

LEAGUE OF NATIONS.

Communicated to  
the Council.

C.402.1924.X.

Geneva,

August 18th, 1924.

TRANSFERS IN THE BUDGET FOR 1924.

Memorandum by the Secretary-General.

A. Article 29 of the Financial Regulations reads as follows:-

"(1) Transfers from one item to another of the same Chapter of the Budget may be effected by special resolutions of the competent authority. Such resolutions shall at once be communicated to all Members of the League and to the Assembly at the beginning of its regular annual session."

For the reasons stated below the Council may, in accordance with the foregoing provisions of the Financial Regulations, find it advisable to sanction the following transfers:

I. Transfer of 37,083.30 francs from Item 11 (2) "Interest charges on the purchase price of the Hotel National" to be distributed as follows:

- a) 25,873.30 francs to be added to Item 7 (a) "Property account - maintenance of buildings at Geneva - repairs and renewals."
- b) 11,750 francs to be added to Item 14 - "Supervision of revenue and expenditure - " to be distributed between the various sub-heads by the Secretary-General, as required.

a) Expenditure on repairs and renewals is expected to exceed the estimates provided in the budget for the current financial period. This is due to the fact that acting on the advice of the Auditor, certain categories of expenditure which were previously charged to Item 29 - "Additions to property of a permanent character" - are now entered under "Repairs and

renewals". A transfer from the former to the latter item is, however, not permissible under the Regulations as these items are shown in different chapters.

b) Owing to the number of important questions which were referred to the Supervisory Commission by the Fourth Assembly, the sessions of the Commission have this year been more frequent than was estimated when the budget was first drawn up. Moreover, unless the sum placed at the disposal of the Allocation Committee is increased, it would be impossible for this Committee to meet again this year. It would appear desirable to provide for this contingency, in case the Assembly should, as last year, recommend that a further meeting of the Committee be held in October.

On the other hand, the favourable financial position of the League has made it possible to pay in advance the balance on the purchase price of the Hotel National; the saving on interest from this transaction amounts to 37,083.30 francs. The whole of this sum is therefore available for these two transfers.

II. Transfer of 9,052.02 francs from item 16 "Economic and Financial Organisation" to be distributed as follows.

a) 5,579 francs to be added to item 24 "International Bureaux and Commissions on Intellectual Co-operation" to meet the expenses of the Meeting of Experts on the Exchange of Publications.

b) 3,473.02 francs to be added to item 25 "Commission for the Protection of Women and Children in certain territories in the Near East."

a) The memorandum on the international exchange of publications, submitted to the Council, at its 28th Session by the Committee on Intellectual Co-operation, concluded as follows:-

"As it would be extremely difficult to meet the high travelling expenses of the Experts out of the budget of the Committee on Intellectual Co-operation, the resources of which are so limited this year, the Committee ventures to request the Council to consider the possibility of making the Committee a supplementary grant under the head of "Unforeseen Expenditure", or of authorising the Secretary-General to make a transfer in the relevant chapter of the League's Budget."

The Secretary-General's memorandum on the same subject stated that:

"Should the Council accept the plan and agree with the view that it is necessary to make special provision for this expenditure, it would be open to it to provide the necessary funds either by means of a transfer within the limits of Chapter III of the Budget, or by deciding that it should be met from the item "Unforeseen Expenditure".

"The Secretary-General would add that it is hardly practicable for him at this early period in the financial year to submit any suggestion to the Council as regards the making of a transfer for this purpose, since it is not possible at present to foresee whether any of the special organisations of the League are likely to find that, for any reason, they will not need to spend the whole of the sum voted for their work in 1924.

"As regards the possibility of voting this sum from "Unforeseen Expenditure", the Secretary-General begs to draw the Council's attention to the fact that, at the time when the Assembly passed the resolution quoted at the beginning of this memorandum, it was intended that the conference should consist of experts nominated by the different Governments, whose expenses would naturally be borne by those Governments. The expenditure now proposed, which is caused by the change in the new plan for a meeting submitted by the Committee for the consideration of the Council, was therefore not foreseen at the time when the Assembly voted the Budget for 1923."

The Rapporteur made the following proposal:

"Should the credits allotted to the Committee be insufficient to meet the expenditure incurred, we should be called upon at a subsequent session to grant a supplementary credit under the head of Unforeseen Expenditure."

No actual decision was taken, at that time by the Council.

The Secretary-General, however, "pointed out that a supplementary credit would require a formal resolution by the Council. The resolution just adopted by the Council merely gave effect to a policy which had been approved by the Assembly."

As the funds at the disposal of the Committee on Intellectual Co-operation have been heavily drawn upon and further expenditure is to be anticipated, it would now appear advisable to make the transfer contemplated last March.

(b) The Third Assembly decided that the sum of 75,000 francs provided for the Protection of Women and Children in certain territories in the Near East should be divided equally between the homes established at Constantinople and at Aleppo. The sum destined for the Constantinople home was paid early in the year, it being arranged that the other half of the grant which was set apart for the Aleppo institution, should be forwarded in instalments as required.

Owing to the fact that the accounts of the Constantinople home for 1923 had to be audited locally before they were forwarded to Geneva, they did not reach the Secretariat until after February 15th, 1924, on which date, in accordance with the regulations, the League accounts for the previous year were closed. It became necessary, in consequence, to charge against the Constantinople appropriation, a further sum of £138. 5.2. which had not been accounted for in 1923.

In view of the difficulty of requesting the authorities responsible for the home at Constantinople to restore this sum, owing to the limited funds at their disposal, the Council will perhaps agree to the proposed transfer.

Whilst it is difficult at this time of the year to forecast on which item of the same chapter of the Budget a surplus may be expected at the end of the current financial period, it is probable notwithstanding the heavy commitments which will have to be met between August 1st and December 31st- that the relatively small amount required for these two transfers can be taken from item 16 "Economic and Financial Organisation."

III. Transfer of 18,000 francs from item 31 "Library" to item 30, "Furniture, fittings and additional equipment".

In view of past experience it was recently found desirable to refurnish and refit the room placed at the disposal of the Council for its sessions. As this expenditure was not foreseen when the budget for the current financial year was drawn up, item 30 "Furniture, fittings and additional equipment" will be insufficient to meet the ordinary and extraordinary purchases which are chargeable to it. In these circumstances, the Council may agree that the extraordinary expenditure incurred in connection with the furnishing of the new Council Room, amounting to approximately 18,000 francs, should be added to item 16, by means of a transfer.

On the other hand, it now seems probable that, owing to lack of suitable accommodation, little will this year be spent on equipment for the library. The sum required for the above transfer can therefore be met from item 31, "Library". A further document concerning a transfer to item 19, "International Health Organisation" is in course of preparation, it will be submitted to the members of the Council at the earliest possible moment.