

I propose the following resolution

“ The Council takes note of the agreements reached between August 20th and September 1st, 1923, by the representatives of Poland and Danzig on the different questions outstanding between the two Governments. It desires to express to both parties its approval of the successful results thus achieved. ”

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Annex 555 a.

C. 579. 1923. I.

FREE CITY OF DANZIG POLISH-DANZIG QUESTIONS STILL OUTSTANDING.

*Letter dated August 31st, 1923, from the High Commissioner in Danzig to the Secretary-General, submitted to the Council on September 1st, 1923.*

1. I have the honour to refer to the resolution of the Council dated July 7th, 1923, and to make the following report for the information of the Council.

2. Immediately after the last session, the representatives of Poland and the Free City met with experts of the Secretariat under my chairmanship and proceeded to an examination of all the differences at that moment outstanding between the two Governments. In the course of conversations lasting three days, the views of both parties were carefully examined, and a foundation, on general lines, established upon which further negotiations could be based. As a result of these further negotiations, every difference outstanding in July last has been settled except one, and the appeals against the seven decisions given by me have either been withdrawn or their execution left in abeyance.

3. Attached to the present report will be found agreements on the cases which have been settled.

4. The only question on which it has not been possible to arrive at an agreement is one of vital importance to both parties. It is the question of the legal status of Polish citizens in the territory of the Free City which is dealt with in paragraph 33 of the Treaty of Paris and the respective paragraph of the Treaty of Versailles.

5. Upon this the views of the two Governments are so widely divergent as not to offer any common basis for an agreement, and both have requested that it be settled by the machinery provided for the settlement of differences between the two Governments. The matter turns upon two different and perfectly *bona fide* interpretations of certain paragraphs in the Treaties, on which there will, I think, be required an opinion or a decision of some judicial authority. It is certain that whatever decision I may give will be appealed against by one and possibly by both parties, so that the Council will have the matter brought before it in the normal case of procedure.

6. It will probably be of assistance to the Council if the argument of each Government is set out at length and the ground prepared for further examination of the problem in the form of a decision by me. I therefore have the honour to suggest to the Council that, unless it desires to give an immediate decision on the matter, the normal procedure be employed for dealing with this difference between the two parties.

7. I wish to make it clear that, in this particular case, there is no animosity or strained relationship between the two Governments, but both feel that, until this very important question is settled, it will be impossible for each to know what should be its correct and legal attitude towards the other side in cases falling within paragraph 33.

8. A temporary procedure has been agreed upon by which it is hoped to regulate provisionally any difference of opinion which may arise pending a final decision on the matter.

9. It will, I feel confident, be a matter of great satisfaction to the Council to learn that the negotiations have been conducted throughout in an atmosphere of goodwill and that both the parties have shown a desire for a complete understanding on the whole Danzig-Polish relationship. In the interests of a settlement, both parties have necessarily had to abate some of their claims, and have done so not so much on the merits of any particular case as in the interest of a general composition of differences and in pursuit of their common interests.

10. I wish to express, on my own behalf, my gratitude to both parties for the way in which they have enabled me to negotiate agreements, and to the members of the Secretariat for the expert and understanding manner in which they have handled the various problems.

11. There remains only one matter connected with the Free City of primary importance and urgency for the Council to consider, and that is the financial situation. The recent general strike, which was fortunately of only short duration, consequent upon the break of the German mark, has again shown the necessity for Danzig to introduce a stable currency. I would therefore request that the Council take into the most favourable consideration the recommendations made by the Finance Committee with a view to assisting the Free City to overcome the serious situation into which it is forced by being tied to the tail of the German Reichsmark.

(Signed) M. S. MACDONNELL.

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## Appendices.

### DECLARATION.

The Governments of Poland and Danzig were recommended by the Council of the League of Nations on July 7th, 1923, to submit the differences still existing between them to the High Commissioner with a view to enabling the Council to give a decision, at its next session, on the general question of these differences. In compliance with this recommendation, the two parties have examined, with the High Commissioner, the various categories of disputes and have made the following agreements regarding each of the differences examined in the course of negotiation.

#### I. HARBOUR BOARD.

##### A. Status (General situation).

Both parties are agreed that the various disputes which have arisen during recent times require to be treated as a whole and to be examined from an agreed point of view as to the objects for which the Harbour Board was created, the position which it occupies and the functions it has to fulfil.

(1) It is realised that to define these points with more precision than is to be found in the Treaties might be difficult, but the following standpoint is accepted by both parties

(a) The Harbour Board was created by the Treaty of Paris with the object of putting into effect the provisions of Chapter III of that Treaty. The special obligations which the Harbour Board has towards Poland are defined in Article 26 and other articles of the Treaty. When it is a question of defining the position of the Harbour Board, the methods of its activity, the position of its officials, and, in general, when it is necessary to find a solution of the many questions connected with this organisation, the above-mentioned objects, for which the Harbour Board was created and which serve the common interests of Poland and of the Free City, must always be kept in view.

(b) Within the limits of the functions assigned to it, the Harbour Board is a body independent of both Governments whose interests are safeguarded by their respective delegations on the Board and whose rights are protected by the power each has of employing the procedure contemplated in paragraph 39 of the Treaty of Paris.

(2) It is agreed by both parties that a procedure is to be devised for appealing to the High Commissioner against decisions taken by the Harbour Board with a view to arriving at a speedy settlement of any such cases.

##### B. Finances.

It is agreed that the Financial Convention contemplated in paragraph 23 of the Treaty of Paris shall be negotiated forthwith and that it shall determine in what manner and at what time the budget estimates (*projet du budget*) shall be presented to the two Governments and in what form applications for funds, whether for current or capital expenditure, shall be made.

Pending the completion of this Convention and as a temporary measure, both Governments undertake to continue to contribute in equal shares the funds necessary for the maintenance of the normal activities of the port. In case of doubt, the Harbour Board will decide what constitutes the normal activity of the port.

Nothing in the wording of the foregoing agreement is to be held to prejudice in any way the text of the Financial Convention.

The foregoing agreement replaces the decision given by the High Commissioner on April 29th, 1923.