

	Estimates		Expenditure 1938
	1939	1940	
Secretariat.....	16,183,063	10,771,957	13,565,610
I.L.O.....	8,394,243	6,351,600	8,179,460
Permanent Court.....	2,839,689	2,383,638	2,661,703
Pensions.....	1,710,118	1,563,476	1,619,231
All other.....	3,101,899	380,737	2,154,084
TOTAL.....	32,234,012	21,451,403	28,180,088

The figures for 1940 represent the authorized expenditures for that year. The League's income, however, will only reach this total if all Member States pay their contributions in full. In present circumstances this is not at all likely to occur; and in any event the exclusion of the U.S.S.R. from the League after the adoption of the budget has already reduced the League's income in 1940 by 11½ per cent of the income budget. The report of the Fourth Committee noted that it would be necessary to keep current expenditures substantially below the level of the authorized credits. The report also directed attention to the statement of the Secretary-General to the Committee that the budget had been adjusted to wartime conditions as far as possible and that the operation could not in his view be repeated.

The budget of the Secretariat has been reduced by 33·4 per cent involving a very considerable diminution in staff. The services chiefly occupied with political questions have been drastically cut down; far the greater part of the current expenditure arises from the work of the Secretariat in the social and economic field. The budget of the International Labour Office has been cut by 24 per cent, and this also involves the suppression of a large number of posts. The budget of the Permanent Court of International Justice has been reduced by 15·3 per cent, chiefly because the President and Members of the Court have voluntarily accepted a reduced scale of salaries. The remainder of the economies in the 1940 budget have been effected by eliminating expenditures on various activities. The heading "All other" in the table given above includes for 1940 only the sums necessary for the maintenance of the Permanent Central Opium Board and the Office of the League High Commissioner for Refugees, together with a small vote for the League's wireless station.

The Fourth Committee took note with appreciation of the response of the staff of the Secretariat and International Labour Office to an appeal to them to make a voluntary contribution from their salaries. This contribution will vary from 2 per cent in the case of officials receiving the lowest salaries to 20 per cent from those in the highest grades. The sums so raised will be used for the benefit of the international organizations.

In view of the inevitable restriction in the activities of the League consequent upon the outbreak of war, it was considered desirable that there should be a reduction in 1940 in the value of the unit of contribution, which had for some years been kept stable at approximately 22,800 gold francs. Under the budget for 1940 the value of the unit will be 18,560 gold francs. Since Canada is allotted 35 units of contribution, the Canadian contribution in 1940 will be 649,633 gold francs as compared with about 780,000 gold francs in 1938 and 1939.

The discussion of the budget in the Fourth Committee was less protracted and contentious than usual. After the Secretary-General and the Chairman of the Supervisory Commission had reviewed the state of the League's finances