13 A.—5.

The debate which followed was keen and protracted. It revealed a sympathetic attitude on the part of most delegates to the principle underlying the Italian proposal; indeed, the representative of the United States informed the Committee that although his country's cruiser level was below the figure provided for in the London Naval Treaty, and an undertaking not to increase naval forces would interfere with plans for construction, nevertheless, so important was the question of disarmament, that the United States would be willing to forgo certain treaty rights during the truce, if

The British representative gave his unqualified approval to the principle, and suggested that the Governments who were to take part in the Disarmament Conference should be asked to say whether they would make before the 1st November next a solemn declaration to observe a truce.

There were, however, objections if not to the principle at any rate to the form of the motion, particularly on the part of France and Poland, and the French delegation submitted an amendment to the five Powers motion, the essence of which is contained in the following paragraph:-

"And considers it necessary that, without prejudice to the decisions of the Conference or the programmes or proposals that any Government may there put forward 'corresponding to existing conditions in regard to regional and general security,' an agreement should be reached as soon as the general Conference of 1932 meets in order to avoid any rivalry in armaments while the Conference is in progress.'

Here were two motions each having its advocates, and the Third Committee was once again confronted with the task of reconciling differences of opinion with a view of the adoption of a formula acceptable to all. After sittings, which were prolonged beyond the date when it was hoped the Assembly would have risen, the committee ultimately produced, for submission to the Assembly, a motion which, excluding the preamble, reads,-

"The Assembly-

"Requests the Governments invited to the Disarmament Conference to prepare for this

event by means of an armaments truce and, accordingly,

"Requests the Council to urge the Governments convened to the said Conference to give proof of their earnest desire for the successful issue of the efforts to ensure and organize peace and, without prejudging the decisions of the Conference or the programmes or proposals submitted to it by each Government, to refrain from any measure involving an increase in their armaments.

"Likewise requests the Council to ask the Governments to state before the 1st November, 1931, whether they are prepared for a period of one year as from that date to accept this truce in armaments."

And this was accepted by the Assembly at its meeting on the 29th September. The report of the Third Committee to the Assembly is Document A. 93.

## FOURTH COMMITTEE.

## BUDGET FOR 1932.

The original Budget (Documents A. 4, A. 4 (a), A. 4 (b), and A. 4 (c)) amounted to 35,407,109 francs. After it had been prepared it was found that necessary supplementary credits were required, and the Budget as presented to the Fourth Committee (Document A. 4 (d)) amounted to 35,906,845 gold francs, an increase of more than four million gold francs on the Budget of the current year. This increase was in great measure due to the necessity for inscribing a large credit for the Disarmament Conference, which is to open in Geneva on the 2nd February next; indeed, under the heading "Reduction of Armaments" there was an increase of more than three and a half million gold francs.

My plea for economy in the Assembly met with an excellent reception from many delegates, and the Fourth Committee had no sooner begun to sit than it became apparent that this year the attempt to enforce economy would be persevered with.

In conjunction with the papers enumerated above should be read the report of the Supervisory Commission (Document A. 5). The Chairman of the Commission opened the proceedings in the Fourth Committee with a long statement which was followed with the deepest interest. He showed that the financial position of the League was serious. If you will refer to Document A. 34, you will see it stated that on the 31st August last a sum of rather less than seventeen and a half million gold francs had been received towards the total Budget of more than thirty-one and a half million gold francs for 1931, and that the arrears of contributions to the end of 1930 amounted to more than fourteen and a half million gold francs. It is certain that the financial crisis through which many States are passing is having its effect on the finances of the League. The Chairman of the Supervisory Commission was followed by the Secretary-General, and the committee heard with satisfaction that early in the year he had taken steps to economize wherever possible. There is no doubt that he realized the seriousness of the position, and that he was prepared for a demand for considerable reduction in the estimates.

In the course of the discussion a number of suggestions for revising the Budget were made, and two motions were moved providing for definite cuts. Whilst all agreed that the Budget should be referred back to the Supervisory Commission, it was felt that instructions to revise on a basis of a definite cut of say 10 or 12 per cent. might be impracticable, so the Supervisory Commission was left with a free hand on the understanding that only essential expenditure should be provided for.