

COMMITTEE No. 4.

Organization of the Secretariat.—The documents dealing with the organization of the Secretariat are A. 3 (the report of the Commission of experts appointed under a resolution of the First Assembly), and A. 14 (e) (the report of the Fourth Committee of the Second Assembly on the conclusions and proposals of the Commission of experts). I think it will be universally conceded that the decision to set up a Commission to inquire into the work of the Secretariat was a wise one, and if the recommendations which that Commission, and also the Fourth Committee, have made are carried into effect they will make, I am sure, for economy and good work. A perusal of these reports will greatly assist in gaining an insight into the internal organization of the Secretariat.

The report of the Fourth Committee was accepted by the Assembly on the 1st October under a resolution reading as follows :—

“The Assembly, having taken note of the report of Committee No. 4, approved the views there set forth, and expresses its gratitude to M. Noblemaire and his colleagues of the expert committee for their arduous and most useful labours.”

Budget.—Enclosed you will find audited accounts of the League of Nations and the International Labour Office for the second period ended 31st December, 1920, the documents being numbered respectively 21/31/45 and C. 2/M. 2/1921. I think I should draw your attention to the item which appears on page 5 in the former of these two documents, showing that several members of the League have not paid their contributions for the first and second fiscal periods, although, for the second, many paid subsequent to the issue of the balance-sheet. As a consequence of non-payment you will note on the liability side the item “Lloyd’s and National Provincial Foreign Bank (Limited), 206,388 gold francs,” which sum had to be borrowed to enable the League to carry on its work.

Provision has been made that when the accounts are presented next year the items will be more clearly shown, with comparisons of the amount expended and the amount voted in parallel columns.

I deemed it to be my duty, when considering the accounts of the International Labour Office, to call attention to the fact that £1,365 19s. 2d. had been spent on a Russian inquiry, and that an item also appeared in the League’s account of 6,134 gold francs for a Russian mission of investigation. There may have been difficulty in avoiding the overlapping, but I hope that as a result of the remarks made this year such overlapping will not occur in the future.

With regard to the accounts for the fourth fiscal period—that is, the year 1922—you will find that the sum originally asked for was 23,768,846 gold francs (Document A. 19), but that has been reduced to 20,758,945 gold francs, with some slight additions to be made as the result of further developments in the Assembly after the Budget was presented. The reduction is largely due to the fact that it was possible to reduce the amount required from the contributors owing to the surplus of revenue over expenditure which will be available at the end of 1921 on account of the Labour Office.

The report presented to the Assembly by the No. 4 Committee underwent some slight modifications, the most important of which have been inserted, and is numbered A. 169. With this document you will also find two others giving the Budget of both the League of Nations and the International Labour Office in detail. The documents are numbered respectively A. 19 (a) and A. 19 (1). The committee’s report, with the recommendations contained therein, was adopted as a whole by the Assembly on the 4th October under the following resolution :—

“The Assembly of the League of Nations, in accordance with Article 4 of the recommendation on the administration of the finances of the League of Nations dated the 17th December, 1920, accepts for the fiscal period 1922 the General Budget of the League and the Budget for the International Labour Office, which are herewith attached, and which will be published in the official *Journal*.”

Allocation of the Expenses of the League.—You will remember that, under the Covenant, provision is made in Article 6 for the expenses of the Secretariat to be borne by members of the League in accordance with the apportionment of the expenses of the International Bureau of the Universal Postal Union. The injustice of these rates was forcibly brought before the Finance Committee of the Assembly last year, and promise was given that a serious endeavour would be made during the current year to amend the rates; but to do this would necessitate an amendment of the Covenant, such being the opinion of a committee of jurists. The First Assembly resolved that a committee of experts be appointed to examine the question with a view of suggesting a new scale. The committee was appointed, and its report is numbered C. 66/M. 66. This document was considered by the Fourth Committee of the Second Assembly, and it submitted to the Assembly a report, which is numbered A. 179. The Assembly adopted the first resolution on page 7 of the report—*i.e.*, that the final paragraph of Article 6 of the Covenant should be replaced by “The expenses of the League shall be borne by the members of the League in the proportion decided by the Assembly.”

It also adopted as a provisional measure Resolution 2, together with the appendix on page 8, indicating the units payable by the various States, members of the League.

Resolution 3, which provides for the expert committee to continue its labours and submit a further report, was adopted with the following addition, in order to make sure that a more equitable scheme should replace the provisional one: “The Assembly recommends the Council to see that the committee charged with preparing a final scheme for the allocation of expenses will present this table to the Assembly of 1923.”

The report was drafted with the intention that, even if a permanent scale were not available by 1922, the provisional scheme should be made more equitable as a result of evidence now available or to be secured before the Assembly met in 1922 (see page 6 of the report, third paragraph).

No. 4 Committee, in paragraph 6 of page 6 of its report, declared itself against upholding the retroactivity which had been adopted by last year’s Assembly. This year’s Assembly, however, not wishing