.2 | 81.2 | 76.2 | |
| Base 1922-23 = 100 | — | 100 | 96.8 | 90.2 | 84.7 | |

Source: *Sozialstatistische Mitteilungen*, July 1926, 4th year, No 6.

Appendix B.

ENQUIRY INTO RENTS IN GENEVA.

| Commune | Number of Rooms | December 1920 | May 1925 | May 1926 | Percentage Increase | |
|---|-----------------|---------------|----------|----------|---------------------|---------|
| | | | | | 1920-25 | 1920-26 |
| Geneva | 3 | 506 | 597 | 617 | 16 | 22.0 |
| | 4 | 744 | 800 | 902 | 18 | 21.3 |
| | 5 | 1,029 | 1,240 | — | 21 | — |
| | 6 | 1,464 | 1,642 | — | 12.2 | — |
| Plainpalais | 3 | 546 | 653 | 670 | 20 | 22.8 |
| | 4 | 721 | 886 | 924 | 23 | 28.1 |
| | 5 | 994 | 1,205 | — | 21 | — |
| | 6 | 1,471 | 1,818 | — | 23.7 | — |
| Eaux-Vives | 3 | 555 | 665 | 688 | 20 | 24.0 |
| | 4 | 770 | 985 | 1,018 | 28 | 32.2 |
| | 5 | 1,140 | 1,417 | — | 24 | — |
| | 6 | 1,636 | 1,929 | — | 18.0 | — |
| Petit-Saconnex | 3 | 601 | 723 | 738 | 20 | 22.7 |
| | 4 | 820 | 998 | 1,023 | 22 | 24.8 |
| | 5 | 1,137 | 1,302 | — | 15 | — |
| | 6 | 1,513 | 1,536 | — | 1.6 | — |
| Carouge | 3 | 390 | 447 | 451 | 15 | 18.2 |
| | 4 | 541 | 602 | 618 | 11 | 14.2 |
| | 5 | 671 | 806 | — | 20 | — |
| | 6 | 864 | 979 | — | 13.3 | — |
| Agglomeration | 3 | 528 | 633 | 652 | 29.9 | 23.5 |
| | 4 | 740 | 898 | 927 | 21.5 | 25.3 |
| | 5 | 1,040 | 1,251 | — | 20.2 | — |
| | 6 | 1,475 | 1,688 | — | 14.4 | — |
| All rooms | — | — | — | — | 20.0 | 24.0 |
| Number of flats, etc., covered by enquiry | 3 | 13,860 | 13,382 | 13,593 | | |
| | 4 | 8,908 | 8,301 | 8,450 | | |
| | 5 | 4,121 | 3,623 | — | | |
| | 6 | 2,171 | 2,135 | — | | |

Appendix C.

INDEX NUMBERS OF COST OF LIVING.

| Groups | Weights | Base period 1921 | Period of 12 months ending July | | | | |
|------------------------------|---------|------------------|---------------------------------|--------|--------|--------|--------|
| | | | A | 1923 | B | 1924 | 1925 |
| Food | 13 | 100 | 78.3 | 78.3 | 83.2 | 84.0 | 81.4 |
| Fuel, etc. | 2 | 100 | 90.0 | 90.0 | 87.2 | 81.2 | 76.2 |
| Rent | 6 | 100 | 100.0 | 107.5 | 114.5 | 120.0 | 124.0 |
| D. S. | 2 | 100 | 100.0 | 100.0 | 110.0 | 110.0 | 110.0 |
| Total | 23 | 2300 | 1997.0 | 2043.0 | 2163.0 | 2194.0 | 2174.6 |
| Index No | — | •100 | 86.8 | 88.8 | 94.0 | 95.41 | 94.55 |
| Percentage change since 1923 | | A | 100 | — | 8.3 | 9.92 | 9.0 |
| Percentage change since 1923 | | 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.

Appendix D.

ENQUIRY INTO THE COST OF LIVING IN PENSIONS AND HOTELS IN GENEVA.

The official index number of the cost of living in Geneva prepared by the Salaries Adjustment Committee for the purpose of regulating salaries takes no account of the large proportion of the staff which lives in pensions or hotels. The Salaries Adjustment Committee therefore decided to enquire among the staff as to the change which had taken place since 1923, when salaries were reduced. A questionnaire was circulated to the staff of the Secretariat and the International Labour Office on July 29th last, but owing to the holiday season many members were unable to reply. Up to the middle of September, 39 replies have been received.

Of these 39 replies, 17 have a limited or no value, either because they do not cover a sufficiently long period or because, being unsigned, it proved impossible to check the information contained therein. Out of the other 22 replies, 18 indicated an increase of prices during the last couple of years (either a direct increase of prices paid or stable prices for inferior accommodation); four indicate no change. No reply indicates a decrease in prices charged.

Replies indicating an increase.

A large number of the replies complained of the treatment during the summer and autumn months, when, owing to the presence of delegates, tourists, etc., members of the staff are compelled to change to inferior rooms under penalty of paying much higher prices. Many of those who report that they have not had their charges increased state, however, that this is due to the fact that they are boarders of long standing and prices have been raised to newcomers.

Besides these temporary and seasonal upward movements, there has been in many cases a considerable and permanent rise of prices. In view of the varying circumstances it proved impossible to calculate any index number, and any numerical expression of the increasing tendency observed remains to some extent conjectural. With these reservations it would appear that this increase amounted on the average to something like 20 per cent.

Replies indicating no increase.

Of these four replies, one refers to a member who has been in his present pension for two years. He left the pension he lived in previously because its prices were being raised at that moment (1924). The other three replies refer to people who appear to live in rather modest and small pensions, the prices of which are less subject to seasonal influences, to the presence of delegates, tourists, etc.

Replies discarded.

Most of the replies other than those covering a quite short period make some reference to an increase in the cost of living or in the prices charged in hotels or pensions.

Conclusion.

Practically all the replies covering a sufficiently long period indicate a strong upward tendency in prices. This rising tendency appears to affect particularly the pensions or hotels of a certain standing. It appears to affect less some pensions of an inferior grade which, as a rule, are not of importance for the great majority of the staff. The average rise in prices for the last two or three years appears to have been about 20 per cent.

REPORT OF THE SALARIES ADJUSTMENT COMMITTEE ON THE COST OF LIVING
IN GENEVA.

Report by M. Villegas.

The report adopted by the Second Ordinary Session of the Assembly provides that the conclusions of the report of the Salaries Adjustment Committee shall be submitted to the approval of the Council of the League of Nations before being put into effect, it being understood that these conclusions should be within the limits of the Budget voted by the Assembly.

As my colleagues will have noticed, the report which has been submitted to us might result in a modification of the salaries of the officials of the League, as the cost of living has somewhat increased.

In these circumstances, my colleagues may think it best for the Council simply to take note of the report of the Salaries Adjustment Committee, which should be submitted immediately to the Assembly.

As the report of the Salaries Adjustment Committee has, by the terms of the Financial Regulations, to be submitted to the Supervisory Commission, I beg to propose, in order to save time, that it be communicated immediately to the Commission in order that the latter may be in a position to submit its proposals as soon as possible to the Assembly, which will take the final decision.

ANNEX 15.

A. I. 7. 1926.

DRAFT RESOLUTION SUBMITTED TO THE FIRST COMMITTEE
BY SUB-COMMITTEE No. 2.

The Committee,

Having considered with the deepest interest Viscount Cecil's proposal and the memorandum of the British delegation annexed hereto ;

Shares the feelings which inspired these two documents ;

Recognises that the League of Nations should avoid dissipating its activity upon subjects which might divert it from its lofty mission of promoting the peace of the world and facilitating co-operation between nations for the peaceful progress of humanity ;

Recommends that every body forming part of the League, before proceeding to examine a proposal on its merits, should first decide the preliminary question whether the proposal falls within the objects of the League, as defined by the Covenant, and pronounce upon the importance of the proposal from the point of view of the attainment of those objects ;

Considers that it would be desirable that, if so requested by a member of such body, the question should be submitted to the First Committee of the Assembly, or, in the interval between the Assembly's sessions, to the Council ;

Recommends that the present resolution should be brought by the Secretary-General to the knowledge of the various bodies forming part of the League of Nations.

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of Minutes and Annexes of Fourth Committee

ABBREVIATIONS

| | |
|-----------|-------------------------------------|
| Com. | = Committee |
| Cl. | = Council |
| Int. | = International |
| I. L. O. | = International Labour Organisation |
| Sec.-Gen. | = Secretary-General |

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