

No attempt was made in the Committee to cover the whole field of disarmament, for which it was generally conceded the time was not appropriate, but it did express the opinion that work might well be resumed upon those aspects of the subject which the Bureau of the Disarmament Conference had, when it ceased its labours, considered to be capable of early agreement, namely :—

- (a) The regulation of and the manufacture of and trade in armaments ;
- (b) Budgetary publicity ; and
- (c) The establishment of the Permanent Disarmament Commission.

The Commission reaffirmed the opinion of the Bureau that these three questions had reached a stage at which a solution may be possible at a relatively early date. In addition, the desirability was stressed of pursuing its work in other fields as well. The French delegation, for example, suggested the consideration of a Convention on Limitation and Assistance in regard to air armaments, while reference was again made to the Convention on Financial Assistance of 1930, and the General Convention to Improve the Means of Preventing War of 1931. The Committee realized that the resumption of the work of the Disarmament Conference, which it recommended, must depend to a considerable extent upon the existing political situation and upon the decision of the Disarmament Conference and its organs. While passing the resolution set out below, the Committee in its report (Document A. 64, 1936, IX) made it plain that in its opinion the resumption of the work on Disarmament could in no sense replace the efforts of the League of Nations to ensure collective security and to avoid the necessity for making use of existing armaments. The Committee's resolution is as follows :—

“ The Assembly—

“ Firmly convinced of the need of pursuing and intensifying the efforts made to bring about the reduction and limitation of armaments provided for in Article 8 of the Covenant :

“ Welcomes the action initiated by the French Government with a view to the early convocation at the most opportune date of the Bureau of the Conference for the Reduction and Limitation of Armaments, and

“ Requests the Council to communicate to the Governments of the countries represented on the Conference the present report and the Minutes of the Third Committee's discussions.”

FOURTH COMMITTEE: ORGANIZATION OF THE SECRETARIAT AND FINANCES OF THE LEAGUE.

Delegate : Mr. W. J. JORDAN. Substitute : Mr. C. KNOWLES.

BUDGET.

The audited accounts of 1935 (Document A. 3) need only passing reference.

The estimates, including certain supplementary estimates, as presented to the Assembly, are to be found in a series of Documents numbered A. 4. Further estimates were laid before the Fourth Committee in the course of the Assembly, and to these I will make reference later.

Particulars of the financial position on the 31st August are contained in Document A. 30. The position disclosed is encouraging, the percentage of payments for the current year having been greater than on the corresponding day of 1935. This document also contains brief information regarding two funds created by decision of the Sixteenth Assembly—the Reserve Fund, comprising certain arrears collected, and the Guarantee Fund, comprising part of the cash surplus of 1934, with an allocation from the Reserve Fund. The former fund meets a long-felt want. The latter flows from the action of the Fourth Committee last year in substantially reducing credits, and was provided to meet possible deficiencies.

The new League Building is not yet finished, so that the Building Fund does not this year call for special comment.

Before proceeding to consider the Budget as a whole it would be advisable to make two observations : (1) Certain chapters of the estimates of the secretariat show lump-sum deductions. This practice was adopted last year as the result of the French “ drive ” for economy. Such an arrangement meets, on the one hand, the necessity for providing money for work which it is not certain will be undertaken and, on the other, the endeavour to bring the Budget as a whole into line with the realities of the situation, and thus to reduce at the same time the contributions of Member States and the amount of a possible surplus at the end of the year ; (2) during the course of the Assembly the Swiss franc was devalued. On this point I shall have something to say later. Here I merely remark that while after devaluation the *expenditure* budget continued to be represented by the figures as printed, the *receipts* budget expressed in terms of gold underwent considerable reduction. There will therefore be a consequent saving to Member States.

Apart from the devaluation of the Swiss franc, little happened this year in the Fourth Committee meriting close examination. There was no lengthy debate on the need for economy ; years of experience are now bearing fruit ; the position in regard to arrears is more satisfactory ; improvements in administration are making their presence felt. Nor was the organization of the Secretariat the subject of lengthy discussion. Members of the Secretariat are now housed in the new building, which is a great improvement on the old Hotel National, which was their home from 1920.