

one, has been examined by a committee of financial experts which have made a report on February 28th, 1931. This report shows that disarmament by this method alone is not very effective. Some important objections against this method are the following:-

1) The purchasing power varies in different countries:

The cost for feeding and housing soldiers is quite different in the different countries. 240,000 French recruits, who receive daily about one cent, cost the same as 5100 English recruits who receive daily about fifty cents.

The small German army of 100,00 men whose members are professional soldiers, requires owing to the high pay of such soldiers greater monetary expenditure than the French army of a number of recruits six times as large.

The big armament industries of Schneider-Creusot in France, or the Skoda Works in Czechoslovakia, which can sell their products to the French and Czechoslovakian armies and to foreign governments, can, on account of mass production, produce much cheaper than the few factories in Germany which are only allowed to work for the small German army.

2) The report of the financial experts states that not earlier than 26 months after the beginning of the fiscal year, a control of the expenditure for armaments is possible. This would mean that if a parliament had voted credits for the Department of Trade to subsidize industries, and if this Department had granted these subsidies to the armament industries, such procedure might become known only after years.