

Secretariat and the International Labour Office and recommend what economies can be carried out either immediately or in the near future. The draft resolution also requested the Secretary-General and the Director of the International Labour Office to prepare their draft budgets for 1940 in the light of this recommendation.

Special Committee on Contributions in Arrears.

Notwithstanding the improvement in the payment of contributions, the position cannot as yet be considered as fully satisfactory, seeing that eighteen States had not paid their contributions for 1937 in full by the end of that year. The Fourth Committee decided, therefore, that the members of the Special Committee on Contributions in Arrears should be re-appointed for a further term of one year.

It approved the recommendations made in the report of the Special Committee in the case of China and Cuba, and accepted the First Committee's recommendation regarding Austria's contribution. Accordingly, Austria will have to be removed from the list of contributing States. This will mean a loss of more than 222,000 gold francs for the current year.

Revision of the Scale of Allocation of the League's Expenses

The present scale of allocation of the League's expenses, based, as were earlier scales, on such factors as area, population, production and trade of Member States, was adopted by the 1936 Assembly for three years and will, therefore, cease to be in force on December 31, 1939. Accordingly, the establishment of a new scale of allocation for 1940 and subsequent years was discussed at some length by the Committee.

The views of the Canadian delegation on the matter were put forward by Mr. Wrong, who considered that the existing scale was the result of long study and experience and represented a fair and practical basis. He thought, however, that there were a number of anomalies which, as far as possible, should be eliminated. It was, for instance, an anomaly for Canada to pay more than one European country with three times her population. As regards the criteria which should be adopted, capacity to pay was the most important one, but population was also an important factor. An equally important criterion was the benefit received by Member States from the League, and such data as national defence expenditure and expenditure on foreign affairs were therefore important.

After considerable discussion it was decided to appoint a Committee consisting of representatives of Argentina, Canada, France, Greece, India, Iran, Latvia, Mexico, Netherlands, Norway, the United Kingdom and the Union of Soviet Socialist Republics to consider the whole question. It was further decided that the minutes of the discussion would be made available to the Committee which, however, would be entirely free to decide the relative value of the various criteria which had been suggested.

Membership of the Supervisory Commission

The Committee proceeded to the election of three members to the Supervisory Commission. Senor Pardo (Argentine Republic) and M. de Boisanger (France) were elected for the period ending December 31, 1941, and M. de Ottlik (Hungary) for the period ending December 31, 1940.

Exceptional Measures

In view of the danger of general war which was threatening Europe, it was decided that until the next Ordinary Session of the Assembly, the Secretary-General and the Director of the International Labour Office, acting with the approval of the Supervisory Commission which may take all decisions by a majority vote, shall have in their discretion to take any exceptional administrative or financial measures or decisions which appear necessary.