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XXIst INTERNATIONAL CONFERENCE OF THE RED CROSS

Istanbul, September 1969

AUGUSTA FUND

(Item 11 b of the Provisional Agenda of the Plenary Session)

**Report submitted
by the International Committee of the Red Cross**



Geneva
June 1969

AUGUSTA FUND

I. Historical background and constituent development

a) The Empress Augusta

Augusta of Saxe-Weimar, the first Empress of Germany and wife of William I, was born in Weimar in 1811 and was the maternal grand-daughter of Catherine of Russia.

Before her accession to the imperial throne in 1811, she was hereditary Princess, then Queen of Prussia. She died in 1890.

Already in the war of Schleswig-Holstein in 1864 she had worked actively on behalf of the wounded. This she continued to do in Prussia's subsequent wars (against Austria and the Franco-Prussian war). An account of her activity can be found in an article published in the "International Review of the Red Cross" in its number of September 1961. This is also reflected in a work published in 1897 in Stuttgart by Rudolf Muller :

"Queen Augusta had given great impulsion by her personal action; she had taken considerable part in the Committee's work and had never removed her arm-bands throughout the campaign. She visited the ambulances and hospitals each day, always with a kind word and tried to give encouragement to all without distinction. She often went twice a day to visit the wounded and sick stricken by fever, typhus or cholera. Her appearance was everywhere acclaimed with gratitude. She went to Magdeburg where she visited the numerous hospitals. Interpreters accompanied her who were conversant with the various languages of the Austrian Monarchy so that she could make herself understood by each

soldier. To each of these she presented a ducat and generously rewarded her interpreters. She was able herself to ensure that the administration put no obstacle in the way of the work of the committees for the wounded. In short, it could be said that she was the heart and soul of the enterprise in Prussia...

She was the first international Samaritan in Germany and the princesses of the Court followed her example. As Queen of Prussia, Augusta invited Dunant to Berlin in 1866.

Wife of William I, King of Prussia, she later became Empress of Germany. The Empress Augusta Viktoria was indeed her worthy successor." (1)

b) Relations of the Empress with the ICRC and the Red Cross

In 1884, during the International Conference of the Red Cross meeting in Geneva, Mr. Micheli of the ICRC announced that the Empress had placed the sum of 5,000 Swiss francs at its disposal, an amount earmarked for the construction of a model ambulance shed.

In 1887, the President (Otto of Stelberg) of the International Conference of the Red Cross, which had its sessions in Karlsruhe, gave out that the Empress had made available to the Conference a sum of 6,000.-- marks, as well as 3 gold medals and 9 medals in silver engraved with her effigy. The Conference decided to devote this donation to the study of the improved lay-out of a mobile field station for a limited number of wounded and sick.

c) The ICRC's initiative

On the death of the Empress in 1890, the ICRC took the initiative with a view to perpetuating the sovereign's memory and the aid she was bringing. Therefore

(1) Entstehungsgeschichte des Roten Kreuzes und der Genfer Konvention, by Rudolf Muller, Stuttgart 1897, p. 346-347.

at the International Conference of the Red Cross meeting in Rome, in 1892, the ICRC's report stated : "... the Red Cross finds itself in possession of a collective sum intended for useful enterprises of the kind which the inexhaustible generosity of the Empress had rendered possible during her life-time. This capital amount is the result of numerous voluntary donations." The report mentions, apart from the ICRC, ten Central Committees which joined it in constituting this Fund, namely the Rumanian, British, Netherlands, German, Hungarian, Austrian, Greek, Italian, Japanese and Portuguese Committees.

The capital amounted to about 49,000.-- frs. and a Commission of ten members was set up to decide on how to make use of it. The Commission made it known by its Chairman, Mr. Odier, member of the ICRC, that it would be advisable to accumulate income until the next Conference before taking the decision in question. The German Central Committee, on the other hand, proposed three objectives to be reached in succession, which would, in fact, have absorbed the entire capital. The first would have been a withdrawal of 10,000.-- to 20,000.-- frs. to come into immediate operation.

d) Subsequent development

At the International Conference of the Red Cross which was held in Vienna in 1897, the Netherlands Central Committee proposed to declare the Fund inalienable, income being used to "organize quinquennial exhibitions at the meeting places of Conferences".

At the St. Petersburg International Conference in 1902, Dr. Ferrière, member of the ICRC, suggested the following uses : "Support should only be given to the extension of relief offered by the Red Cross, in time of peace as in time of war, to military falling sick on service and without resources", in other words, "the organization of everything connected with assistance to military who are wounded, sick, disabled, convalescent and without resources, in time of peace as in time of war, in their native country, in colonies or at intermediate posts".

The decision was carried by a proposal of the German Central Committee, in favour of "all objects of practical utility" and supported it with a payment of 20,000.-- marks to add towards the capital amount of 100,000 Swiss francs, considered to be the necessary minimum for the operating of the Fund. The Central Committees of Austria, France, Greece, Hungary, Japan, Norway, Russia, Spain, Sweden and Switzerland finally approved the provisions as they still stand today on this point.

The capital was invested in 1907 at 3.5%. The first distribution took place in 1903 in favour of the Danish Central Committee (3,385 Fr.).

II. Summary of the functioning of the Fund, from its creation to the present day

Originally the capital was invested in German securities. The First World War, however, was to shake it to the extent of its losing two thirds of its value. This had to be built up again and was achieved in 1928. The capital was then placed in Swiss investments at the same rate of 3.5% as the previous German securities.

Distributions were then spread out over three periods. The first of these was from 1903 to 1912, the second from 1928 to 1938 and the last from 1948 until the present day. Interruptions are accounted for by the two world wars and their consequences. Total distributions made have amounted to 200,000.-- frs. (209,150.35 frs), the capital being doubled which is at present standing at 118,000 frs. (118,318.45 on 31.XII.68), namely an inalienable capital of 100,000 frs. and a reserve for market fluctuation of 18,000 frs.

Since the end of the Second World War, the developing countries have been the main beneficiaries and requests for grants continue to increase. At the latest distribution in the spring of 1968 a dozen have been recorded. It is not often possible, however, to comply with these requests except symbolically, as will be seen further on.

III. Present situation

a) General

In accordance with the provisions (Article 5 of the Regulations), the interest of the Fund shall be devoted :

- a) either to missions which the Central Committees judge expedient to organize in the general interest of Red Cross work;
- b) or to women's associations, and especially those concerned with setting up nursing schools;
- c) or to any other object of practical utility.

However, as emphasized in the Report submitted to the XXth International Conference of the Red Cross, whilst it is true that National Societies maintain an indisputable interest in the existence of the Augusta Fund, the situation today is not the same as it was in 1903. Since then the number of National Societies has more than doubled, purchasing power has decreased in comparison and needs are constantly increasing, so that the Special Commission charged with the distribution of income considers its task to have become impossible.

In fact, requests made for the last two allocations (1964 and 1968) related to amounts totalling one million Swiss francs ! It was, for example, a question of making a subvention for the upkeep of a 350-bed hospital, comprising 50 doctors and male nurses. There was also child care for an entire country (400,000 frs.), the establishment of a leper hospital, an infant hospital centre and setting up a blood bank.

It is quite obvious that such requests cannot be satisfied, even every four years, out of income from a capital amount of 100,000.-- frs.

b) XIIth Distribution - 1968

The income of the Fund on 31 December 1967 enabled a distribution to be made of 13,720.70 frs.

Twelve National Societies had made applications for grants; the ICRC Special Commission decided to distribute 13,500.-- frs. as follows :

Cameroun Red Cross : 3,000.-- frs. as contribution for the purchase of an ambulance;

Kenya Red Cross : 3,000.-- frs. as contribution to the improvement of a home for handicapped children;

Moroccan Red Crescent : 3,000.-- frs. as contribution to the expenses of a home for infants and premature babies;

Senegalese Red Cross : 4,500.-- frs. as contribution to the installation of a milk distribution centre, first-aid courses and the education of mothers of families.

The ICRC Special Commission, when making its selection, made a point of giving priority to National Societies which had not received a previous allocation.

However, eight requests involving considerable sums remained unsatisfied.

IV. Proposal

After due reflection, the International Committee has decided to propose to the XXIst Conference to place, until further notice, the interest of the Augusta Fund with the Florence Nightingale Medal Fund, without the transfer of capital, for the following reasons :

a) Financial problem

The Florence Nightingale Medal, the highest international distinction which a nurse can receive, no longer has the necessary financial resources. In fact, created in 1912, it finds itself facing a situation similar to that of the Augusta Fund.

In 1967, the ICRC gave a credit to the Nightingale Medal of 11,330.-- frs. Its income amounts to 960.-- frs. annually which is barely sufficient to cover its current administrative charges.

Now, for each distribution, which takes place every two years, it is still necessary to buy medals, have them engraved, inscribe diplomas, etc. Thus, on the basis of 1959 prices, the Florence Nightingale Medal Fund had need of more than one thousand francs each year in order to meet its obligations. The price of medals has, however, considerably increased, nearly doubled in 1959 and further increases can be expected in the near future.

As a result, an annual contribution of nearly 2,500.-- frs. is required to render the Florence Nightingale Medal financially independent.

Since it is known that the Augusta Fund brings in about 13,500.-- frs at the present rate every four years, it would almost exactly cover the required amount for the Nightingale Medal, viz. 10,000.-- frs. every four years. The small balance remaining would serve to cover advances made to it by the ICRC over the past few years and subsequently could be placed in reserve.

b) Statutory problem

Article 5 (b) of the Regulations of the Augusta Fund provides that the interest of the Fund shall be devoted by the ICRC "to women's associations and especially those concerned with setting up nursing schools".

This provision is in no way at variance with the object of the Florence Nightingale Medal. In the first place, the medal is awarded by the ICRC (article 2, para 2 of the Regulations) on proposals made to it by the National Societies (ibid), which is the same procedure as for the allocation of the income of the Augusta Fund.

Secondly, the Augusta Fund, it is true, only considers "women's associations" as beneficiaries, whilst the Medal makes awards to women "who have distinguished themselves exceptionally" (Regulations for the Medal, art. 6). Thus the recipient is not the association but the person; however, it is on the association's proposal that the person is designated.

In the third place, the Augusta Fund in this same subheading (b) aims at giving encouragement "to setting up nursing schools". This is exactly the purpose of the Florence Nightingale Medal which is awarded in particular "to matrons or nursing organizers" (Regulations, art. 6 (b)).

The conclusion can therefore be reached that the allotment of the income of the Augusta Fund to the Florence Nightingale Medal Fund is indeed covered by the Augusta Fund. It is a question of retrenching the objects of the Fund and is in no way a derogation.

Finally, the advantage of this solution is that it is clear, simple and perfectly compatible with the charitable work carried out by the originator of the Augusta Fund whose name it bears. It will provide the Florence Nightingale Medal Fund the means to continue its activity for a certain length of time.

In conclusion, the ICRC proposes to the XXIst International Conference of the Red Cross the following draft resolution :

The Conference,
having taken note of the Report submitted
by the International Committee,
accepts this report,
decides that, until further notice, the
income of the Augusta Fund will be
transferred to the Florence Nightingale
Medal Fund.

AUGUSTA FUND

BALANCE AS AT 31 DECEMBER 1968

ASSETS

Securities valued at par (market value 123,532.-- frs.)	120,410.--
Deposit at Swiss National Bank	1,978.40
Swiss Federal tax administration (tax paid in advance to be refunded)	1,089.--
	<u>123,447.40</u>

CAPITAL AND LIABILITIES

Inalienable capital	100,000.--
Reserve	18,318.45
Funds available on 31 December 1968	3,158.95
<u>Total capital funds</u>	121,477.40
Creditors (allocations to be withdrawn)	2,000.--
	<u>123,477.40</u>

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List of securities as at 31 December 1968

Securities	Rate %	Nominal	Price on 31.12.68	Value 31.12.68	Appreciation (Depreciation)
C.F.F. 1938	3	94,000.--	98,30	92,402.--	(1,598.--)
Centrale de L.G. des Banques Cantonales Suissees 1965 series 94	4.5	14,000.--	97.--	13,580.--	(420.--)
Geigy nom.		12,410.--	8,775.--	17,550.--	5,140.--
		<u>120,410.--</u>		<u>123,532.--</u>	<u>3,122.--</u>

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ACCOUNT FOR 1968

Balance as at 31 December 1967 13,720.70

Less :

Allocations as decided by the Commission 13,500.--

220.70

Interest from securities paid in 1968 3,630.--

Less :

Charges for checking accounts Fr 150.--

Printing costs circ. No 470 Fr 397.--

Safe-keeping and miscellaneous
expenses Fr 144.75

691.75

Balance available on 31 December 1968 3,158.95

15.7.69 /AP