

ARBITRATION AND SECURITY.

Consideration of this question received a fresh impetus in the Fifth Assembly of 1924, which drew up the famous protocol, an instrument which, however, has not become effective owing to the absence of the required number of ratifications. After that Assembly events moved with some rapidity, and before the following session the Treaties of Locarno had been drawn up. Such were the benefits which were expected from these treaties that the Sixth Assembly requested the Council to examine them and to submit a report for the consideration of this year's Assembly. Effect was given to this resolution, and the report drawn up is C. 34, M. 74, which is a "Systematic Survey of the Arbitration Conventions and Treaties of Mutual Security deposited with the League of Nations." Parts of Document A. 32 should also be read in this connection.

The result of the labours of the Secretariat and the Council received careful consideration by the Third Committee, which thought that the present time was peculiarly suitable for the development of mutual arbitration and security initiated at Locarno. It drew up a report (Document A. 79) which concludes with a resolution requesting the Council to recommend the States members of the League of Nations to put into practice the principles of mutual confidence and security, "and to offer, if necessary, its good offices for the conclusion of suitable agreements likely to establish confidence and security—the indispensable conditions of the maintenance of international peace: and, as a result, to facilitate the reduction and limitation of the armaments of all States." This resolution was passed by the Assembly at its meeting on the 25th September.

COMMITTEE No. 4.

The Fourth Committee dealt with the following documents and papers:—

No.	Subject.
A. 3	Audited Accounts for the Seventh Financial Period (1925).
A. 4 (1)	Budget for the Ninth Financial Period (1927). Part I, Secretariat and Special Organizations of the League.
A. 4 (a) (1)	Budget for the Ninth Financial Period (1927). Part II, International Labour Organization.
A. 4 (b)	Budget for the Ninth Financial Period (1927). Part III, Permanent Court of International Justice.
A. 8	General Statement of the Assets and Liabilities of the League of Nations as at 31st December, 1925.
A. 5 (1)	Report of the Supervisory Commission.
A. 11	Special Allowances to Members of the Permanent Mandates Commission.
A. 39	Proportional Share of the Members of the League in the Building Fund.
A. 43	New Work involving New Expenditure on the Part of the League.
A. 72	Amendment to Article 6 of the Staff Provident Fund Regulations.
A. 78	Cost of Living in Geneva.
A. 105	General Report submitted by the Fourth Committee to the Assembly.
A. IV, 1	Confidential Report—Contributions in Arrears.
A. IV, 3	Proportional Share of the Members of the League in the Building Fund. Explanatory Note by the Secretary-General
A. IV, 5	Confidential Report of the Sub-Committee on Contributions in Arrears.
A. IV, 8	Report of the Supervisory Commission to the Fourth Committee of the Assembly at its Seventh Ordinary Session.
A. IV, 9	Report of the Supervisory Commission to the Fourth Committee on Modifications to be made in the 1927 Budget.
C. 560	Report of the Salaries-adjustment Committee on the Cost of Living in Geneva.
C. 561	Report of the Salaries-adjustment Committee on the Cost of Living in Geneva. Report by M. Villegas.

The general report and other papers on financial questions were approved by the Assembly at its final meeting, held on Saturday, the 25th September, 1926.

As will be seen from the general report submitted by the Fourth Committee to the Assembly, very few fresh questions arose for discussion. It became apparent very early in the deliberations that several delegations, particularly those from Great Britain and other parts of the Empire, intended to examine closely all items of expenditure and to pay serious attention to proposed increases in the Budget for 1927. The Indian Delegation submitted a resolution immediately prior to the consideration of the Budget, which gave the opportunity for a very full and useful discussion on the control generally of the League finances. Although the resolution was modified somewhat, as printed on the first page in Document A. 105, the tone of the many speeches left no doubt that a number of States were perturbed by the gradual increases in the annual expenditure, and desired to take some step that would ensure proposed new work being subjected to the closest possible scrutiny, while at the same time do nothing that might hamper the League in fulfilling its objects. Many items of the Budget were questioned, but from the report of, and explanations rendered by, the chairman of the Supervisory Commission it was clear that that body had already subjected the Budget to a very minute and careful examination, and had made many reductions. Consequently most of the items were approved by the Fourth Committee without alteration. Despite the increase in contributions due to Germany's accession to the League—79 units—the Budget for 1927 shows an increase of approximately 8 per cent. over the previous year.