

THE LEAGUE OF NATIONS

5

FINANCIAL ADMINISTRATION

AND

APPORTIONMENT OF

EXPENSES

BY

SIR HERBERT AMES

(Financial Director)

X7. IN

F3

Information Section,
League of Nations Secretariat,
GENEVA.

NOTE

This pamphlet is one of a short series issued by the Information Section of the Secretariat of the League of Nations on various aspects of League work. It should not be regarded as an official statement engaging the responsibility of the League; for official purposes, reference should be made to the documents and proceedings of the League of Nations.

Other pamphlets deal with the constitution and organisation of the League, the Permanent Court of International Justice, the financial reconstruction of Austria, political activities, the Upper Silesian settlement, financial and economic work, disarmament, health, mandates, transit, minorities, the administration of Danzig and the Saar, intellectual co-operation, and humanitarian activities.

December 1923.

CONTENTS

PART I — THE FINANCIAL ADMINISTRATION OF THE LEAGUE.

	Page
Introduction	5
The Organisation Period	6
The Work of the First Assembly	8
The Committee of Enquiry of 1921	9
The Second Assembly	9
The Supervisory Commission	10
How this System operates	11
Passing the League Budget	13
Allocating the Expenses	14
Creation of a Working Capital Fund	14
The Gold Franc	16
How the League is financed	19
Control of Expenditure	17
The Annual Cost of the League	18
What the Expenditure covers	19

PART II — THE APPORTIONMENT OF LEAGUE EXPENSES.

Introduction	22
The Original Scale	25
Consideration and Report by Experts	28
Discussion by the First Assembly	30
Renewed Examination	33
The Second Assembly's New Classification	35
Difficulties in 1922	37
The Work of the Third Assembly	37
The Scale for 1924	39

Part I

THE FINANCIAL ADMINISTRATION
OF THE LEAGUE

The creation of an organ for international co-operation on an extensive scale, such as the League of Nations has now become, presents many problems, not the least difficult being those connected with questions of revenue and expenditure. When countries engaged in making the most drastic economies at home are called upon to make considerable contributions towards the carrying on of work not under their exclusive control nor in all its phases regarded as directly useful to them, the questions asked and the criticisms offered are likely to be many and searching.

Respect for the wisdom of the decisions that authorise expenditure, faith in the integrity of the organisation which administers the funds, and confidence in the justice of the system under which the apportionment of the expenses is carried out—these are all essential prerequisites before parliaments will vote the necessary credits to pay their contributions towards the expenses of the League.

The League, on January 1st, 1924, will enter upon the sixth financial period of its existence. It now possesses a well-developed and smoothly running administration. This was not secured by a single act, but represents the gradual evolution of five full years. A review of the stages through which this development has passed, a description of the system now in operation, and a general analysis of the financial

working of the League may not be without historic interest and practical value.

The Covenant of the League of Nations contains very little by way of direction concerning the formation of the administrative organ which it was obvious would be necessary in order that the League might undertake the duties assigned to it. Article 6 authorises the establishment of a permanent Secretariat at the seat of the League : this organisation is to be under the immediate direction of the Secretary-General, who may, with the approval of the Council, appoint such staff as shall be required. Beyond a reference as to the method for the apportionment of the expenses of the Secretariat among the Members of the League, there are no provisions in the Covenant governing financial administration.

In each country, there exists a governmental system of financial administration that has been evolved after a long period of development. But none of these systems was in its entirety suitable for the League of Nations. A composite system, therefore, had to be developed that would be intelligible to and be approved by the Governments of all the States. Suggestion and constructive criticism have come from many directions. Successive Assemblies, Committees and individual experts have given to the question of the administration of League finances much patient enquiry and careful study. Experiments have been tried and rejected. Methods have been adopted and modified. There has been, however, steady progress towards perfection of administrative control and the result that has been finally attained is generally acceptable to the contributors.

THE ORGANISATION PERIOD

Although the birthday of the League of Nations is commonly given as January 10th, 1920, this being the day on which the Treaty of Versailles came officially into force, the

Secretary-General, Sir Eric Drummond, had for eight months prior to that time, been engaged in the task of building up his organisation and collecting an international secretariat. By the aid of timely advances made by the British and French Governments, the necessary preliminary expenditure was met. This provisional period came to an end with the creation of the League Council, whose first meeting was held on January 16th, 1920.

To the Council the Secretary-General reported on the steps already taken. The Council approved what had been done, and took over responsibility for further development.

It was not, however, until its fifth meeting, held in Rome, in May 1920, that the Council considered financial questions, dealing then with the estimates for the first financial period; while, at the Council meeting held at San Sebastian, in August, the second budget, that covering expenditure for the half-year ending December 31st, 1920, was likewise sanctioned.

While the Council, as the sole authority at that time existent, became in the last analysis responsible for the collection and expenditure of the necessary sums needed to carry on the work of the Secretariat and the International Labour Office, the Council made no attempt, during the ten months prior to the first meeting of the Assembly, to develop regulations for governing the financial administration of the League. The Council, during the interval, did not go beyond recording a decision for the adoption of the gold franc as the monetary unit and arranging for the auditing of the accounts for the first two financial periods. It preferred to leave to the Assembly the establishment of a system for controlling, by comprehensive regulations, the financial administration of the League.

THE WORK OF THE FIRST ASSEMBLY

The Assembly, at its first session, decided to adopt the standing Committee system for facilitating the despatch of its business. The Committees appointed were six in number, each comprising, as far as was possible, a representative from every delegation. To the Fourth Committee it was decided to refer all questions relating to the administration of League finances and to the internal organisation of the Secretariat, the International Labour Office and the Permanent Court of International Justice.

When the Assembly met for the first time, the first financial period had already terminated and the second financial period was nearly at an end. The First Assembly did not, therefore, occupy itself to any considerable extent with past expenditure, but gave careful study to the estimates for the third financial period (1921) which was shortly to begin. In accordance with European practice, two rapporteurs were named, the Hon. Sir George E. Foster, ex-Finance Minister of Canada, and Jonkheer W. J. M. van Eysinga, Professor of Political Science at the University of Leyden, in Holland. In the report, presented by the rapporteurs to the Fourth Committee near the close of its deliberations and transmitted with the Committee's approval to the First Assembly, are to be found, in the form of a series of resolutions for the "Financial Administration of the League" the foundations of the system ultimately adopted.

Discussion having arisen at the First Assembly as to the character of the organisations which the Secretary-General and the Director of the International Labour Office had by this time built up, and it having been contended in some quarters that the salaries paid and privileges granted were excessive, the Assembly decided to ask the Council to name a small Committee of experts to consider "all the factors

connected with the organisation, efficiency, number, salaries and allowances of the staff and to deal with the general expenditure of the whole organisation"; this Committee to report to the Second Assembly, so as to enable that body to form a fair opinion on the administration that had been created.

THE COMMITTEE OF ENQUIRY OF 1921

In due course the expert Committee of Enquiry was appointed by the Council. It consisted of five members, of whom the Chairman was M. Georges NOBLEMAIRE, Member of the French Chamber of Deputies, while the rapporteur was Mr. Robert A. JOHNSON, an official of the British Treasury. This Committee made a most exhaustive examination of the work of the Secretariat and of the International Labour Office, presenting to the Second Assembly, in September 1921, a detailed report on every matter on which they were asked to enquire. To review the contents of this report would be to describe in great part the system and organisation as it to-day exists. It is, perhaps preferable, therefore, to omit detail here. Suffice it to say that the report was most thorough and exhaustive and that in its main lines it approved the organisation of the two bodies in the form in which the experts found them; going, indeed, so far as to say that, having regard to the difficulties of building up in so short a time an international organisation to which no parallel has ever existed, "it was difficult to see how what had actually been achieved could have been substantially improved upon". The report was duly submitted to the Second Assembly, was slightly modified by that body and was finally agreed to. It forms the basis of the present system.

THE SECOND ASSEMBLY

It was now felt that the time had arrived for the consolidation, into a series of regulations, of the recommendations

approved by the First and Second Assemblies, of the findings of the Noblemaire-Johnson report, of the observations made by the successive auditors that had examined the accounts and of the precedents which had been created as the new organisation had dealt with its many problems.

The Second Assembly therefore decided that such a code be drawn up and presented—a year later—for final approval.

THE SUPERVISORY COMMISSION

The most important step, however, in the development of the internal administrative machinery of the League organisations was the decision arrived at by the Second Assembly to set up a Supervisory Commission. This body was to be composed of five members, of whom at least one should be a financial expert. The Commission was to meet as often as might be necessary, at Geneva or elsewhere, its duty being to supervise the financial working of the Secretariat, the International Labour Office and the Court, and to deal with any special matters of administration which the Assembly or the Council should refer to it.

The Council was asked to appoint this Commission and accordingly named M. Georges NOBLEMAIRE (France), Dr. NEDERBRAGT (Netherlands), Sir James ALLEN (New Zealand), Dr. S. OSUSKY (Czechoslovakia), and M. Luis WADDINGTON (Chile). The new Commission met in May and September of 1922, taking up, among other important tasks, the work of codifying the Financial Regulations. To the Rapporteur of the Supervisory Commission, Dr. Nederbragt, the League is mainly indebted for the carefully arranged and clearly expressed draft regulations which, having received the approval of the Commission, were finally adopted by the Third Assembly. The Fourth Assembly, after a year's trial, found it necessary to make but slight modifications.

Thus has the League come to have its code of financial regulations, the result of three years of discussion, examination and experience.

HOW THIS SYSTEM OPERATES

The financial year of the League is the calendar year. In April of the preceding year the Secretary-General prepares a provisional budget. It is no easy task to estimate what will be the requirements of a period that will not begin until eight months later, hence the calculations for certain of the items are necessarily somewhat indefinite.

This provisional budget contains three separate parts: that concerning the expenses of the Secretariat; that concerning the International Labour Office, and that concerning the Permanent Court of International Justice. It comprises, however, something more; for the budget of the League is not merely a recital of the requirements of these three organisations during a given period, but it contains provision for the acquisition of lands, buildings, furniture, equipment, etc., expenditure of an investment character. The ownership of this property rests with the League itself and not with any of its administrative organisations. The League is also the temporary usufructuary of a Working Capital Fund and the owner of the profits (when there are any) arising from exchange, interest or from other similar sources. In the course of time, as the lands and buildings that are being acquired are freed from debt and when the Working Capital is brought to its authorised maximum, the League will be the possessor of permanent and tangible assets of considerable value.

But to return to the Budget. As previously stated, League current expenditure is comprised in three estimates covering respectively the activities of the Secretariat and special organisations, the International Labour Organisation and the Permanent Court of International Justice. The

provisional budget of the Secretariat is drawn up by the Secretary-General; that of the International Labour Organisation is prepared by the Director and approved by the Governing Body; that of the Court is prepared by the Registrar and approved by the President of the Court.

These three budgets—including the estimates for capital expenditure and Working Capital above described—come up for examination at the Supervisory Commission's May meeting. At the same time the Auditor reports to the Commission on the accounts of the previous year. The executive heads of the three organisations, and any other official whose special knowledge of some particular feature of the work makes his explanations useful, are invited to appear before the Supervisory Commission.

Every item of each budget, down to the minutest detail, is subjected to close scrutiny, and a report is prepared by the Commission for the information of the Governments; this report has, of course, great weight with the Governments themselves and with the Assembly. The Commission has not the authority to alter the budget, but every effort is made by the Secretary-General, the Director of the International Labour Office, and the Registrar of the Court to meet the views of the Commission in its endeavours to keep down expenditure.

When agreement is reached, the consolidated budget, with the comments of the Supervisory Commission and full explanations by the competent officials, is printed in English and French and circulated, three months before the meeting of the Assembly, to every Member of the League and of the International Labour Organisation.

The Council also considers the expenditure proposed for the Secretariat and the Court, but of recent years has contented itself with referring these estimates, without critical comment, to the subsequent Assembly.

In the interval between circulation and the meeting, of the Assembly, there is ample time for the provisional estimates to reach every Government, even that of the most distant State; there is therefore full opportunity for examination of the proposed expenditure and for definite instructions to be given to all Assembly delegates. There is thus the fullest publicity regarding every item of anticipated expenditure and no Member of the League need be unaware of what its contribution for the ensuing year is likely to be.

PASSING THE LEAGUE BUDGET

When the consolidated budget, together with any proposals for capital expenditure or Working Capital reaches the Assembly, it is referred to the Fourth Committee, officially known as the Finance Committee, for examination and report.

Running the gauntlet of the Finance Committee is by no means a mere matter of form. Every item is exhaustively discussed. The Chairman of the Supervisory Commission has come to be regarded somewhat as a Minister of Finance. Aided by the executive heads of the three organisations, he explains the estimates which his Commission has agreed to three months before. It sometimes happens that conditions change between the time when the budget is first examined by the Supervisory Commission and the date on which it comes before the Finance Committee of the Assembly. In such cases amendment may be suggested by the Supervisory Commission, the Finance Committee being ever ready to accept an alteration promising to effect economy.

"Compression" is the watchword of the Finance Committee, and when the budget, passed by that body, reaches the Assembly, it may be taken for granted that the sums approved represent the minimum amount on which the work of the League can be carried on for another year without

serious impairment of the efficiency of the organisations of which it is constituted.

Furthermore, the Finance Committee bars the way to sudden adoption by the Assembly of unexpected projects involving expenditure, for no new proposal can be presented to the Assembly without having previously been examined and reported upon by the Committee. This is a very effective safeguard. It is not that in the last analysis the Assembly is not supreme, but enthusiasm for expenditure has a chance to cool in the Finance Committee, and the Assembly, if it receives an adverse report, rarely decides upon new expenditure.

ALLOCATING THE EXPENSES

At the time when the Assembly passes the estimates for the following year, it also fixes the method whereby the expenditure shall be apportioned among the Members. The contribution to be made by each State is determined in accordance with a schedule that has been agreed to after long consideration and debate. This matter, however, forms the subject of Part II of this pamphlet entitled "The apportionment of the expenses of the League of Nations among the States Members".

CREATION OF A WORKING CAPITAL FUND

After the Assembly has adjourned, having passed the consolidated budget and agreed to the apportionment of the expenses, the Secretary-General undertakes the task of collecting the contributions. About November 1st he notifies each State of the sum due for the coming year. One amount is asked but it is stated that when the payment is made, each of the three organisations, viz. the Secretariat, the Interna-

tional Labour Office and the Permanent Court of International Justice, will forthwith receive its proper proportion.

* Few States, however, pay their contributions in the earlier part of the year. Parliamentary sanction is generally necessary before funds can be sent in, hence the League has found itself, on several occasions, with hardly sufficient revenues to meet current expenses. To overcome this difficulty a Working Capital Fund is gradually being built up. In the budgets of 1920, 1921, 1923 and 1924 an amount is asked in excess of what is needed for actual expenditure and each contribution received in respect of these four periods includes a certain percentage towards Working Capital. It is hoped that by 1926 this fund will have reached 5,000,000 gold francs, the maximum authorised by the Assembly.

From time to time statements are prepared showing how much each State has paid into the Working Capital Fund. These payments are regarded as loans and may be returnable to the contributors, in whole or in part, at any time that the Assembly so decides. The Working Capital is available for each organisation in the proportion which its budget bears to the total budget. Working Capital is drawn as each organisation needs it and returned to the "pool" when no longer required. The Fund is kept in gold francs (that is to say, in American dollars) and the total paid-up amount is expected to be intact at the end of each normal year. As a regulating device whereby the finances of the League are kept at a happy mean between riches and poverty, it is provided in the financial regulations that, if, at the end of a budgetary period, the Working Capital is intact and there is still a free cash surplus, this latter sum shall be reimbursed to the Members of the League in the second following year. *Per contra*, if there is a deficit, this impairment must be made up by an extra assessment in the budget of the second following year. Thus surpluses and deficits are made to balance one another.

THE GOLD FRANC

The Secretary-General, when asking the States Members to send in their contributions, requests payment in gold francs, that is to say, in American dollars. When the Secretariat removed from London to Geneva, it was recognised that a Continental currency must henceforth be employed. The franc of the Latin Monetary Union, though of varying post-war gold value, represented a method of reckoning familiar to a large number of States. The gold franc, with its pre-war value of 5.1826 gold francs to the American dollar, was therefore taken as the monetary unit of the League. The budget total is expressed in gold francs, the details of expenditure, however, being worked out in Swiss francs. For accounting purposes, the gold franc and the Swiss franc are treated as though of equal value. This results in limiting expenditure to the number of Swiss francs expressed in a gold-franc total. It has also the incidental effect of creating some additional revenue by way of profit on exchange, so long as the Swiss franc is below par, and of involving a loss on exchange when, as was the case during a part of 1921, the value of the Swiss franc exceeds that of the gold franc.

HOW THE LEAGUE IS FINANCED

Were the contributions due in a given financial period always paid within the period, the task of financing the League would not be difficult. Unfortunately there is sometimes considerable delay in the payment of contributions. The experience of the past four years would seem to indicate that about 70 % of the sum due may be expected to reach the League Treasury within a given financial period. About two-thirds of the remainder is collectible but may require a year or more before it comes in. As, however, each year

has a similar carry-over, and as the annual expenditure is fairly constant, the current collections, together with the payments on arrears, usually provide revenue equivalent to about 90 % of the authorised budget of expenditure.

It is not always possible, with appropriations which have already been compressed to the limit of safety, to effect economies amounting to 10 %. Further reductions are, however, made wherever the service will permit. In case the expenditure of the year exceeds 90 % of the authorised budget and a deficit results, this is temporarily made good out of Working Capital and ultimately restored, as previously described, by the inclusion of a sufficient sum in the budget of the second following year. Thus the League has that much-desired condition, a balanced budget.

CONTROL OF EXPENDITURE

It can be affirmed, with little fear of contradiction and no danger of disproof, that no Government exercises stricter control over expenditure than the League of Nations. Complete rules and regulations govern every phase of the work, and the system followed in assuring obedience thereto is thoroughly effective. There is Internal Control and External Supervision. To begin with, there is complete separation within a League organisation between the department which authorises payment and the department which pays the account.

The Accounting Department is responsible for the correctness of the accounts of the League. No payment of any kind may, however, be made without the approval of the Internal Control Office. An official, desiring to entail expenditure, must apply in writing in advance for permission to do so. If there is an available appropriation and if the proposed expenditure conforms to the prescribed rules, such

permission is given by the Internal Control Officer and a record of the commitment is kept. When the account is subsequently presented for payment it must be certified by the Internal Control Officer that the agreed conditions have been fully complied with.

An auditor, who must be in no way in the service of any of the organisations of the League, is appointed by the Council. He serves for five years and cannot be re-elected save by the Council on the proposal of the Supervisory Commission. The accounts of the League are audited at the close of each financial year, but in addition the auditor examines all payments and vouchers three times during the year. For the purpose of his audit he may call for any existing League document and any official must, if so desired, answer his enquiries. Once a month the auditor receives a balanced statement of the receipts and expenditures of the preceding month. Any question raised by the auditor must be answered in writing by the competent official and if the auditor is not satisfied with the reply, he reports the matter to the Supervisory Commission. After each examination the auditor makes a full report to the Supervisory Commission. The rapporteur of the Commission is charged with the duty of studying the auditor's reports and of bringing before his colleagues all matters judged by him to require further consideration.

THE ANNUAL COST OF THE LEAGUE

What does the League of Nations cost the Nations which as members contribute to the expense of its work? Omitting the organisation periods of the League's early existence, the total authorised League budgets for 1921, 1922, 1923 and 1924 amount to 91,031,077 gold francs, giving an average of 22,757,769 gold francs per year, equivalent to about 2962,370, or at par 4,931,187 American dollars.

Under these four budgets capital expenditure amounting to 5,452,311 francs has been authorised. The headquarters of the Secretariat, on which the sum of 4,000,000 Swiss francs will have been paid by the end of the quadriennial period, represents the major part of this expenditure. Furniture, equipment, books and other assets of a permanent character account for the remainder. It is also expected that, by the end of 1924, if all due contributions are paid, the Working Capital will have grown to 4,420,000 gold francs. Capital expenditure and Working Capital may, strictly speaking, be considered as investments and as returnable advances. These items can therefore be excluded from the calculation as to the annual cost for the maintenance of the League organisation.

If what is being accumulated under these headings is deducted, it will be found that the average authorised League budget for current expenses comes to approximately 20,300,000 gold francs or £ 804,916 and slightly less than 4,000,000 American dollars per annum. Of this sum, there is allotted in round figures to :

The Secretariat budget : about 11,300,000 gold francs (£ 448,057 or 2,183,727 American dollars).

The International Labour Office budget : 7,000,000 gold francs (£ 277,557 or 1,350,675 American dollars);

The Court budget : approximately 2,000,000 gold francs (£ 79,302 or 386,000 American dollars).

What the Expenditure Covers. — The current expenses of the League cover a wide range, which includes the whole cost of the League, the Labour Organisation and the Court. The budget of the Secretariat carries the cost of all Council meetings, of the annual Assembly, of the technical organisations, the advisory committees and special committees, all administrative work and all salaries and allowances. There are

meetings of one kind or another throughout the year, and in 1923 for example, there were two general conferences in addition to the Assembly, namely, one on Customs Formalities and one on Transit. Nearly all the technical and advisory committees are composed of international representatives in their particular fields of experience, and although the total expenditure occasioned by these meetings reaches a considerable sum, the League receives expert counsel of inestimable value at the cost only of the reimbursement of out-of-pocket expenses of those who give this service. The cost of the First Assembly exceeded 900,000 francs, but subsequent experience enabled the Secretary-General to reduce this item gradually to half the original amount without affecting efficiency. That a meeting attended by delegations from 54 States and lasting over a month can be run at an expense of 450,000 francs, which is equivalent to £ 17,842 or to less than 86,000 American dollars, is an accomplishment which can challenge comparison with other similar conferences.

A consideration to be noted is that additional expenditure is caused by the necessity of two official languages. This not only means larger personnel, but greater expenditure on printing bills which, for all three organisations combined, require nearly two million francs per annum, or one-tenth of the total budget. Contracts for this are given not only in Switzerland but in other countries, whenever by so doing economies can be effected.

The cost of the meetings of the Governing Body and of the Annual Conference of the International Labour Organisation and all committees summoned by it, as well as the total cost of its Secretariat and administration is met out of the appropriation for the International Labour office.

The Court has only a small permanent staff and its budget is comprised mainly of salaries, allowances, and travelling expenses of the fifteen judges, varying somewhat according

to the frequency and duration of the sittings. The budget also includes the cost of the Secretariat and administration.

The Treaty of Versailles and the corresponding treaties with other States lay upon the League many important duties and, as further international engagements are entered into, such as in the case of the Treaty of Lausanne, additional work is assigned to the League. It is essential to co-operation on many matters that some central organisation such as the League of Nations should continue to function. Were its duties to be distributed to other international bodies the cost would be infinitely greater than it is at present. For the work accomplished, the League is one of the most economical organisations that has ever been created.

Part II

**THE APPORTIONMENT OF LEAGUE
EXPENSES**

INTRODUCTION

Whenever combined action involving expenditure requires to be undertaken, a necessary pre-requisite is a clear understanding as to the manner in which the cost shall be divided among the participants. This is true when the co-operators are individuals; it is equally true when they are independent States.

During the last half-century international action has developed in many fields, and conventions determining the apportionment of expenses are attached to not a few treaties governing international activities.

The pioneer and most widely accepted system of this nature and that on which the schedules of several other organisations are based, is that inaugurated by the International Telegraphic Convention in 1868 and subsequently developed in connection with the international postal service.

The "Universal Postal Union" was the outcome of a conference held at Berne in 1874, when a scale for the apportionment of expenses of the Telegraphic Union was adopted. The system provided that each Member State should be given a classification. A State of the first class was rated at 25 units, a State of the second class at 20 units and so on, there being six classes in all, a State of the sixth class having

but three units. In 1870 a seventh class, rated at one unit, was added at the request of the smaller States.

In order to determine the proportion of the expenses payable under the Universal Postal Union system by a member State, a total is obtained by adding together the unit rating of all the members. Then the ratio which the number of units of a given State bears to the total number of units determines the proportion of the expenses which that State shall pay.

The general principle followed in arriving at the classification of a State is "according to the population, extent of territory and the importance of the postal traffic", and in the application of these principles it is stated that "it devolves upon the Government of the Swiss Confederation to determine by common consent of the country the share to be contributed." As a matter of fact, however, not a few States, for reasons of national dignity, elected to be placed in a higher classification than their importance warranted.

The resulting system, partly scientific and partly empirical, has, with slight modifications, served its purpose for nearly fifty years.

Other international organisations, while giving prominence to somewhat different factors, have imitated the method inaugurated by the Postal Union. The International Institute of Weights and Measures determines its classification mainly according to population; the International Union for the Publication of Customs Tariffs attaches chief importance to relative commerce; the International Hydrographic Bureau bases its calculations according to the total tonnage of shipping; the International Bureau for the Protection of Industrial Property and the International Office of Public Health have adopted without change the original Universal Postal Union schedule, while the International Institute of Agriculture has evolved a scale of its own.

The Conventions of 1899 and 1907, by which was instituted the Permanent Court of Arbitration at The Hague, stipulate that the expenses of maintaining the central bureau shall be "borne by the contracting Powers in the proportion fixed for the International Bureau of the Universal Postal Union". For twenty years prior to 1919 this system was employed by the Court with satisfactory results. It was therefore natural that the statesmen who drew up the Treaty of Versailles should have had recourse to a similar method for the apportionment of the expenses of the League of Nations.

There had been no provision with regard to the allocation of expenses in either President Wilson's draft Covenant or in the original British draft. Nor had the matter been referred to in the French or the Italian proposals. In the first effort to combine these drafts, however, appears Article 6 of the League Covenant in practically its present form—taken almost without change from the Conventions of the Court of Arbitration. Apparently there was general agreement in concluding that the system would give equal satisfaction when applied to the apportionment of the expenses of the League of Nations.

All these previously formed international organisations, however, are operated within the limits of a greatly restricted budget. Their annual permitted expenditure is so inconsiderable that it matters little to a member State whether, in accordance with the classification which has been given to it, it is called upon to pay a maximum or a minimum contribution.

This is not so, however, with the League of Nations. A system, adequate for the distribution of small expenditure, has already proven wholly unsuitable when applied to a large budget.

The history of the League's finances during the past four years is made up largely of a recital of the endeavours to find

a way out of this very real difficulty. Now that a satisfactory solution seems to be within sight, a descriptive account of the steps that have led up to agreement may not only be of historical value but may demonstrate that the fullest consideration has been given to all the elements of a very difficult problem and that the decisions reached are the result of careful study, unhampered discussion and mutual concession to the fullest possible degree.

THE ORIGINAL SCALE

When the Secretary-General of the League of Nations, in October 1919, came to apportion, among the countries which appear in the Annex to the Covenant as original signatory Members, the sum which had been approved for the expenses of the organisation period, and in doing so followed the method prescribed in Article 6 of the Covenant, the result was as follows :

	CLASS	SHARE	AMOUNT
			£
United States of America	1st	25	16,234
Belgium	3rd	15	9,740
Bolivia	6th	3	1,948
Brazil	3rd	15	9,740
British Empire	1st	25	16,234
Australia	1st	25	16,234
British India	1st	25	16,234
Canada	1st	25	16,234
New Zealand	6th	3	1,948
South Africa	1st	25	16,234
China	1st	25	16,234
Cuba	6th	3	1,948
Czechoslovakia	4th	10	6,494
Ecuador	6th	3	1,948
France	1st	25	16,234

	CLASS	UNITS	AMOUNT £
Greece	5th	5	3,247
Guatemala	6th	3	1,948
Haiti	6th	3	1,948
Hedjaz	7th	1	648
Honduras	6th	3	1,948
Italy	1st	25	16,234
Japan	1st	25	16,234
Liberia	7th	1	648
Nicaragua	6th	3	1,948
Panama	6th	3	1,948
Peru	5th	5	3,247
Poland	1st	25	16,234
Portugal	4th	10	6,494
Roumania	3rd	15	9,740
Kingdom of the Serbs, Croats and Slovenes	4th	10	6,494
Siam	6th	3	1,948
Uruguay	6th	3	1,948
		395	£256,494

To apportion £256,494 (6,000,000 gold francs) among 32 States was, however, a very different matter from that of dividing 125,000 francs (the annual expenditure of the Postal Union) among 81 contributors.

Among the most prominent defects was the treatment accorded to the British Dominions. These States, although self-governing and, as such, original Members of the League, had not been, in an autonomous capacity, parties to the Arbitration Conventions. On applying the Universal Postal Union scale, however, it was found that India, Canada, Australia and South Africa were liable for League contributions equal in amount to those payable by Great Britain, France, Japan and Italy.

Again, there were difficulties with the smaller States which found themselves in a higher class than the conditions warranted. It was easy to foresee that, should the expenses of the League assume any considerable proportions, the share of these minor States might prove to be quite beyond their ability to pay, and either repudiation or withdrawal would be inevitable.

Finally, the Universal Postal Union scale in force in October of 1919, while it maintained the pre-war classification of Austria, Serbia and Russia, gave for obvious reasons no ratings to Czechoslovakia, the Kingdom of the Serbs, Croats and Slovenes and Poland, making necessary, in the endeavour to work out a classification for these latter States, the adoption of a more or less arbitrary procedure which might readily be contested.

But there was no course open to the Secretary-General other than to allocate the expenses in strict accordance with the letter of the Covenant, since any deviation therefrom would inevitably create precedents with far-reaching results.

In the memorandum on this subject prepared in the autumn of 1919 by the Secretary-General in anticipation of the first meeting of the Council of the League, the inadequacy of the Universal Postal Union schedule, as a method of apportioning League expenditure, was admitted, and the Secretary-General stated that "if the Council approves, a new scheme will be submitted in which an endeavour will be made to indicate a fairer basis of apportionment for future budgets."

In order to provide data for a thorough study of the entire question, the Council, at its meeting held in Rome in May, 1920, instructed the Secretary-General to draw up and circulate to all the Members of the League a questionnaire calling for accurate and recent information upon such matters as area, population, trade statistics, revenue and expenditure. In addition to this, it was decided that the Inter-

national Financial Conference (which it was then thought would shortly assemble), should be asked to name a Committee of experts to make recommendations as to the principles upon which a new apportionment might be based. In due course, the replies to the questionnaire and the report of the experts were to be submitted to the Council and the Assembly as a basis for remedial action.

But the result was disappointing. Replies to the questionnaire came in but slowly. In fact not a few countries, on account of war conditions, were unable to furnish reliable statistical information. Furthermore, the meeting of the International Financial Conference was several times postponed. Finally, the Council, at its August (1920) meeting held in San Sebastian, decided to request M. Gustave ADOR, the Chairman of the newly formed Economic and Financial Advisory Committee of the League, to select nine experts to whom should be entrusted the study of this complicated problem.

CONSIDERATION AND REPORT BY EXPERTS

The Committee of Experts, better known as "the Brussels Committee", first took up the question as to whether or not an apportionment of expenses might be justly based upon an estimate of the value of the services which a State might receive because of its membership in the League. In view of the fact, however, that all Members participating in the Assembly had equal status and in case of need the right to claim and to receive the maximum assistance that the League could give, it was agreed that an apportionment on such a basis was neither desirable nor possible.

It was then decided that the only standard that could be justly applied must rest upon "ability to pay" and the experts set to work to ascertain upon what principles this relative capacity could be determined.

A classification based upon national income or national wealth seemed to promise greatest results. But reliable and recent figures on these matters were found to be unobtainable in respect of the majority of States. Such factors as increase or decrease in territory, war indebtedness, devastation, reparations receivable or payable, rendered the pre-war statistics in many cases of little or no subsequent value.

Other statistics, available for a larger number of countries, such as revenue and expenditure, population, area, trade returns, postal and traffic figures were next carefully examined by the experts. Here also the strict application of indices, evolved from the statistics, brought out results manifestly unacceptable. It was unfair, for example, to place too much importance upon the factor of population since, if this were done, India and China would be called upon to bear an undue proportion of the load. Neither was area a safe criterion, for, judged on such a basis, countries such as Brazil, Canada and Australia, with vast undeveloped territories, would be greatly overrated.

Neither was foreign trade an altogether reliable guide, for it might happen that a country with undeveloped industries or developed industries but no raw materials would show disproportionately large import and export figures.

Again the national revenue of a country, where a federal government shared with a number of State governments, the taxation and the expenditure, would appear far too small when compared with a State whose governmental activities were highly centralised.

Finally, after weighing all these considerations, the experts concluded to base their decisions on two factors only, viz. the net public revenue of 1913 and the estimated population of 1919.

In estimating the value which should be attributed to population, the experts agreed that for China and India the

importance attached to this factor should not exceed that given in the case of the European Member of the League whose population was the largest.

Working along these lines, the "Brussels Committee" drew up its report. Index figures were determined for each Member State. The group method of classification and the seven categories in use by the Universal Postal Union were retained, but the States were re-classified according to the results obtained by the application of the new indices. Thus France, Great Britain, Italy and Japan remained in the first class; China, India and Poland passed from the first to the second category; while Australia, Canada and South Africa went from the first to the third class. Of the 41 States thus dealt with, fifteen remained in the same category, nine were advanced to a higher class and seventeen were given a lower rating.

To summarise the work of the "Brussels Committee", it may be said that it tabulated all available data, reduced the revenue figures to a common currency, worked out a table of indices and rearranged the member States within the Universal Postal Union scale.

An honest endeavour had been made to work along scientific lines applying the indices with precision regardless of results. No attempts were made to show leniency in special cases. The report was such as a Committee of Economists—unswayed by political considerations—might be expected to produce. As such it was submitted in the hope that it might form the basis for action by the Assembly.

DISCUSSION BY THE FIRST ASSEMBLY

The first Assembly met at Geneva in November of 1920, and at one of its earlier meetings took up the question of allocation of expenses. Without discussion, the report of

the "Brussels Committee of Experts" was referred for examination and report to what is known as the No 4 (Finance) Committee, on which every delegation represented at the Assembly has a member.

No sooner was the question reached in the Committee than it was amply evident that disapproval of the system established by Article 6 of the Covenant was almost universal and that there was prevalent a general feeling that, unless some better scheme for the allocation of expenses could be devised, the whole future of the League might be seriously endangered. While everyone, however, was in favour of prompt remedial action, there was a marked divergence of opinion as to how amendment could be obtained.

One section of the Committee maintained that the scale of the Universal Postal Union as it stood on January 10th, 1920, permanently fixed the classification of each Member. The Members of the League had entered it on the basis of the particular allocation of expenses prescribed by the Covenant, and, on the true interpretation of Article 6, this allocation was the allocation in force for the Universal Postal Union at the date when the Treaty of Versailles came into operation. Nothing in the Covenant made it possible to oblige the Members of the League to accept a different method of allocating its expenses from that which was proposed to them when they were asked to accept the obligations of membership. Only an amendment to the Covenant, therefore, could supersede the classification as it stood on the date when the Treaty came into force. If this view were admitted, it left open no course of action except to endeavour to amend Article 6 of the Covenant.

The other point of view, urged with equal force, was to the effect that the scale of the Universal Postal Union as it might be from year to year, was always the scale on which the allocation of League expenditure should be made. If, at any time, the Union altered the rating of one of its Members.

that alteration would automatically affect in like manner the position of that State in the scale of the League. Were this contention to be accepted, obviously the best course to pursue was to secure on the part of the Union a rearrangement of its scale by previous agreement in such a manner as to be satisfactory to the Members of the League.

In support of the first contention, it was urged that it was undignified for the League to be dependent upon another organisation over which it had little or no control, in so important a matter as the manner in which the expenses should be apportioned. The Assembly, it was claimed, should have the power of making its own allocation, and putting into effect a system resulting from general agreement.

In favour of obtaining a modification through the assistance of the Universal Postal Union, the argument was put forward that such was the quicker and simpler method, since to amend the Covenant required ratification by all the States represented on the Council and by a majority of the States members of the League.

Ultimately, it became clear that the Assembly was unwilling at its first session to admit that so new a document as the League Covenant already required amendment.

The decision reached by the First Assembly was therefore as follows :

For the year 1921 the old method with all its inconveniences should be retained. The Council would, however, immediately appoint a Committee composed of five persons, (including the Swiss delegate of the Universal Postal Union) which should place itself in communication with the authorities of the Postal Union in order to bring into force at the earliest possible date, a scheme of allocation which, with the approval of the Council, the Committee should recommend. If, by July 1st, 1921, however, it was found that the scheme of allocation recommended by the Committee had not been

adopted by the Universal Postal Union or was unacceptable to any member of the League, then the Committee's recommendation, whatever it might be, should be submitted for action to the Assembly of 1921.

RENEWED EXAMINATION

In conformity with these decisions, a Committee of five, which subsequently became known as the "Allocation Committee" was appointed by the Council before the close of 1920. This Committee consisted of M. Reveillaud, member of the Council of Prefecture of the Seine, M. Barbosa Carneiro, Commercial Attaché at the Brazilian Embassies in London and Paris, Mr. George, representative of the Universal Postal Union, Sir Henry Strakosch, an eminent South African financier and M. Kaufmann, of the Danish Foreign Office. With the exception of the chairman, all had been Members of the Brussels Committee of Experts.

The Allocation Committee had been instructed to collaborate with the Postal Union authorities with a view to utilising this agency as a means of bringing about the desired change in the League scale. Careful examination of this proposal, however, led to the conclusion that as a method of procedure this was impracticable. The Postal Union is made up of 81 States and Governmental administrations. So sweeping a change as the complete reclassification of its membership necessitated the consent of two-thirds of the States and it was estimated that 18 months or two years would pass before a sufficient number of ratifications could be secured. Hence, when the time limit fixed by the Assembly for the termination of these negotiations arrived without a settlement having been reached, the Allocation Committee was constrained to prepare an independent report for the consideration of the Second Assembly.

As primary indices, the Committee took the total population on December 31st, 1919, and the net revenue for 1913.

It corrected the figures of its predecessors, building on the foundations previously laid, although conscious that they were somewhat defective. Many of the States submitted carefully prepared reports regarding their resources, thus enabling the Allocation Committee to verify and to rectify previously acquired data.

But this Committee soon became convinced that an absolutely scientific classification was impossible. Comparison in various matters as between States brought into strong contrast the immense differences existing between them. For example, under the Universal Postal Union schedule, Great Britain was given 25 units, while Liberia was given one. The contribution that Great Britain was called upon to pay was therefore 25 times that of Liberia; but in population Great Britain had 50 times as many inhabitants as Liberia and in the matter of revenue that of Great Britain was at least 4,250 times that of Liberia. On the other hand, the dignity of membership itself would seem to indicate that even a small State should pay a reasonable sum.

Working out the indices on population and revenue and correcting these with other data, the index figures established by the Committee showed the relative position of Great Britain and Liberia as 118 to 1. It was apparent therefore that to maintain the scale of 25 to 1 could hardly be regarded as equitable. So the Committee suggested that the number of units attributable to each class should be altered so that the States of the first category should be reckoned at

	90 units
those of the second category	65 "
" third	35 "
" fourth	15 "
" fifth	10 "
" sixth	5 "
" seventh	2 "

By such a scale the maximum was 45 times greater than the minimum unit.

THE SECOND ASSEMBLY'S NEW CLASSIFICATION

The Second Assembly met in Geneva in September 1921 and the thorny problem of the allocation of expenses was again referred to its Finance Committee. At the outset the question of procedure was once and for all disposed of. It was agreed that the only practicable method was to secure an amendment to the Covenant and all efforts were henceforth directed towards that end.

In place of Article 6 of the Covenant it was proposed that a clause should be inserted which reads :

"The expenses of the League shall be borne by the Members of the League in the proportion decided by the Assembly."

To this, as a question of principle, all were agreed, but the Assembly hoped that it might forthwith be able to secure an immediate alleviation of the admitted injustices resulting from the Universal Postal Union scale, which would still continue in force for some time to come if the amendment alone were ratified.

Further the delegates desired to have some idea in advance of what their countries might be expected to pay under an allocation made by the Assembly. "True" it was argued, "the Assembly has not yet the power to sanction a new scale, but it is reasonable to wish to know how it is likely to exercise such power if and when it has been obtained."

Now, the Allocation Committee had submitted with its report a series of indices and two provisional tables based upon it. Table I represented an endeavour to utilise the 25-to-1 classification system of the Universal Postal Union.

while Table II, recognising a wider spread as between the maximum and minimum ratings, adopted figures from 90 to 2.

The discussion in the Finance Committee of the Second Assembly was long and at times animated. The delegates considered the question from every possible point of view. Criticism was directed against the criteria that had been used by the Allocation Committee in arriving at the index figures. Delegates of countries with depreciated currencies presented a plea for the introduction of a co-efficient based upon the rate of exchange, which though it did not carry, won, to a very considerable degree, the sympathy of the Finance Committee. The system of grouping States of the same unitary rating into classes was condemned and finally abandoned and an alphabetical arrangement agreed to in its stead. At one time it appeared that to make a choice between Table I and Table II would hopelessly divide the Finance Committee. Gradually, however, the majority rallied in favour of Table II, although the vote, when finally taken, was not unanimous. Only by a succession of majority votes were the necessary decisions one by one obtained and incorporated in the report which the Finance Committee ultimately submitted to the Assembly.

It was finally agreed to recommend :

- (1) That steps should be taken to secure as soon as possible an amendment to the Covenant that would give the Assembly the power to apportion its own expenses;
- (2) That the classification agreed to by a majority vote should be submitted as an annex to the Covenant, this allocation to be applied as from January 1922;
- (3) That the Committee of five should be continued and should make a further report to the Third Assembly.

On the last day of the Assembly, after several hours of debate, these recommendations of the Finance Committee were adopted by the Assembly in a plenary session.

DIFFICULTIES IN 1922

Although the Assembly, by the requisite majority, had approved of the new classification for the apportionment of its expenses, the proposed allocation could have no legal validity until the decision had been sanctioned by the requisite number of States. An amendment to the Covenant requires the ratification of all the States represented on the Council, as well as of a majority of the Members of the League whose representatives compose the Assembly.

The inevitable happened. States dissenting from the new schedule would ratify neither the amendment to Article 6 of the Covenant nor the Annex that it was proposed to add to it. By the middle of 1922 it was apparent that the new schedule could not be brought into force; and again, for the fourth time, the generally condemned Postal Union schedule was the only system that could be legally applied in assessing the contributions for that year.

THE WORK OF THE THIRD ASSEMBLY.

The work of the Second Assembly, however, was not wholly without results. While in its endeavour to take two steps at the same time it had failed to take either, the Assembly had decided to continue in office the Allocation Committee. It had been instructed to revise its statistics and indices, to hear and to consider complaints and to present a further report. When, in September of 1922, the results of another year's labour were presented to the Assembly, it at last became evident that a general agreement was within measurable distance.

As questions of a constitutional nature had been raised by several States, it was decided by the Third Assembly that the subject of the allocation of expenses should be examined by its First Committee, which usually dealt with questions of a constitutional and juridical character. At the same time, it was agreed that Sub-Committees of the First and Fourth Committees, acting as a joint Committee, should deal with the matter before it was taken up in the Assembly.

The report of the Allocation Committee, while maintaining for the most part the rating of Table II that had been approved by a majority in the Second Assembly, introduced two new factors in modification of its previous findings. Recognising that certain countries had severely suffered by invasion during the war, it was proposed that such States should be temporarily allowed a reduction in the number of units. This reduction should represent, in a rough way, the impairment in ability to pay consequent upon war devastation. For example; In any scale that might be drawn up, France would naturally expect to appear as a State of the first magnitude. France and Great Britain had both been rated at 90 units in the previous schedule of the Allocation Committee; but France had been invaded while Great Britain had not, hence, while both Powers came to be classified primarily at 95 units, the new plan allowed France a reduction of 17 units because of her devastated areas. Thus her unit of apportionment was fixed at 78. So Italy passed from 73 to 61; Roumania from 40 to 31; the Kingdom of the Serbs, Croats and Slovenes from 35 to 26, and Belgium from 20 to 15. Furthermore, for the benefit of the smaller States, a single unit was suggested as a minimum rating. Thus the ratio between the largest and smallest contribution (Great Britain and Liberia for example) was as 95 to 1.

While the report, when submitted to the Assembly, gave general satisfaction, there were still several States that objected to their classification. The situation was relieved by

the magnanimous action of Poland in offering to increase her rating from 15 to 25 units and by the fact that the admission of Hungary gave a further margin of four units for re-allocation. This made it possible to reduce slightly the rating of several States whose circumstances presented strong claims for consideration. It is true that in these suggestions the strictly scientific basis, originally aimed at, was hardly adhered to. It had always been recognised that it was impossible to work out to a number of decimals the "ability to pay" of every State. But a schedule based primarily on accurate data and modified sympathetically resulted in a scale with which all seemed fairly content.

Thus it was that the modified proposals of the Allocation Committee met with little opposition, and were in due course adopted by the Third Assembly without a dissenting voice. Cuba alone abstained, her delegates stating that they were without mandate to consent to any arrangement that would increase their annual contribution. The Cuban delegates agreed, however, to take the matter up again with their Government, and to urge that the new proposals be approved.

The provisional scale, approved by the Third Assembly, was put into force for the allocation of expenses in respect of the budget of 1923. On the whole the scheme gave satisfaction.

THE SCALE FOR 1924

The Fourth Assembly was, however, like all its predecessors, called upon to deal with the question and made some changes in the schedule of the preceding year. Ireland and Ethiopia being admitted to the League, the extra units accruing through these accessions were utilised in slightly reducing the rating of several other States. As a mark of sympathy for Japan in her great national disaster, a temporary reduction of 12 units was granted to that country.

The Fourth Assembly approved the continuance for another year of the 1923 scale with slight modifications and requested the Council to ask the Allocation Committee to continue its labours, in the hope of ultimately finding a more scientific basis.

The unitary arrangement in effect for 1924 will be as follows :

	UNITS		UNITS		UNITS
Albania	1	Ethiopia	2	Panama	1
Argentine	(35)	Finland	10	Paraguay	1
Australia	26	France	78	Persia	6
Austria	1	Greece	9	Peru	10
Belgium	15	Guatemala	1	Poland	25
Bolivia	5	Haiti	2	Portugal	9
Brazil	25	Honduras	1	Roumania	29
British Empire	88	Hungary	3	Salvador	1
Bulgaria	7	India	65	Kingdom of	
Canada	35	Ireland	10	the Serbs,	
Chile	15	Italy	61	Croats and	
China	65	Japan	61	Slovenes	26
Colombia	7	Latvia	3	Siam	10
Costa Rica	1	Liberia	1	South Africa	15
Cuba	9	Lithuania	4	Spain	40
Czechoslovakia	35	Luxemburg	1	Sweden	18
Denmark	12	Netherlands	20	Switzerland	15
Estonia	3	New Zealand	10	Uruguay	7
		Nicaragua	1	Venezuela	5
		Norway	11		<hr/>
					932

Five units, resulting from the accession of new Members, viz. the Irish Free State and Ethiopia, were divided by the Allocation Committee so as to give reductions to Roumania of 2 units and one unit each to Greece, Hungary and Portugal.

While it is not yet certain whether the few ratifications still required will have been received in time to make the new schedule binding, in a strictly juridical sense, on the Members of the League, it is hardly anticipated, that its provisions will be repudiated by any Government. An allocation which represents the unanimous vote of the Assembly is not likely to be seriously contested.

A comparison of this schedule with that given at the beginning of this article shows to what extent the original objections have been met. While for instance the total contribution from the British Empire has been but slightly reduced, its distribution among the several parts is now much fairer, Great Britain assuming 88 units, India 65, Canada 35, Australia 26, South Africa 15, New Zealand 10 and Ireland 10, instead of as before, Great Britain, Australia, Canada, India and South Africa each paying the same amount. The explanation of the British reduction from 95 to 88 units is that, when the Irish Free State became a Member of the League, Great Britain obviously had a claim for the sum of the Irish contribution to be deducted from hers, as Ireland was previously included in the United Kingdom contribution. On the grounds that the admission of a new Member State is an additional expense to the League, Great Britain abandoned her right to three of the ten units allocated to the Irish free State and took seven.

A number of the smaller countries will now be asked to contribute only the minimum amount, and where these States are given but one unit, it means for each a contribution of but a trifle more than one-thousandth part of the total budget.

It is true that it is only the allocation of the expenses of 1923 and 1924 which can be regarded as being settled by the "gentlemen's agreement" of 1922. There is nothing to prevent any Member of the League which feels that it has good reasons for doing so from proposing at the Assembly of

1924 a change in the allocation for 1925. But in this action there no longer lurks any grave danger. The spirit of sympathetic consideration which characterised the settlements may be counted upon to enable such small adjustments, as from time to time may yet be necessary, to be made without seriously altering the scheme as a whole. The main fact remains.

The duly authorised representatives of the Governments of the League have, after four years of untrammelled discussion, assented to a scheme of apportionment of the cost of their common endeavour. There has been removed from the horizon of the League a cloud which, it must be admitted, has on more than one occasion borne the appearance of menace. The way is now open for co-operative activity, of greater magnitude than has hitherto been possible, either by all the Members of the League or by special groups among the nations, since the definite understanding in advance as to the exact proportion of the cost which it is just that each should bear makes co-operation no longer difficult. Such an understanding creates a permanent basis applicable to united effort over an almost unlimited field.

RECENT DOCUMENTS
ON THE
FINANCIAL ADMINISTRATION.
OF THE LEAGUE.

Official Journal. January, 1924 (Part I)

CONTENTS

1. General Report on Financial Questions.
 2. Budget for the Sixth Financial Period (1924).
 3. Allocation of the Expenses for the Sixth Financial Period (1924).
 4. Regulations for the Financial Administration of the League of Nations 4/- 81.
-

Financial Position on August 31st, 1923

Memorandum by the Secretary-General (A. 49. 1923. X). 3d \$0.10

THE MONTHLY SUMMARY

OF THE

LEAGUE OF NATIONS

The *Monthly Summary* of the League of Nations is a record of the proceedings of all League meetings, and provides in general form a regular account of League activities. It is published in separate editions in English, French, German, Italian, Spanish and Czech.

PRICES

	Annual subscription	Single numbers
Great Britain, Dominions and Colonies . . .	5 shillings	6d.
United States	\$ 1	10 cts.

For prices in other countries, apply to :
Publication Department, League of Nations, Geneva, Switzerland.