

and Minutes of the Commission, and the comments of the accredited representative for the territory of Togoland under British Mandate;

“ And adopts the present report submitted by the representative of Roumania.

“ A. *Interpretation of Article 2, Paragraph (a) of the Commercial Agreement of June 27th 1934, between France and the United Kingdom.*—The Council notes that the assurances given by the Governments of the United Kingdom and France safeguard Article 2, paragraph (a), of the Commercial Agreement of June 27th, 1934, from any interpretation incompatible with the principle of commercial equality which governs the status of the territories placed under their A and B mandates.

“ B. The Council takes note of the statement by the accredited representative of the Imperial Japanese Government to the Commission on the subject of economic equality. It reserves the right, if necessary to study the thesis maintained in that statement.

“ C. *Observations concerning the Different Territories.* — The Council instructs the Secretary-General to communicate, in each case, to the Government of the mandatory Power concerned, the Commission's observations on the administration of the territories the annual reports for which it has examined (Ruanda-Urundi, 1934, Togoland under French Mandate, 1934, Togoland under British Mandate, 1934, Cameroons under French Mandate, 1934, Cameroons under British Mandate, 1934, Islands under Japanese Mandate, 1934, Western Samoa, 1934-35), and to request them to take the action asked for by the Commission.

“ D. *Petitions.* — The Council approves the Commission's conclusions concerning the petitions it has examined and instructs the Secretary-General to bring them, in each case, to the knowledge of the mandatory Power and the petitioners concerned.

“ E. The Secretary-General is requested, when communicating to the mandatory Powers the observations and conclusions of the Permanent Mandates Commission, to attach the text of the report of the representative of Roumania to the Council and the text of the Minutes of the present meeting. ”

The resolution was adopted.

The Marquis Theodoli withdrew.

368r. Free City of Danzig.

- (a) Report by the President of the Senate;¹
- (b) Petitions from the German National People's Party, the Social-Democratic Party and the Centre Party concerning the Decrees of August 29th, 1935, amending the Penal Code in force;²
- (c) Petitions from the German National People's Party, the Social-Democratic Party and the Centre Party, concerning the General Elections to the Popular Assembly of the Free City on April 7th, 1935.³

Mr. Lester, High Commissioner of the League of Nations at Danzig, and M. Greiser, President of the Senate of the Free City of Danzig, came to the Council table.

Mr. EDEN, Rapporteur, observed that the questions which figure on the Council's agenda under the general heading of “ Questions relating to the Free City of Danzig ” represented a situation which he regarded as exceptionally grave when judged from the point of view of the execution by the League of the general complex of functions and guarantees entrusted to it by Part III, Section XI, of the Treaty of Versailles.

The documents submitted to the Council were numerous and long (Annexes 1582 to 1585, pages 174 to 232). The Rapporteur did not propose to examine them in detail at the present moment. But he desired to say at once, and he was sure all his colleagues would agree with him, that the Council was fortunate in having as the High Commissioner a representative in whose impartiality and good judgment it felt unlimited confidence.

As Mr. Eden had observed, in submitting his last report on the subject,⁴ it was a matter for congratulation that the questions with which the Council was now called upon to deal did not relate to any differences between the Free City and Poland. That was highly satisfactory. At the same time, it was deplorable that the Council should have to devote its attention once more to the violation, by the Government of the Free City of the Constitution which it was bound to maintain, and which was placed under the guarantee of the League.

So long as the Council could count on the goodwill—indeed, he might almost add, on the good faith—of the Government of Danzig, Mr. Eden was sure it would not grudge the considerable

¹ See Annex 1582, page 174.

² See *Official Journal*, November 1935, page 1336.

³ See Annex 1583, page 182.

⁴ See *Official Journal*, November 1935, page 1194.

amount of time and trouble which consideration of these questions necessarily involved. If he spoke now of the exceptional gravity of the present situation in so far as it concerned the relations between Danzig and the League, it was because the events which had taken place since his report of September last inevitably gave rise to the doubt whether the Danzig Government was, in fact, dealing with these questions with goodwill and good faith.

Mr. Eden reminded his colleagues that, on September 23rd last,¹ the Council had unanimously approved a report in which the Senate was recommended:

“To take the necessary measures to remedy the situation revealed by the petitions addressed to the Council and by the jurists’ report, by bringing the legislation of the Free City into conformity with the Constitution of which the League of Nations is the guarantor, and by ensuring in future the strict observance of the principles of the Constitution in the application of all laws.”

The Council was, from every point of view, entitled confidently to expect that its recommendations would be fully and sincerely executed by the Government of the Free City. Not only were they based on a thorough and impartial study made by three jurists of exceptional competence and experience (Baron Marks von Würtemberg, Dr. Kusters, and Dr. Fleiner), but the Council had itself been assured, at a previous session, by the President of the Senate that:²

“Should the Council, in the light of the opinion of the Committee of Jurists, reach the conclusion that the Constitution has been infringed on certain points, the Senate of the Free City would modify its opinion on the basis of the Council’s interpretation, and would take appropriate measures.”

In those circumstances, Mr. Eden had fully expected to be able to present to his colleagues at the present session a report to the effect that the Council had no further reason at the present time to concern itself with the question of the constitutional life of the Free City

Unfortunately that was far from being the case. In spite of the fact that, in doing so, it was disregarding the undertaking given by the President on its behalf in the Council in May last, the Senate had decided in certain respects not to carry out the recommendations of the Council. Furthermore, that decision had been announced at a meeting of the Popular Assembly in a speech by the President, the effect of which could only be to create an atmosphere of hostility and resentment towards the Council. Mr. Eden would be obliged, at a later stage, to refer to certain inexactitudes contained in that speech. For the moment, he was not concerned with anything more than the general attitude, of which the speech provided an unmistakable symptom.

Similarly he did not propose, at the present stage, to enter into the details of the questions on the agenda, whether those directly relating to the respect due to the Constitution of the Free City or that referring to the validity of the elections held in 1935. For the moment, he was concerned only with the general aspects of the situation. The Council had accepted certain functions in regard to the Free City of Danzig. The satisfactory fulfilment of those functions was being rendered difficult by the attitude of the Danzig Senate. Before making particular proposals on the subject, he had thought it right to lay the general situation, as he as Rapporteur saw it, before the Council and to ask for the views of the Council thereon.

M. LÉGER said that the League’s High Commissioner at Danzig, to whom Mr. Eden had just paid a well-deserved tribute, had placed before the Council a number of facts which required its most serious attention (Annex 1584, page 202). The representative of the United Kingdom, summarising the dossier which he had studied as Rapporteur, had felt obliged to express his uneasiness at the situation created in the Free City. Everyone knew how carefully he weighed his words, and the gravity of his recent remarks was, therefore, all the more impressive.

The League was not called upon to interfere in the internal life of the Danzig community in order to favour some particular political tendency or party in preference to another. The Constitution of the Free City conferred extensive rights upon the Senate which no one had any intention of disputing or restricting. But the Senate, on its side, had definite duties: it must ensure respect for the indefeasible rights of Danzig citizens, as laid down in the Constitution, under the guarantee of the League. It was obliged to recognise the authority conferred upon the League itself by the Treaties.

After the formal statements made by the President of the Senate at the last session of the Council, there no longer appeared to be any doubt as to these essential points, and the Council was entitled to regard the question as settled in principle. Like the Rapporteur, M. Léger regretted to say in view of what had happened in the meantime, that the Council’s hopes had been disappointed. It could no longer be disguised that the Council was faced with a situation which, as the High Commissioner had clearly warned it, must not be allowed to continue.

M. Leger was not called upon to assume the Rapporteur’s task of suggesting remedies for the present state of affairs. The proposals which the Rapporteur would submit would doubtless offer a solution, for he would undoubtedly indicate measures in regard to which the Danzig Senate would be required finally to shoulder its responsibilities. For the moment, M. Léger merely

¹ See *Official Journal*, November 1935, page 1191.

² See *Official Journal*, June 1935, page 649.

wished to respond to the appeal which had been made to the members of the Council, by emphasising the fact that France had always regarded it as of the utmost importance that the rights and duties devolving upon the League under the Treaties should be respected at Danzig. The French Government would agree to any proposal calculated to ensure the normal application of the Danzig Constitution.

M. DE MADARIAGA observed that the gravity of the situation, of which the High Commissioner and the Rapporteur had informed the Council, compelled him to take part in the discussion. Spain was not a party to the legal situation created at Danzig. She had, therefore, only a general interest in the matter—namely the maintenance of the international system founded on law.

He associated himself entirely with the observations of the United Kingdom and French representatives, and, in particular, with the tribute paid to the High Commissioner. Like the Rapporteur, M. de Madariaga was glad to note the fact that, on the present occasion, there was no question at issue between Danzig and Poland, nor had there been one for some time past. He wished also to express his satisfaction—that the Rapporteur could not do, though M. de Madariaga was quite free to do so—that the Rapporteur for this question was the representative of a country and a man whose impartiality and lofty judgment were undisputed.

The problem before the Council was a delicate one, and the Danzig question might be regarded as one example of a general malady. If it were desired that civilisation, and with it the League of Nations, which was its image and its instrument, should survive, the law must be respected. If the basis of a law were considered to be unacceptable, an attempt must be made to revise it by legal methods. But it is inadmissible that the law should be destroyed by violent blows or be gradually broken down by small insidious attacks. Civilisation was the law and no one could claim to represent the League who did not begin by respecting the law. Hence it was only right that the Rapporteur should have the Council's support.

M. MUNCH thought it quite comprehensible that, at the present time, the special situation of Danzig should create certain difficulties, and even difficulties of a somewhat serious nature. Everyone was, of course, agreed that it was of the utmost importance that those difficulties should be overcome by a common effort, so that all the rights guaranteed by the League of Nations might be respected.

He very much hoped that the statement which M. Greiser, President of the Senate, was about to make would convince the Council that he recognised the necessity for taking steps to reconcile the various currents of opinion at Danzig—in regard to which the Council was not called upon to take sides—and that it might be possible, thanks to co-operation between the League's High Commissioner and the President of the Senate of Danzig, to find, on the basis of the present discussion and the Council's previous deliberations, the means of bringing about that very necessary reconciliation.

M. BECK was fully aware of the gravity of the problem which had been so clearly explained by the Rapporteur, and he had listened very carefully to the latter's statement and to the observations of the other members of the Council. M. Beck attributed all the more importance to the discussion in that he represented, not only a State Member of the Council, but also the country whose vital interests at Danzig had been guaranteed by the Treaties in force.

The Free City having been placed under the protection of the League, the Council was responsible for ensuring the normal operation of the Statute of the Free City. The Polish Government could obviously not remain indifferent to any question involving the exercise by the Council of its rights and duties resulting from the guarantee of the League of Nations.

M. Beck noted with the greatest satisfaction, a satisfaction shared by the Rapporteur, that for some time past the Council had not been called upon to exercise its guarantee in respect of Polish interests. The Polish representative wished to take the opportunity of expressing his Government's satisfaction at the manner in which the daily—and sometimes very complicated—relations between Poland and the Free City had been settled in collaboration with the Danzig Senate. He would like to feel convinced that the Senate, in accordance with the statements made by its President before the Council, and recently to the representative of the Polish Government, would show the same goodwill in its relations with the League of Nations.

After a very careful examination of all the papers transmitted to the Council by the High Commissioner, M. Beck was inclined to think that the questions which the Council was called upon to examine were not all of equal importance. Without losing sight, when studying those questions, of the economic and social difficulties encountered in every political organisation by the authorities responsible for the administration of public affairs, the Council could not allow the League's guarantee to be called in question.

In M. Beck's view account should be taken of various essential factors relating to the normal administration of the Free City within the framework of its Statute. The application of the League's guarantee should ensure the unrestricted exercise by Poland of her fundamental rights, a certain freedom of action which was essential to the Senate of the Free City to enable it to administer public affairs satisfactorily and the safeguarding of the legitimate interests and rights of the Danzig population guaranteed by the Constitution. The Polish Government would co-operate effectively with the other Members of the Council with a view to finding a solution

for the present difficulties so as to reconcile those various factors within the framework of the Statute of the Free City

M. Beck wished to associate himself very cordially with the tribute paid by the Rapporteur to Mr. Lester.

Moreover, he could not conclude his remarks without expressing his appreciation of the tireless efforts of the Rapporteur, Mr. Eden, whose ability and personal energy gave reason to hope that the Council would be able to find just and equitable solutions for the problems under discussion.

M. LITVINOFF did not consider it necessary for him to enter into the details of the report or to speak on the internal affairs of the Free City of Danzig. He was quite satisfied that it was not a question of differences between the Senate of Danzig and the population of Danzig, but of differences between the Senate of Danzig and the League of Nations. The report submitted by the High Commissioner (Annex 1584, page 202) left no doubt that the Council had before it a case of the disregard of international obligations, or an infringement of those obligations, by the Senate of Danzig. As the representative of Spain had rightly said, international obligations formed the basis of international life and, if there were no such obligations, or if they were to be regarded as scraps of paper, there would be no order in international life, no peace, force would dominate, and national egoism rule supreme.

It was naturally incumbent on the Council to ensure that international obligations were kept, and not a single case of infringement of such obligations should be allowed to pass by. If one such case were allowed, especially in the present day, it would necessarily entail a series of infringements and, perhaps, with more serious consequences than in the present case. M. Litvinoff therefore sincerely hoped that the Council would speak with an unmistakable voice and tell the Senate of Danzig that it would be bound in future to keep all the engagements and solemn promises given before the Council on many occasions.

M. RÜSTÜ ARAS wished to reply to the Rapporteur's appeal by associating himself with the statement made by the Danish representative. He would merely say, therefore, that Turkey which was anxious to safeguard the authority and prestige of the great international institution of which she was a Member and to maintain order equally everywhere, and particularly in Europe, was prepared to study and approve whatever draft resolution might be submitted by the Rapporteur with a view to remedying the grave situation to which he had just referred and which had made so deep an impression on the Members of the Council.

M. DE VASCONCELLOS associated himself with the observations of the Rapporteur and of the Members of the Council regarding the action and authority of the High Commissioner who, in the accomplishment of his difficult task, had shown himself entirely worthy of the confidence placed in him by the League at the time of his appointment.

M. de Vasconcellos assured the Rapporteur, whose ability and impartiality were recognised by all, of his support for any measure the Rapporteur might think fit to propose with a view to strengthening the authority of the League of Nations.

Mr. LESTER did not know whether he could contribute anything to the discussion at the present stage. The situation in relation to Danzig had become acute because the Government had found itself unable to comply with certain recommendations of the Council, and because of the spirit evinced in the declaration made to the Popular Assembly by the head of the Government.

In those circumstances, and in view of the mission entrusted to the High Commissioner by the Council, he had had to describe the general situation as it had appeared to him. That he had done with much reluctance, as he had nourished the hope that good sense and reasonableness would lead to a modification of policy in accordance with the views frequently expressed at the Council table.

In his annual report (Annex 1584, page 202), Mr. Lester had laid emphasis on the matters which had been causing him anxiety and which might help to explain to the Council the circumstances that had led to the Senate's grave decision to disregard Council recommendations. It was the abnormal, rather than the normal, which provided that explanation. The High Commissioner might have devoted much space to normal matters, to the matters in regard to which the Government had preserved a constitutional position. But it was the opposite tendency which created difficulties, and it was only because of that tendency that the guarantee of the League of Nations was put in question.

Although consistently maintaining that the guarantee of the League was limited to certain matters, a contention which the Council had refused to accept, the Senate of the Free City had also maintained that it did, in fact, keep within the letter of the Constitution; and it would not be right to conclude from the unhappy situation now presented to the Council that no effort whatever had been made in that direction. Unfortunately however, loyalty to the Constitution seemed to have been weakening, and Mr. Lester could not regard without grave anxiety a situation in which even the Council's formal recommendations were disregarded.

He appreciated very sincerely the expressions of the Council with regard to his impartiality exercised in a somewhat delicate situation. It had frequently been necessary to refer in his report to the policy of one political party. He believed that, in the past, he had always made it clear, and for that reason he had felt it unnecessary to repeat it, that he had no prejudice or bias in regard to the views of any political party. Indeed, Mr. Lester would recall that, a year previously he had declared that the application of such elements in that particular policy as were not in contradiction with the Constitution was of course an objective to which no objection should be made. He had been inspired only by a desire to settle in Danzig such problems as inevitably

arose there, with full recognition of the difficulties and privileges of the Government but without failing to carry out the instructions governing his mission. In any case, where there was a reasonable element of doubt, the benefit was given, and properly given, to the views of those responsible for government. If conflict arose at the present time it was due to the attitude of the Government even towards formal decisions of the Council itself. It might be further noted that those decisions had been the first to be made by the Council regarding Danzig during Mr. Lester's two years of office.

He could not believe that it was impossible for a clear understanding to be reached between the Council and the Danzig Government, and while he remained in his present post he would continue to work in that spirit.

In the meantime, the members of the Council had been fully informed as to the situation.

M. GREISER, President of the Senate of the Free City of Danzig, said that he wished to thank the Council for having been at pains to study in detail conditions in Danzig, and he was particularly grateful to Mr. Eden for his clear account of the position. After hearing what had been said in the discussion at the Council table, he considered that two points must be given particular prominence. In the first place, he had the impression that it was feared at the League of Nations that the Free City of Danzig was unwilling to recognise its Statute or was anxious to rebel against it. Secondly it seemed that the Free City of Danzig was reproached with having displayed a certain lack of goodwill in regard to the recommendations adopted by the Council at its meeting in September.

As regarded the first point, M. Greiser thought he could at once dispel all uncertainty by stating, as President of the Senate, and on behalf of his Government, that the Government of the Free City of Danzig had never had, and had not, the least intention of attacking the Free City's Statute as conceived by the League of Nations, and established by treaty. He could, moreover, add that any apprehensions regarding the position of the High Commissioner in Danzig—which was determined by the Statute—were absolutely without foundation, as the Senate's attitude towards the High Commissioner's position was exactly the same as its attitude to the Statute of the Free City. He thought that this statement would remove any fears which members of the Council might have entertained regarding an aggravation of the international position, in so far as the Free City of Danzig was concerned.

As regarded the second question which had emerged from the remarks of members of the Council at that meeting—namely the Government's supposed lack of goodwill in regard to the Council's recommendations—he was bound to confess that the Government found this question somewhat more difficult. He was, nevertheless, in a position to declare that there had been no lack of goodwill on the part of the Danzig Government. The members of the Council were all actuated by a sincere desire for a friendly and peaceable settlement, as he had himself seen at that day's meeting. Such, he wished to emphasise, was also the attitude of the Danzig Government, and he considered that the matter was not one of goodwill but merely of a difference of opinion on the part of the jurists—of those, on the one hand, whom the League of Nations had asked for an opinion and, on the other hand, of those acting for the Free City of Danzig.

The situation was briefly as follows: At the September meeting the Council took a decision whereby it conveyed six recommendations to the Senate of the Free City. He would not detail these recommendations, but four of the six—that was to say 75 %—he had duly carried out. Two only of the recommendations had so far not been given effect, and that not because there was any lack of goodwill, but because the recommendations were of no intrinsic importance and had no great political significance; their non-application was also due to reasons based upon a legal concept which was absolutely sound.

In order to leave no doubt as to the grounds for the non-application of the recommendations in question, he would ask the Council to bear with him while he went into the matter in greater detail. As everyone was aware, it was the League of Nations which had created the Free City, and the people of Danzig therefore regarded their State as the League's offspring. The League of Nations was thus responsible for the Free City and—as on the present occasion—it had frequently emphasised, and with justice, that it was the guarantor of the Free City's Constitution. In that Constitution, however, it was laid down that the whole of the judiciary the whole administration of justice, was completely independent of the political authorities, and the Free City's courts were, in actual fact, completely independent of Government influence. In its judgment, the Danzig Supreme Court, which was the Free City's highest Tribunal, had taken the view that the laws and decrees to which the two recommendations not yet carried out referred, were absolutely consonant with the Constitution. Its legal opinion had therefore differed from that arrived at by the members of the international Committee of Jurists. The opinion of the highest court of law in a State was, however, the legal foundation of that State, and what would become of a State—whether great or small—if its Government and people were to undermine that foundation?

For the people of Danzig the League of Nations was the very embodiment of peace and justice. That institution met at Geneva for the purpose of upholding peace throughout the world, and he had no hesitation in saying that the whole world, and not least the Free City of Danzig and the people of Danzig, regarded it with every confidence. And, just as the League existed to uphold peace, it also existed to uphold justice in the world. He believed that the League's primary duty was, and always must be, to see that justice was done, particularly to weak States such as the Free City of Danzig, as had rightly been maintained at that very meeting. The League's

great example in the matter of the upholding of peace and the safeguarding of justice had to a large extent been followed by the Government of the Free City of Danzig.

While talking of peace, M. Greiser wished to remind the Council that there had been a time when the Free City of Danzig had been regarded as the powder-barrel of Europe. For twelve years that powder-barrel had been threatening to blow up, and for twelve years the Council had been called upon to deal with disputes of a highly explosive character. All the political parties which had been the cause of the Council's discussing the purely internal affairs of the Free City of Danzig had, for twelve years, been responsible for the fact that, instead of being emptied of its contents, the powder-barrel of Europe was being constantly replenished. It was to the present Government, to the National-Socialist Government, that belonged the credit for having emptied this powder-barrel, and that Government had set an example to the world by a whole series of acts which had contributed to the peace of Europe. It had translated the League's spirit of peace into deeds, and he was grateful to M. Beck for having so frankly borne witness that the Danzig Government really was actuated by the League spirit.

As regarded the second question of law, M. Greiser would remind the members of the Council that they represented States some of which were of great military and economic strength. The Free City of Danzig was a State in miniature; it had not the same strength as the Members of the Council. Strength, however, it had—the might which was right. This strength, which was all that the Free City possessed, should not, in his view be discussed in such a way that justice should be made to yield to political considerations. He believed that, if that day the Council, instead of acknowledging the right, were to pronounce a judgment based upon political power, the danger of a threat to peace and of a disturbance of peace in Europe might again become acute. That meant that the Council would rightly feel obliged to decline the political responsibility for such a danger, as had, indeed, already been made clear.

Those seated around the Council table were not lawyers but statesmen, and he believed that the statesman's most imperative duty was to strive constantly for peace and justice. As statesmen, therefore, they must not base their judgment, like lawyers, upon the letter of the law and a formal interpretation, clause by clause, but rather seek a political settlement. Such would be their course as League statesmen, for he believed that there was no situation, however difficult, from which statesmen could not find a way out. He would take that opportunity of stating, on behalf of the Free City of Danzig, that they were quite prepared in this question also to join with the Council in discovering a way out. He fully realised that all the Members of the Council were aware of this high task. It was therefore the Senate's paramount duty to continue to work with the Council for peace and in that way for the maintenance of justice.

Mr. EDEN, speaking as Rapporteur, had only one or two observations to make at the conclusion of the present discussion. He wished, first, to express his gratitude to his colleagues for their speeches. Although he had had little doubt as to their views, the support which they had all expressed was an encouragement to him in his difficult task, and that that task was a difficult one he thought nobody who had read the High Commissioner's report and listened to the speeches could have very much doubt.

Mr. Eden took note of the faith expressed by the High Commissioner in his speech that it was not impossible to reach an agreement between the Free City and the Council on the difficulties which at present existed. He associated himself with that declaration and would add that the fact that the High Commissioner should have made it was characteristic of the patience he had displayed throughout the time he had been shouldering his responsibilities.

The President of the Senate of the Free City had said that the failure of the Senate to fulfil certain undertakings which he had given the Council in September 1935 concerned matters of minor importance. Mr. Eden could not take that view, nor did he believe that anybody who read the report could do so for one moment. The President of the Senate had also said that the main differences were differences between jurists. Mr. Eden could not accept that interpretation; indeed, he believed it to be wholly untenable in face of the evidence before the Council. The President of the Senate had reminded the members of the Council that they were not jurists, but only politicians. Mr. Eden personally pleaded guilty to that charge. Mr. Greiser had asked the members, since they were politicians, to care more about the spirit than the letter of the law. If Mr. Eden were willing to do that, it must not be thought that he agreed with the President of the Senate that the spirit and the letter of the law were always in contradiction. In the present case, Mr. Eden believed they were in complete agreement, and it was on that basis that he would proceed with his work.

Finally he wished to assure his colleagues that he would do his utmost, in the next few days, to present to them a report which took account of their speeches.

He had, however, one observation to make. It was not possible to allow matters to continue in the manner in which they had been allowed to continue during recent months. Such a position would not be fair to the High Commissioner, the Rapporteur or the Council. An attempt must be made on the present occasion to seek a solution, and he undertook to engage himself in that task, conscious that he had the support of all his colleagues, and confident that he would secure the full co-operation of the President of the Senate of the Free City of Danzig.

The PRESIDENT was sure everyone would agree that the discussion on this very important question had been of a most useful character. The speeches that had been made by the members

of the Council had left no possible doubt as to the point of view of the Council regarding the imperative necessity for finding a solution of the present situation. He was sure those speeches would have convinced the President of the Senate of the Free City of the imperative necessity for the co-operation of the Senate with the Council of the League of Nations. Everyone was most grateful to the Rapporteur for the invaluable assistance he had given to the Council and for the great work he was doing, and the President could assure him, on behalf of all his colleagues, that he could look for every possible support in his further efforts to find a solution of this very difficult problem.

Mr. Lester and M. Greiser withdrew.

3682. Enquiry on Clearing Agreements.

M. KOMARNICKI presented the following report: ¹

“On September 28th, 1935, the Assembly decided to

“ Suggest that the Council should consider the desirability of organising in a suitable manner, in co-operation with the Bank for International Settlements, a consultation by competent persons with a view to

“ (1) Devising means for promoting the application of the suggestions made by the Joint Committee;

“ (2) Studying any other projects or measures designed to extend international trade and give it greater freedom.

“ Circumstances are hardly favourable for undertaking at present the consultation referred to in this resolution. Accordingly I suggest that the Council empower its President to decide, in agreement with its Rapporteurs for economic and financial questions, when the consultation should be undertaken, and to instruct them to proceed then to nominate the persons to be approached for that purpose.” ²

M. GARCÍA OLDINI wished to make one observation on the report. “ Circumstances ”, it said, “ are hardly favourable for undertaking at present the consultation referred to in this resolution.” The Chilean representative believed that public opinion, for which economic problems were fundamental and even of tragic importance at the present time, would find it difficult to understand that circumstances should be hardly favourable for what it could only regard as a simple consultation. The task which was the object of that consultation was, of course, a difficult one. It was no easy matter to find means of enlarging the commercial exchanges which at present took place between two countries under the clearing system and directing them towards plurilateral compensation. Neither was it easy to seek for and find an exchange system which was not limited only to the equalisation of the balance of trade, and which covered all the items of the balance of payments.

All that was obvious enough. But what was less obvious was that circumstances did not permit the consultation of qualified persons on that delicate point. In M. García Oldini's view, the addition of a sentence which would give public opinion an idea of the difficulty would avoid certain reactions which might be caused by the statement made in the report.

He thought, therefore, that it would be necessary to add a few words to the last part of the report, which might read as follows: “ Accordingly I suggest that the Council empower its President to decide, *as soon as circumstances permit*, in agreement with ” This modification would give those suffering from the effects of the crisis a clearer and more definite hope in the work which the League was going to undertake in that sphere.

M. KOMARNICKI was prepared to meet the wishes of the Chilean representative, whose suggestion was in keeping with the spirit of the Rapporteur's proposal. The Council was not in any way attempting to shirk the question. M. Komarnicki was therefore ready to accept the following amended text:

“ Circumstances are somewhat unfavourable for undertaking at present the consultation referred to in this resolution. Accordingly I suggest that the Council entrust to its President the duty of appreciating, after ascertaining the opinion of the Rapporteurs for economic and financial questions, whether circumstances have become favourable for the consultation to be undertaken, and, in that case, to proceed to nominate the persons to be approached for that purpose.”

The conclusions of the report, thus amended, were adopted.

¹ Document C.503.1935.II.B.

² This paragraph was subsequently amended (see below).