

BUDGET.

Document A. 3 is the Audited Accounts for the Eighth Financial Period, 1926, whilst the Budgets for the Secretariat, the International Labour Office, and the Permanent Court of International Justice as submitted to the Fourth Committee at its first meeting are Documents A. 4 (1), A. 4 (a) (1), and A. 4 (b). These should be examined in conjunction with the reports of the Supervisory Commission, A. 5 and A. 5 (a), and an interesting account of the present conditions of work in the Secretariat, A. 21.

When these documents were laid on the table it was announced that the Fourth Committee would be asked by other committees to vote supplementary credits, and it was decided to deal with these requests towards the close of the session in order that the relative claims for money could be considered. Consequently the Budget as submitted was approved provisionally, with the exception of one item in Chapter 2 of the Budget of the Secretariat.

A sum of 12,000 francs was provided for the expenses of the Committee on the Allocation of Expenses (item 17 (d)). M. Reveillaud, the President of the Allocation of Expenses Committee, who was representing France on the Fourth Committee of the Assembly, moved to reduce the amount by 4,500 francs, and he proceeded to give his reasons for introducing the motion. He reminded the committee that in 1925 the Sixth Assembly passed a resolution which (1) provided that the scale of allocation of expenses annexed to that resolution should be adopted for the years 1926, 1927, and 1928, and (2) asked the Council to request the Committee on the Allocation of Expenses to submit a revised scale to the Assembly of 1928. He reviewed the task of his committee in the light of the economic and financial conditions of the last few years. He admitted that conditions were more stable now, but gave it as his opinion that to take the various national Budgets for 1926, for instance, as a basis of calculation would be unjust. He went so far as to say that it might be necessary to keep the present scale in force for a few years longer, and not to come to a final decision until 1930 or 1931. He added that he would have been prepared to recommend the elimination of the vote had it not been necessary to maintain a credit for use in the event of another State being admitted to the League next year, thus making a meeting of the committee necessary in order that the scale on which the new entrant would pay could be determined. Of course, no decision regarding the scale of allocation of expenses was taken. The position remains as heretofore, and the question will be placed on the Agenda for the next Assembly.

Towards the end of the session there was brought before the committee a request for supplementary credits made by the Secretary-General and the Director of the International Labour Office, together with a list of supplementary credits required if certain decisions made or endorsed by the other committees were to be carried out. Supplementary credits amounting to 533,695 francs were voted by the Fourth Committee, and, in addition to the saving of 4,500 francs referred to above, a saving was effected by suppressing the item of 75,000 francs for the Committee of Experts for the Codification of International Law. The First Committee had, in principle, decided to recommend the setting-up of a committee to prepare for a Conference on the Codification of three subjects of International law, and for this new committee the Fourth Committee voted a supplementary credit of 80,000 francs. The First Committee, however, thought it advisable to keep the Experts Committee in being for the purpose of consultation by the new committee; but, as was pointed out by the Chairman of the Supervisory Commission, the experts had finished their work on the three subjects of international law mentioned above, and his Commission could not recommend a continuance of the credit. There was an exchange of views, and ultimately the committee proceeded to the vote, the result being that the credit was struck out. The First Committee was disappointed on hearing the decision of the Fourth, but in order to meet the views of the former it was arranged that any money not needed for the Preparatory Committee should be made available for the Committee of Experts, and item 29 (see page 6 of Document A. 113) was worded accordingly.

In this connection attention may be drawn to the discussion on another supplementary credit which was not allowed, one for 44,334 francs for the collection and exchange of data on communications and transit problems, recommended by the Third Conference on Communications and Transit, and also to the supplementary credit of 63,300 francs for the expenses of the Central Opium Board (dealt with in the section of this report relating to the Fifth Committee). In regard to the first of these two credits, one speaker urged that the Fourth Committee had not the right to veto a credit required to carry out the recommendation of an International Conference held under the auspices of the League. If such a view were to prevail, however, the Fourth Committee would be so circumscribed in its actions that it would lose some of its powers as a Budget Committee. Wisdom prevailed and the credit was rejected, but only after two votes had been taken, the first having resulted in a tie.

As to the second of these two credits, no question of principle was at stake; the machinery of the Board is provided for in an International Convention, and the credits necessary must be voted when required, but the point at issue was—would money be required next year? In the opinion of the Supervisory Commission, as ratifications were coming in so slowly, the League would incur little risk in not voting the credit, for it did not seem likely that the Board would be constituted before the end of 1928.

It is well to draw attention to a principle which must never be lost sight of—*i.e.*, of following the advice of the Supervisory Commission, unless high politics render it necessary to take a different view: indeed, one cannot but be grateful to the Supervisory Commission for the great care which it displays in the examination of all questions relating to the Budget. Nevertheless, in spite of this care, the Budget increases year by year, and the question arises whether the powers of that Commission are not insufficient, and whether the time has not arrived to appoint a small body which would examine all questions of new expenditure and make proposals thereon. This point was brought up by the British delegate, and is mentioned in the Fourth Committee's report to the Assembly (Document A. 113).