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LEAGUE OF NATIONS

INTELLECTUAL CO-OPERATION ORGANISATION

REPORT OF THE GOVERNING BODY OF THE INTERNATIONAL INSTITUTE OF INTELLECTUAL CO-OPERATION

Submitted by Professor G. Oprescu, on behalf of the Governing Body of the International Institute of Intellectual Co-operation, addressed to the Council of the League and to the Government of the French Republic, and communicated to all the Members of the League of Nations.

(Article 14 of the Organic Statute of the International Institute of Intellectual Co-operation.)

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The Governing Body held its fifteenth session at Geneva on July 15th, 1938, under the Chairmanship of M. Edouard HERRIOT.

There were present at the session the following regular members of the International Committee on Intellectual Co-operation :

M. M. ANESAKI, M. J. CASTILLEJO, His Excellency M. E. HERRIOT, M. J. HUIZINGA, Prof. Gilbert MURRAY, M. N. E. NØRLUND, M. G. DE REYNOLD.

Other regular members who were unable to attend the session were replaced as follows :

Mme. V. DE CASTRO E ALMEIDA replaced M. Julio Dantas ; M. B. HROZNY replaced M. Susta ; M. A. KERÉKJÁRTÓ replaced Count Teleki ; Mr. Waldo LELAND replaced Mr. Shotwell ; M. LI YU YING replaced M. Wu-Shi-Fee ; M. E. DE MONTARROYOS replaced M. García Calderón ; M. G. OPRESCU replaced His Excellency M. N. Titulesco ; M. TRĘBICKI replaced M. C. Białobrzski.

There were also present at the session : M. Julien CAIN, member of the Directors' Committee of the Institute ; Major Gerald ABRAHAM, Acting Director of the Intellectual Co-operation and International Bureaux Section ; M. J. D. DE MONTENACH, Secretary of the Governing Body ; M. Henri BONNET, Director of the International Institute of Intellectual Co-operation.

1. STATEMENT BY THE DIRECTOR OF THE INSTITUTE ON HIS ADMINISTRATION IN THE INTERVAL BETWEEN THE TWO SESSIONS OF THE GOVERNING BODY

In accordance with the usual practice, the Director of the Institute submitted a general report on the work and administration of the Institute since the last session of the Governing Body.¹

¹ See Institute document C.A.62.1938.

The following are the chief points brought out in this report :

The Institute continued to work satisfactorily, although difficulties were encountered by the Director on account of increased costs and the resultant unforeseen expenses.

As a whole, however, the administration of the Institute went smoothly, as will be seen later from the particulars of the results of the past financial year and the data relating to the current year. The financial assistance afforded to the Institute by the Rockefeller Foundation to enable it to perform its various secretarial duties in connection with the International Studies Conference was of the greatest value.

2. INTERNATIONAL ACT CONCERNING INTELLECTUAL CO-OPERATION

The Governing Body was informed by its Chairman of the action taken by the Government of the French Republic in pursuance of the decision taken by the League Council to entrust that Government with the task of convening at Paris the Diplomatic Conference which is to pronounce on the draft International Act concerning Intellectual Co-operation.

M. E. Herriot explained that the French Ministry for Foreign Affairs had already sent out invitations to all Governments of States Members of the League and to those of non-member States. The date of the Conference has been fixed for November 30th, 1938.

M. E. Herriot was good enough to accept the office of first delegate of France to this Conference.

The French Ministry for Foreign Affairs intends to supplement its invitation to Governments by the despatch of all the texts (reports, memoranda by Governments, proposed amendments, etc.) drawn up for the delegations to the Conference.

M. Herriot referred to the spirit in which the International Committee on Intellectual Co-operation, guided by the recommendations of the second General Conference of National Committees, had drawn up the draft International Act, and made it clear that it was in this spirit that the French Government proposed to organise the Conference so as to ensure its success.

Several members of the Governing Body endorsed the wishes expressed by the Chairman for the success of the proposed Diplomatic Conference.

After taking note of these explanations, the Governing Body considered that, as the question of the International Act has now been submitted to Governments with a view to their participation in a Diplomatic Conference, its rôle would henceforth be confined to holding itself at the disposal of Governments, and particularly of the Government responsible for organising the Conference, with a view to supplying any information it might desire.

With this end in view, the Governing Body approved a proposal to the effect that the Director should be requested to draw up, for the use and guidance of the Conference, a scheme for the administrative re-organisation of the Institute, providing for the revision of the structure of its services in anticipation of new means of action, which will enable certain activities to be further developed, particularly those of its publications and information department.

3. FINANCIAL QUESTIONS

As regards financial questions, the Governing Body, in accordance with the usual practice, dealt successively with the three points set forth in the following paragraphs :

(a) With reference to the past year, the Governing Body took note of the report submitted by the League's auditor, which is appended to this document.

The Governing Body noted with satisfaction that the auditor's report showed that the Institute had been excellently administered. Although conditions in general were unfavourable, the year closed with a surplus of 181,962.42 French francs.

The Governing Body was also gratified to note that the statutory Reserve Fund of the Institute, which was re-constituted last year, remains intact.

After approving the Director's proposals concerning the allocation of the profit on the past financial year, the Governing Body authorised him to use it partly for the payment of bonuses to certain of the lower-salaried officials of the Institute, partly to meet the increased cost of upkeep, and partly to extend the publications service.

In this connection, the Governing Body expressed its satisfaction at the very appreciable increase in the sale of the Institute's publications.

The Governing Body concluded its examination by approving the accounts for the past financial year, and endorsing the auditor's proposal to cancel the debts representing certain contributions in arrear from Governments with which it had asked the Director to negotiate for that purpose.

(b) With reference to the current financial year, the Governing Body noted the explanations furnished by the Director regarding the Institute's financial situation, from which it appeared that receipts were coming in normally, and that, in spite of the increased charges due to the general situation, expenditure should not exceed the sums available. The Governing Body was glad to find that the increase in expenditure was accompanied by an increase in receipts, so that the desired equilibrium should presumably not be upset.

(c) As regards the estimates for the next financial year, the Governing Body's chief duty was, as usual, to approve the draft budget submitted by the Director. This draft provides for a total income of 3,242,000 French francs, comprising 2,792,000 French francs of ordinary receipts derived from State grants and 450,000 French francs of miscellaneous receipts.

The Governing Body approved the draft budget as submitted to it, without making any reservations or additions, and was gratified to note that nearly a million French francs was reserved for the preparation and meetings of international committees and for publications.

Special attention was devoted to the very important supplementary funds of the Institute, which have to be taken into account in order to form a general idea of its activities. For instance, as the Secretariat of the International Studies Conference, the Institute receives from the Rockefeller Foundation for various purposes contributions amounting to \$62,500. During the coming year, the Institute will also receive nearly 40,000 pesos from the Argentine and Mexican Governments for the publication of the ethnographical works on the origins of American civilisation.

Special contributions are received for the Ibero-American and Japanese collections, which are published by the Institute.

The Director was therefore able to state that the Institute would actually receive supplementary contributions amounting to approximately 2,000,000 French francs outside its regular budget.

4. ADMINISTRATIVE AND STAFF QUESTIONS

With reference to staff questions, the Governing Body took the following decisions :

It noted the resignation of M. Mohr, principal secretary, and thanked him for the services he had rendered. It also extended the following contracts, which had expired :

M. Belime, principal secretary — contract extended for two years ;

M. Establier, M. Sato, M. Secretan and M. Hickel — contracts renewed for further periods equal in duration to the previous ones ;

M. de Henzel's contract was extended until he reaches the age-limit laid down in the Institute's Statutes.

The Governing Body left it to the Directors' Committee to study the re-organisation of the educational questions service, of which M. Mohr (who has resigned) has hitherto been in charge. In this connection it decided that, in view of the valuable services he had rendered, M. Mercier should be appointed head of this service, under the conditions to be determined by the Directors' Committee.

This reorganisation will entail the engagement of a new official to assist M. Mercier. On the Director's proposal, the Governing Body selected M. O. P. Grunt, a Norwegian, who has an expert knowledge of educational questions.

5. ALLOCATION OF THE SUMS RECEIVED FROM THE GENERAL COMMISSARIAT OF THE PARIS EXHIBITION

The agenda of the Governing Body included the question of the allocation of the sums granted as a contribution to the "Intellectual Co-operation Month" by the General Commissariat of the Paris Exhibition. These sums amounted to a total of 190,000 French francs.

The Governing Body left it to the Director of the Institute to consult the General Commissariat of the Exhibition as to the manner in which these sums should be appropriated, so as to conform to previous practice. At its next session, the Directors' Committee of the Institute, acting in the light of the information obtained by the Director, will finally decide upon these appropriations, and will transmit them to the proper quarters with a view to a final settlement.

6. MISCELLANEOUS QUESTIONS

The Governing Body was called upon to pronounce on a request by the *Fédération internationale des Cinémathèques* for accommodation on the Institute's premises.

The Governing Body decided to accede to this request in principle, while affirming its general desire not to increase the number of associations already accommodated.

In the light of the opinion expressed by the Directors' Committee, the Governing Body declined the proposal that the Institute should be entrusted with the publication of a biographical collection of contemporary artists.

7. GOVERNMENT DELEGATES TO THE INSTITUTE

The Governing Body renewed the tribute already paid at previous sessions to the valuable work done by Government delegates to the Institute. The assistance of these forty-one delegates is of the greatest help to the Institute. In thanking them, the Governing Body expressed the hope that this assistance would be continued, and, if possible, increased.

Appendix 1

BUDGET FOR 1939

I. RECEIPTS

I. Grants by:	French francs	
Brazil	100,000	
Colombia	10,400	
Czechoslovakia	24,750	
Denmark	15,550	
Egypt	82,000	
France	2,300,000	
Hungary	20,600	
Luxemburg	2,000	
Mexico	60,000	
Monaco	2,000	
Peru	19,000	
Poland	40,000	
Portugal	34,700	
Roumania	25,000	
Switzerland	19,000	
Venezuela	12,000	
Yugoslavia	25,000	
	<hr/>	2,792,000
II. Miscellaneous Receipts:		
Sale of publications	250,000	
Miscellaneous	200,000	
	<hr/>	450,000
III. Extraordinary Receipts		<hr/>
Total receipts		<hr/> <u>3,242,000</u>

II. EXPENDITURE

Chapter I. — Staff.	French francs	
A. Director, principal secretaries, Legal Adviser, heads of services and internal administration	833,000	
B. Head clerks, clerks and secretary shorthand-typists	651,000	
C. Minor staff	143,000	
D. Allowances (family allowances, etc.)	76,000	
E. Payment to the Pensions Fund	85,000	
	<hr/>	1,788,000
Chapter II.		
A. Upkeep of buildings and furniture	65,000	
B. Lighting and heating	76,000	
C. Insurances	20,000	
	<hr/>	161,000
Chapter III.		
A. Travelling expenses of members of the Directors' Committee and of the Auditor	20,000	
B. Entertainment allowances:		
Directors' Committee (inclusive sum)	5,000	
Director (inclusive sum)	30,000	
Principal secretaries and heads of services (entertainment allowance).	5,000	
Inclusive sum for expenses of motor-car	30,000	
	<hr/>	70,000
C. Journeys made by officials	100,000	
D. Experts' meetings	230,000	
E. Contribution to special work	300,000	
F. Office expenses	240,000	
G. Purchase of books	7,500	
H. Publications	300,000	
	<hr/>	1,267,500
Chapter IV.		
Provision for unforeseen expenditure		25,500
Chapter V.		
Extraordinary expenditure (payment to Reserve Fund, etc.)		<hr/>
Total expenditure		<hr/> <u>3,242,000</u>

Appendix 2

AUDIT OF THE ACCOUNTS OF THE INTERNATIONAL INSTITUTE
OF INTELLECTUAL CO-OPERATION FOR THE FINANCIAL YEAR 1937

REPORT BY M. U. A. J. BRUNSKOG

I have examined in detail the accounts of the International Institute of Intellectual Co-operation and have found them in order. I have also the honour to submit the following observations :

I. EXECUTION OF THE BUDGET FOR THE FINANCIAL YEAR 1937

	French francs
It will be seen from Table A that receipts amounted to	2,956,780.76
while, according to Table B, expenditure remained at	2,841,303.92
	<hr/>
so that there was a surplus balance of	115,476.84

It will be seen from Table A that the surplus is due mainly to contributions received in respect of the year 1936, which of course were not included in receipts for the budgetary year 1937.

As regards receipts, the percentage of contributions actually received, as compared with contributions due for the financial year, increased to 99.67, a figure which is misleading, however, unless allowance is made for foreign exchange profits in the payment of contributions. It might be advisable to include in the budget a special item showing gains and losses on foreign exchange.

As regards arrears of contributions, reference may be made to the figures shown in Table C. Since some of these debts are clearly unlikely to be paid, as they are of long standing or for some other particular reason, it would seem advisable to write them off. To do so, however, would necessitate a decision by the Governing Body.

II. ADMINISTRATION OF THE VARIOUS EXTRA-BUDGETARY FUNDS

Apart from budgetary receipts and expenditure, the Institute also has receipts and expenditure in respect of extra-budgetary funds. For an account of these, see Table D.

Item A, 1 of that table comprises "Publication of the Collection of Latin-American Classics", which, in accordance with the decision of the competent authorities, has to be subdivided into as many accounts as there are contributions. The following particulars are given :

State	Balance at January 1st, 1937	Receipts	Total	Expenditure	Balance at December 31st, 1937
			French francs		
Chile	13,877.70	129.50	14,007.20	2,000.—	12,007.20
Brazil	35,180.90	821.85	36,002.75	—	36,002.75
Venezuela	13,139.10	—	13,139.10	—	13,139.10
Argentine Republic	9,149.15	1,149.70	10,298.85	9,952.25	346.60
Cuba (Martí Committee)	97.85	97.85	—	—	—
Porto Rico (Hostos Committee)	40.—	96.25	136.25	—	136.25
Peru	—	9,492.40	9,492.40	4,000.—	5,492.40
Uruguay	—	27,420.55	27,420.55	—	27,420.55
Total	71,289.—	39,208.10	110,497.10	15,952.25	94,544.85

In 1937, there was opened, under the heading "Subsidies of the Rockefeller Foundation", a new fund entitled "Allocation of the balances of the various accounts of the Rockefeller Fund to the publication of the work of the International Studies Conference". The credit

balance, which, on December 31st, 1937, amounted to 249,372.34 francs is due to the transfer to this account of the following sums from other accounts :

Nomenclature according to Table D	Amount shown in accounts as transferred French francs
A, 3 (a)	78,944.57
(b)	58,332.69
(c)	21,265.65
(d)	58,301.48
(e)	32,527.95
Total	249,372.34

As a result of these transfers, the balances of the Rockefeller Foundation grants have been collected in a single account instead of being divided among five.

III. POSITION OF THE BALANCES AVAILABLE AT DECEMBER 31ST, 1937

As regards the funds available at December 31st, 1937, reference is made to Table E. According to that table, the balance at that date amounted to 951,697.27 francs, and was invested as follows :

	French francs
Advance to a contractor	20,000.—
At the "Caisse d'épargne et de prévoyance de Paris"	100,000.53
At bank	730,370.99
Postal cheque account	22,056.25
Cash in hand	79,269.50
Total	951,697.27

(Signed) Uno BRUNSKOG,
Auditor of the League of Nations.

Geneva, June 27th, 1938.

Table A. — RECEIPTS FOR THE FINANCIAL YEAR 1937 (French francs).

Grants by:

	Budget	Receipts
Austria	1,000.—	—
Brazil	75,000.—	100,000.—
Colombia	8,300.—	10,399.90
Denmark	10,200.—	15,555.56
Egypt	37,700.—	53,944.72 ^a
France	2,000,000.—	2,000,000.—
Hungary	20,600.—	41,200.— ^b
Italy	152,000.—	152,000.—
Luxemburg	2,000.—	2,000.—
Mexico	60,000.—	120,000.— ^c
Monaco	2,000.—	2,000.—
Peru	—	19,290.— ^a
Poland	30,000.—	40,000.—
Portugal	15,400.—	21,474.35
Roumania	25,000.—	25,000.—
Switzerland	24,500.—	19,067.50
Czechoslovakia	—	24,750.—
Venezuela	12,000.—	—
Yugoslavia	25,000.—	25,000.—
Total	2,500,700.—	2,671,682.03

Miscellaneous receipts :

Sale of publications	150,000.—	178,471.31
Miscellaneous	90,000.—	96,627.42
Contribution from the Italian National Committee	40,000.—	10,000.— ^a
Total	280,000.—	285,098.73
Grand total	2,780,700.—	2,956,780.76

^{a)} This sum refers to the financial year 1936.
^{b)} Including an amount of 20,600 francs relating to the financial year 1936.
^{c)} Including an amount of 60,000 francs relating to the financial year 1936.

Table B. — EXPENDITURE INCURRED DURING 1937.

Item	Original Credit	Transfers and Supplementary Credits			Total Credits for financial year	Total expenditure in financial year
		July 13th, 1937, Governing Body	December 22nd, 1937, Directors' Committee	March 24th, 1938, Chairman of Governing Body		
<i>Chapter I. — Staff.</i>						
French francs						
A. Director, principal secretaries, Legal Adviser, heads of services and internal administration	852,310		— 5,000.—		847,310.—	835,890.22
B. Head clerks, clerks and secretary-shorthand-typists	482,600		+ 5,000.—		487,600.—	486,757.84
C. Minor staff	118,000				118,000.—	110,438.96
D. Allowances (family allowances, etc.)	83,000	+ 31,500.—			114,500.—	106,352.12
E. Payment to the Pensions Fund	80,000				80,000.—	76,659.82
<i>Chapter II.</i>						
A. Upkeep of buildings and furniture	40,000		+ 5,000.—		45,000.—	41,002.16
B. Lighting and heating	50,000		+ 30,000.—		80,000.—	69,907.06
C. Insurances	20,000				20,000.—	17,989.60
<i>Chapter III.</i>						
A. Travelling expenses of members of the Directors' Committee and of the Auditor	20,000				20,000.—	19,817.—
B. Entertainment allowances	70,000				70,000.—	67,730.65
C. Journeys made by officials	40,000		+ 8,000.—		48,000.—	47,642.70
D. Experts' meetings	150,000		— 80,000.—	— 9,000	61,000.—	60,779.30
E. Contribution to special work	300,000		— 30,000.—	— 1,300	268,700.—	268,642.09
F. Office expenses	150,000		+ 52,000.—		202,000.—	201,995.65
G. Purchase of books	5,000			— 1,700	3,300.—	3,163.45
H. Publications	270,000	+ 34,985.58	+ 70,000.—	+ 12,000	386,985.58	386,981.05
<i>Chapter IV.</i>						
Provision for unforeseen expenditure	49,790		— 9,000.—		40,790.—	29,007.15
<i>Chapter V.</i>						
Extraordinary expenditure			+ 10,547.10		10,547.10	10,547.10
Total		66,485.58	56,547.10	—	2,903,732.68	2,841,303.92

Table C. — CREDITS OUTSTANDING AT THE CLOSE OF THE FINANCIAL YEAR 1937

1. *State grants from:*

		French francs
1928	Ecuador	2,000
1930	Belgium	75,000
1931	Belgium	75,000
	Ecuador	2,000
1932	Austria	5,000
	Ecuador	2,000
1933	Austria	3,929
	Ecuador	2,000
	Mexico	60,000
1934	Austria	1,000
	Ecuador	2,000
	Venezuela	12,000
1935	Ecuador	2,000
	Venezuela	12,000
1936	Venezuela	12,000
1937	Austria	1,000
	Egypt	37,700 ^a
	Venezuela	12,000
		318,629.—

2. *Miscellaneous receipts:*

Contribution from the Italian National Committee	38,538.07
Total	357,167.07

Table D. — VARIOUS EXTRA-BUDGETARY FUNDS (ACCOUNTS).

Name and object of the fund	Balance at January 1st, 1937	Receipts, 1937	Total amount received	Expenditure paid, 1937	Balance at December 31st, 1937
<i>A. In French francs.</i>					
1. Publication of the collection of Latin-American classics	71,289.—	39,208.10	110,497.10	15,952.25	94,544.85
2. Enquiry into international university exchanges and into the measures taken in all European countries to promote these exchanges	36,465.76	—	36,465.76	—	36,465.76
3. Grants of the Rockefeller Foundation :					
(a) Grant to organise the International Studies Conference and "Peaceful Change"	3,662.31	354,986.—	358,648.31	358,648.31	—
(b) Grant to assist the Institute to organise the research programme of the International Studies Conference and to maintain a secretariat for providing liaison between national organisations represented	—	117,155.75	117,155.75	117,155.75	—
(c) Grant to cover the expenses of the economic experts engaged in the study of Danubian economic problems to complete the project for the International Studies Conference	—	37,687.40	37,687.40	37,687.40	—

^a This amount was received in 1938.

Name and object of the fund	Balance at January 1st, 1937	Receipts, 1937	Total amount received	Expenditure paid, 1937	Balance at December 31st, 1937
(d) Grant to meet the expenses of the Secretariat of the International Studies Conference and the expenses of travel and meetings in the preliminary organisation of the preparatory programme of the Conference	—	145,267.70	145,267.70	145,267.70	—
(e) Grant to provide for secretarial expenses in connection with the Danubian Economic Studies	—	34,372.55	34,372.55	34,372.55	—
(f) Allocation of balances of the various above accounts (Rockefeller Fund) to the publication of the work of the International Studies Conference	—	249,372.34	249,372.34	—	249,372.34
4. Preparation of the "Lexicon of political terms"	16,495.—	—	16,495.—	—	16,495.—
5. Gift of the Carnegie Foundation for International Peace to the Institute, in order to assist persons entrusted with studies of Danubian problems	24,039.55	—	24,039.55	23,988.80	50.75
6. Publication of Japanese literary works	34,670.85	—	34,670.85	8,408.70	26,262.15
7. Paris Exhibition of 1937	—	190,395.65	190,395.65	168,832.30	21,563.35
8. Reserve Funds	265,000.—	135,000.—	400,000.—	—	400,000.—
Total	451,622.47	1,303,445.49	1,755,067.96	910,313.76	844,754.20
 B. In dollars.					
Rockefeller Foundation :					
"Peaceful Change" supplementary budget (see A, 3 (b) above)	—	3,200.—	3,200.—	3,200.—	—
Grant in aid, "Groupe danubien" (see A, 3 (c) above)	—	1,000.—	1,000.—	1,000.—	—
International relations programme (see A, 3 (d) above)	—	70.—	70.—	70.—	—
Social Security programme (see A, 3 (e) above)	—	833.—	833.—	833.—	—
Total	—	5,103.—	5,103.—	5,103.—	—

Table E. — BALANCES AVAILABLE AT DECEMBER 31ST, 1937.¹

	Budgetary services	Extra-budgetary services	Total
<i>A. French franc account.</i>			
Balance at December 31st, 1936	2,500.76	451,622.47	454,123.23
Receipts, 1937 :			
1. For the financial year 1936	314,744.27		
2. For the financial year 1937	2,601,056.05		
3. In respect of extra-budgetary services	1,303,445.49	1,303,445.49	4,219,245.81
Total	2,918,301.08	1,755,067.96	4,673,369.04
Expenditure, 1937 :			
1. For the financial year 1936	250,759.45		
2. For the financial year 1937	2,560,598.56		
3. In respect of extra-budgetary services	910,313.76	910,313.76	3,721,671.77
Balance at December 31st, 1937	106,943.07	344,754.20	951,697.27
<i>B. Dollar account.</i>			
Receipts, 1937	—	5,103	5,103
Expenditure, 1937	—	5,103	5,103
Balance at December 31st, 1937	—	—	—

¹ Mention should be made under this item of a sum of 21,430.90 Swiss francs paid to the Institute by the League of Nations for account of the Government of the Argentine Republic. This sum has been deposited at the bank pending a decision concerning the publication of the archæological and historical collection on the origins of American civilisation. The sum in question has therefore not been included in this table.

