

Estate Account, 3,000,000 Swiss Francs.—The grounds surrounding the League of Nations building have been laid out to good effect, and although the area devoted to League purposes appears to be sufficiently large, and the building is situated outside the city, there is a risk of building developments in the immediate vicinity which might spoil the amenities of the site. Certain experts were consulted on the problems presented by the layout of the Place des Nations, from which access is gained to the building, and as a result of such consultation the Secretariat has negotiated for the acquisition of certain adjoining properties. The future of the properties so to be acquired has not yet been determined, but any disposed of will be resold subject to restrictive covenants, and all transactions will be entered in a separate account. Some particulars are given on pages 2 and 3 of the Second Report of the Supervisory Commission (Document A. 5 (a)).

I should add that the design of the building, although on simple lines, is impressive, and the situation affords a magnificent view of Mont Blanc, some forty miles away. Many of the rooms are beautifully fitted with gifts from States members. The room of the President of the Council, which has been panelled with New Zealand timber in a most pleasing style, does not suffer by comparison with larger rooms which have been similarly panelled. I should add that the new Assembly Hall, although not yet completed, was used for the last few meetings of the Assembly.

No credits were asked for this year on account of the new building contract, but some figures relating to costs given in Document A 5 (a) will be found of interest.

SUPERVISORY COMMISSION.

The Supervisory Commission, which is so important an element in the administration of the finances of the League and in the consideration of matters relating to organization, has been operating for many years. New Zealand may reasonably claim to have had a voice in the organization of the League's internal economy through its first representative of the Assembly, the Honourable Sir James Allen, who was an original member of the Commission. The Commission has been very fortunate in its membership not only by reason of the quality of the members, but also because some of them have been members from its inception. Last year two were due to retire under the rule that a member elected for a period of three years, and re-elected for a further like period, should not be re-elected a second time until after the expiration of at least three years of non-membership. The Fourth Committee of the Seventeenth Assembly was not in a mood to lose the services of these two members, the Chairman, M. Osusky, and the Rapporteur, M. Réveillaud, so the Seventeenth Assembly was recommended (and accepted the recommendation) to suspend the rule governing election, and to appoint a small committee to examine the method of election. Further, an additional member of the Supervisory Commission was appointed. The small Committee (of three members) met early this year and examined the problem submitted to it, which was to devise a scheme of election which should have due regard to the Supervisory Commission's containing at all times members having a sufficient practical experience of the financial administration of the League to ensure the continuity of the work of the Commission and the proper exercise by it of its task, while maintaining the principle of its renewal at regular intervals. The Committee seems to have considered the problem thoroughly in all its bearings, for it produced a report (A. 7, 1937, X) which found ready acceptance. The discussion which followed the introduction of the report in the Fourth Committee was concerned not so much with the recommendations it contains as with the losses which their adoption entailed. The recommendations are a little complicated, and they can only be understood by reference to the report itself. Their adoption involved the loss of the talented and popular President, M. Osusky, and the less-known (in Geneva, at any rate) but equally valuable member, Lord Meston of Agra. To both men fine tributes were paid by members of the Committee, especially those associated with the Supervisory Commission. The Report was adopted by the Fourth Committee, and accepted by the Assembly at its meeting on the 30th September, when the following resolution (Document A. 52, 1937, X) was passed:—

“The Assembly—

“Adopts the conclusions of document A. 7, 1937, X, dated 9th April, 1937, in regard to the amendments to Article I of the Financial Regulations referring to the composition of the Supervisory Commission and the renewal of its members;

“Warmly thanks M. Stefan Osusky and Lord Meston of Agra for the inestimable services they have rendered to the League of Nations in the last fifteen years as members of the Supervisory Commission.”

The Assembly having come to a decision, it only remained for the Fourth Committee to fill the two vacant seats. Voting took place at the meeting on the 2nd October, when Sir Cecil Kisch (United Kingdom) and M. Harri Holma (Finland) were elected.

CONTRIBUTIONS TO THE EXPENSES OF THE LEAGUE.

The League financial year is the calendar year, a twelve-monthly financial period which does not obtain to any extent in States members of the League. Indeed, the financial year varies very considerably, and as League receipts depend upon the passing of national Budgets the Secretariat is much hampered. Some States do not pay until towards the close of the calendar year. This is an important aspect of the problem of contributions. Another aspect is the uncertainty caused by the non-payment either of current contributions or of arrears, or of arrears consolidated under special resolutions of the Assembly. But the financial position is on the whole favourable, and the report of the Sub-committee on Contributions, Document A. 16, 1937, X, is not depressing. As the Committee indicates, the position is not satisfactory, but in view of the improvement recently shown it thinks it unnecessary this year to take powers to ensure prompter payment. Arrangements have recently been concluded with a few States regarding payment of arrears, particulars of which are contained in the report. A problem, legal in character, was raised by the notice to withdraw from the League presented