

As usual, supplementary credits were requested in the course of the Assembly. Some of these were granted; some were not. Detailed examination is not necessary, but in respect to one item I think a few words are required.

During the past year or two the question of the ultimate settlement of Assyrians now living in Iraq has given some trouble to the Governments interested. The matter came before the Sixth Committee, and will be dealt with later. A supplementary credit being involved, the Fourth Committee took its share in the discussion. I have nothing to say against the decision which the Assembly ultimately took. If the plan for the transfer of the Assyrians to Syria succeeds, there will be much ground for satisfaction, and the League will have assisted in the accomplishment of another task well worth the doing. But I do question whether it is not possible to avoid demands for large supplementary credits at a comparatively late hour of the session. It is true that the regulations admit it: how otherwise would it be possible to deal with matters unexpectedly if belatedly occurring and involving expenditure? But surely it is incumbent on Governments proposing work involving additional and considerable expenditure to make their plans known early enough to permit other Governments, some of which are situated at great distances from the seat of the League, to give their delegates instructions based on a proper consideration of all the facts. In this instance the assistance of the League involves an expenditure of 1,300,000 francs, spread over four years, with an expenditure of 400,000 francs in 1936. The matter is dealt with at length in paragraphs 17 to 27 of the Supervisory Committee's Second Report (Document A. 5 (b)).

The Supervisory Committee's report to the Assembly is Document A. 75. In addition to a brief but clear exposition of the budget as passed by the Assembly on the 28th September, it gives information on the new building, the Staff Pensions Fund (the position of this fund is not a happy one), disposal of the 1935 surplus, and other matters. The budget for the calendar year 1936 amounts to 28,279,901 francs, as compared with 30,639,664 francs for 1935.

In closing my remarks on the budget I would state that a step of great importance is to be taken—no less a one than the creation of a reserve fund, the nucleus of which will be arrears that have recently been and, it is hoped, will continue to be collected. The next Assembly will deal with the matter (see also Documents A. 3, A. 5 (a), A. 10, A. 11).

ALLOCATION OF EXPENSES.

Complaints that the contributions of some countries are fixed at too high a rate are growing in volume; nevertheless, the invitation of the Assembly of 1934 to States to make suggestions concerning the method or basis of contribution of members of the League was not accepted, no proposals having been communicated to the Secretary-General. Nor was the suggestion, made in 1934, of the British delegation to fix at 105 units the contribution of States having permanent seats on the Council debated this year. M. Hambro thought that a few countries would offer to pay more, regarding it as an honour to be assessed at a higher rate. There was, however, no definite evidence of this spirit. I am of opinion that no question of an administrative nature will give the League more trouble to solve.

The Committee on the Allocation of Expenses hopes to produce next year a basis for settlement. This year it recommended that Ecuador be assessed at one unit, and that the contribution of China be reduced from 46 to 42 units. This recommendation the Assembly accepted on the 28th September (Documents A. 29 and A. 74).

I have noted your instructions in regard to the general question. It may be that in the light of events you will wish to modify them. If so, doubtless you will cause me to be informed well in time for next year's Assembly.

CONTRIBUTIONS IN ARREARS.

This question (especially in regard to its bearing on the question of the allocation of expenses) was dealt with fully in my report on the Fifteenth Assembly. The Fifteenth Assembly appointed a sub-committee to negotiate and conclude arrangements with States for the settlement of their debt in respect of arrears outstanding at the end of 1932. This sub-committee met and produced a report (Document A. 15). It met again during the Assembly session and made a further report (Document A. 73). These two reports give a great deal of information on the position generally, as well as on each State affected, and furnish particulars of the arrangements which the Committee succeeded in making with certain States and of proposals made in connection with the debts of other States.

The various settlements so far effected involve considerable sacrifices on the part of the League. But is it not better to make a sacrifice which holds out a prospect of receiving something than to continue an *impasse*? It may well be that the example set by States with whom an accord has been reached will influence others to come to terms.

The short report of the Fourth Committee, which should be read in conjunction with the documents cited above, is numbered A. 76. It will be observed from the resolution passed by the Assembly on the 28th September that the sub-committee is invited to continue its tasks and to present a report at the next session of the Assembly.

In the middle of October Germany settled her debt to the League, of which she ceased to be a member a few days later.