

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.

### C. *Civil Suits.*

It is agreed by both parties that, in cases where the Harbour Board is a defendant in a civil suit, the plaintiff can have the case tried either by a Danzig tribunal in Danzig or a Polish tribunal in Poland.

In either case, the law will be the Danzig law

The Polish Government will specify the particular tribunals in Poland which will be competent to deal with such cases.

A special agreement will settle the execution on Danzig territory of sentences of the Polish Courts connected with the Harbour Board.

The Polish Government withdraws its request for the decision of the High Commissioner in this case.

### D *Loans. Sale of Property.*

It is agreed by both parties that the general question of the power of the Harbour Board to raise loans and sell its lands and buildings is not at present of practical interest that the decision given by the High Commissioner on May 24th, 1923, on the first of these two questions may be allowed, with the consent of the High Commissioner and of the Council of the League, to remain in abeyance and that the second question need not be considered at present.

### E. *Employment of Polish Nationals.*

It is agreed by both parties that it is desirable to fix the proportion in which it will be possible for the Harbour Board to employ Polish nationals. Preference should be given to Polish nationals in filling vacancies, both in the superior and subordinate staff, till the proportion of Danzig and Polish nationals in each branch of the administration becomes equal, so far as this is compatible with the exigencies of the service and with the maintenance of the vested rights secured by paragraph 4, Article 20, of the Treaty of Paris. As soon as the total number of Polish officials in each branch of the service reaches 50 per cent of the total employed, this proportion will be maintained.

This agreement will hold good for a period of seven years.

The Polish Government withdraws its request for the decision of the High Commissioner in this case.

### F *Police.*

Both parties have agreed to withdraw their appeals against the High Commissioner's decision of June 6th, 1923, and to put the decision into execution for a period of two years. Both parties agree, moreover, that the sanitary and quarantine police, as far as it concerns the immigration and emigration provided for in Article 24 of the Treaty of November 9th, 1920, shall be under the authority of the Harbour Board. With regard to other questions, it shall be under the authority of the Free City

The arrangement concerning the payment of the personnel of the Harbour Police, mentioned in paragraph C of the High Commissioner's decision shall be concluded between the Free City and the Polish Government and not between the Free City and the Harbour Board. This arrangement shall form a part of the Financial Convention to be concluded in virtue of Article 23 of the Treaty of November 9th, 1920.

At the expiration of the period of two years, each party will be free to reconsider its attitude on the question of the Harbour Board Police.

### G. *Flag.*

Negotiations between the Free City and Poland will be continued to settle this difference.

### H. *Administration of the Vistula.*

A proposal has been made by the President of the Harbour Board for the administration of the Vistula, but the Harbour Board has not yet given a decision on this proposal. The Polish Government is in general agreement with the lines of the President's proposal, but the Free City does not find itself able to agree with it.

Negotiations will continue.

## II. CUSTOMS.

(1) Article 104, paragraph 1, of the Treaty of Versailles expresses the intention of effecting the inclusion of the Free City within the Polish Customs frontiers.

Articles 13 to 18 of the Treaty of Paris execute this intention and specifically lay down, with other prescriptions, that

“ The Free City is included within the Polish Customs frontier Poland and the Free City form one Customs area under the Polish Customs legislation and tariff. ”  
(Article 13.)

" The territory of the Free City of Danzig shall for Customs purposes form one administrative unit under the charge of officials of the Free City and under the general direction of the Polish central Customs administration the Polish Government shall, through Polish inspectors attached to the Danzig personnel, participate in the inspection of the Customs service. These inspectors, who shall be paid directly by the Polish Government, shall communicate their observations to the Polish central Customs administration. " (Article 14.)

" The Danzig Customs administration shall be answerable to the Polish Customs administration for Customs receipts and shall be responsible for levying them, as also for the execution of the Customs laws. " (Article 15.)

The effect of these provisions is to place the Danzig Customs service in a position of subordination to the Polish central Customs administration.

(2) The Danzig Customs service forms an administrative unit under the charge of officials of the Free City. This arrangement secures the maintenance of a Danzig personnel in the Danzig Customs unit.

(3) Polish Customs legislation and tariff are the expression of that country's Customs and economic policy of which Poland must be the sole arbiter. The economic requirements of Danzig in the realm of Customs matters is one of the factors in the economic policy of Poland. A relationship must exist between the Customs unit of Danzig, which is part of the executive machinery for Polish Customs and economic policy and the central Polish Customs administration which will assure a rapid and smooth Customs service in the best interests not only of the two Governments but also of the commercial world at large.

(4) Taking the foregoing considerations into account, the Governments of Poland and the Free City agree that

(a) All general measures in the nature of Customs legislation, Customs tariffs and Customs statistics applicable to all Polish Customs units are also *ipso jure* applicable to the Danzig Customs unit. Danzig has already settled the question of import and export statistics in conformity with the stipulations in force in Poland. Amendments will be made in the future when necessitated by modification of the Polish stipulations.

(b) No difference of opinion between the Danzig Customs unit and the Polish Central Customs administration as to the application or execution of any of the measures mentioned in paragraph 4 (a) is to be allowed to cause any delay or difficulty in the application of these measures, which will continue in force until a settlement of the difference has been reached by the procedure foreseen in the Treaties in force.

(c) The recruitment, discipline and general organisation of the Danzig Customs unit will remain under the charge of the Free City. The Danzig Customs administration will be responsible to the Polish Customs administration for the execution of the Customs laws. In the event of the Polish authorities having any complaint to make against a Danzig Customs official (Article 202, paragraph 3, of the Warsaw Agreement), the Government of the Free City will furnish to the Polish Government full information regarding any action taken as a result of such complaint.

In case of an infraction of the Customs regulations by the Danzig Customs personnel, the competent Danzig Customs authorities shall carry out the proceedings until the matter has been transferred to the authorities competent for legal action and punishment. These measures will be taken in the presence of the Chief Inspector of Polish Customs or one of the inspectors of the Polish Customs, who, in virtue of Article 201, paragraph 4, of the Warsaw Agreement, have the right to make their observations with regard to the official activity of the Danzig officials and to take action accordingly as provided for in the above-mentioned article. The Danzig Customs authorities shall in such a case bring to the notice of the Chief Inspector of Polish Customs the decrees and decisions which have acquired the force of law.

Both parties reserve to themselves the right to reconsider at a later date, in the light of experience gained in the execution of the present Agreement, the question whether other measures are necessary to assure the smooth co-operation of the Danzig Customs unit and the Polish Customs Administration, as well as the execution of the Customs laws in accordance with the present agreement.

(d) The agreement entered into between Poland and Danzig regarding the import and export of prohibited goods under Polish law (Contingents) will remain in force.

5. This agreement in no way modifies existing treaties and conventions. It is only an interpretation of them.

### III. ARTICLE 33 OF THE TREATY OF PARIS.

Both parties state that the interpretation by each party of Article 33 is so widely divergent that there appears to be no possibility of reconciling their different points of view on this fundamental question, which will therefore have to be answered by means other than an agreement between the two Governments.

In the meantime, certain disputes arising out of this difference of opinion as to the meaning of the paragraph are in need of settlement as a provisional measure without prejudice to the final decision on the point at issue.

(1) *The Expulsion of Polish Nationals from Danzig.*

A procedure has been agreed upon which shall remain in effect for five years. In the event of any dispute arising out of this agreement or as a result of Danzig legislation or administration in connection with this matter, the diplomatic representative of the Polish Government stationed at Danzig will request the High Commissioner to examine the matter with the Senate with a view to settling the difficulty.

(2) *Police Regulations for reporting Arrival, Departure, Change of Residence, etc.*

A temporary arrangement has been made by the Free City which satisfies the requirements of the Polish Government.

(3) *Danzig Law of December 30th, 1922, regarding the Acquisition of Property, and the Application of this Law.*

The two parties have agreed on the following procedure, as a provisional measure, in the event of Polish nationals desiring to acquire real property in Danzig.

The Senate of the Free City will inform the Polish Commissioner-General in each case of the decision of the Danzig Authorities regarding their consent or refusal to allow the acquisition of real property by Polish nationals and will furnish the following information: description of the real property, the names of the buyer and seller, and the price agreed upon.

The Polish Government withdraws its request for the decision of the High Commissioner in this case.

(4) *Deposits for Taxes due by Polish Nationals.*

A temporary agreement has been reached on the question of making deposits for taxes due. Polish nationals cannot be deprived of liberty for the non-payment of taxes except by the direct order of the judge.

(5) *Procedure in event of Differences of Opinion.*

For the immediate future, in the event of differences of opinion arising as to the treatment of Polish nationals in cases which fall within Article 33 of the Treaty, both parties are agreed that, until a definite decision is given upon the legal position of Polish citizens in Danzig, the High Commissioner, assisted by both parties, should examine such a difference of opinion with a view to arriving at a provisional settlement of the dispute. Such an examination will be made before new regulations are introduced by the Senate in this connection.

## IV FOREIGN AFFAIRS.

A. *Consultation of the Free City, and its participation in Treaties and International Agreements.*

(1) It is agreed that, in accordance with Article 6 of the Treaty of Paris, no treaty or international agreement affecting the Free City can be concluded without previous consultation with the Free City and that the High Commissioner shall be informed of the result of such consultation. To obviate any misapprehension as to whether this consultation has taken place or not, a stereotyped form will be employed for notifying the High Commissioner of the result of the consultation. It shall be open to either party to make the notification.

It is realised that the place and time at which, and the manner in which, such consultation takes place, as well as the reasonable time given to the Free City for the examination of the question, depend on the circumstances of each case.

In cases where the interests of the Free City appear to be opposed to those of Poland, the Treaty need not be accepted by the Free City except where the Treaty becomes operative in Danzig territory as a result of the provisions of the treaties in force, *e. g.*, in Customs matters.

Nevertheless, for practical reasons, an international agreement concluded by the Polish Government might contain stipulations in which the Free City of Danzig is directly engaged as a contracting party side by side with other stipulations which, without possessing these characteristics, involve an interest of the Free City. It is desirable that, when the occasion arises, the text of the international agreement to be concluded should make the contractual position of the Free City clear.

As regards treaties such as liquidation agreements arising from the division of territory after the war in which the interests of Poland and the Free City are opposed, the Free City will be given the necessary facilities to represent her point of view with the contracting Powers, being considered in such a case as a contracting party.

Nothing in the foregoing arrangement is to prevent the Free City making use of her right to appeal to the High Commissioner under Article 39 of the Treaty of Paris.

(2) With regard to the treaties and international agreements recently made by Poland and communicated to the Free City by Poland, in which the Free City is either an interested or contracting party these have been accepted by the Free City on the declaration of the Polish Government that, in those treaties in which Danzig is a contracting party the fact has been communicated to the State concerned, and the communication to the High Commissioner under Article 6 of the Treaty of Paris has been made for the information of the League of Nations.

The Danzig Government withdraws its request for a decision of the High Commissioner.

#### B. *Judicial Relations with Germany.*

The Polish representative informed the representative of the Free City that arrangements are being made with Germany on behalf of the Free City for an *Ueberleitungsabkommen*, and it was agreed that the *Rechtshilfevertrag* with Germany could be postponed for the present.

The Free City withdraws its request for the decision of the High Commissioner in this case.

#### C. *Transmission of Documents.*

It is agreed that the Free City is entitled to receive all documents addressed to her and despatched through the Polish Government in accordance with Article 2 of the Treaty of Paris. It is, however, agreed that the Polish Government has the right to withhold any document addressed to the Free City if the transmission of such a document appears contrary to the political interests of Poland. Unless in very exceptional cases, which it is not expected will arise in practice, the Polish Government will inform the Free City of the receipt of the document and the reasons for which it has not been transmitted.

The Free City withdraws its request for the decision of the High Commissioner in this case.

#### D. *Employment of Danzig Nationals in Polish Consulates.*

In virtue of Article 3 of the Treaty of Paris, the two parties have agreed on the question of the employment of Danzig nationals in Polish consulates at places where the Free City has important commercial interests. These functionaries will be paid by the Polish Government and form an integral part of the consular staff at the places in question. They will receive their instructions from the head of the consulate and can correspond direct with the authorities of the Free City under the consul's responsibility.

The details of putting this agreement into force will be settled by both parties.

The Free City withdraws its request for the decision of the High Commissioner in this case.

### V PROPERTY, DEPARTMENTS AND PERSONNEL OF THE POLISH STATE IN THE TERRITORY OF DANZIG.

#### A. *Taxation of Buildings the Property of the Polish Government.*

It is agreed that no movable or immovable properties of the Polish State on the territory of the Free City are subject to Danzig jurisdiction, except in the cases where the Polish State has expressly admitted this jurisdiction and where no real property charges are involved.

All the properties of the Polish State on the territory of the Free City used by the Polish Government for official purposes contemplated in the Treaties in force will be exempt from taxation for as long as they are used for these purposes. In the event of the Polish Government disposing of a part of these properties or employing a part of them for objects not foreseen in the treaties in force, this part of its properties would no longer be exempt from taxation. This arrangement does not extend to the *Eisenbahn-Direktion*, as this question has already been settled.

The decision of the High Commissioner dated May 2nd, 1923, is replaced by this agreement.

#### B. *Collection of Taxes from Officials of the Polish Government in Danzig.*

The Polish Government is of opinion that the question of the collection of taxes from the officials of the Polish Government in Danzig is not yet settled.

The Free City of Danzig is of opinion that the question is settled by the agreement of May 17th, 1922.

Provisionally the Polish Government deducts the tax from the salary of its officials on the same basis as is taken for the officials of the Free City of Danzig. The Polish Government undertakes to pay over to the Senate of the Free City all sums received from this source pending a final settlement,

#### C. Polish Government Departments in Danzig.

(1) At the request of the Free City of Danzig, the Polish Government declares that the existence of the section of the staff of the diplomatic representatives of the Polish Government stationed at Danzig described as "military" is made necessary by the fact that Polish war material is imported *via* Danzig and by the control which has to be maintained over Polish nationals in the matter of conscription.

The Free City realises that this section is in no way to be considered as constituting a military organisation of any kind.

The Free City withdraws its request for the decision of the High Commissioner in this case.

(2) In order to avoid the inconvenience of two meteorological services issuing independent communications to the public in the territory of the Free City the meteorological station established by Poland at Danzig will not issue such communication to the public.

(3) The working of the Polish wireless station at Danzig will form the subject of an agreement with the competent authorities of the Free City

#### D. Polish Diplomatic Personnel in Danzig.

The two parties agree to postpone to the next session of the Council the consideration of the question of the appeal against the High Commissioner's decision of May 23rd, 1923, concerning the interpretation of the agreement dated May 17th, 1922.

### VI. VARIOUS QUESTIONS.

#### A. Transfer of Buildings by Danzig to Poland.

##### (1) Declaration by Poland.

The Polish Government asserts that certain buildings which were assigned to Poland by the Commission of Repartition of German State property for governmental purposes have not till the present been handed over by the Free City of Danzig after having been evacuated, and that the Polish Government consequently has been unable for more than a year to establish in Danzig the postal, Customs and emigration services which are foreseen in the Treaty of November 9th, 1920.

##### (2) Declaration by Danzig.

It is correct that Poland has not yet taken over from the Free City some of the above-mentioned buildings. Danzig has, however, had good reasons. The following kinds of cases are in question

(a) In the barracks of *Neufahrwasser* a detachment of Danzig police has been quartered, originally with the consent of Poland. Danzig is now busy arranging for the accommodation of the police elsewhere at an early date and asks the Polish Government to agree provisionally to the existing arrangement pending completion of the buildings, especially as the police is indispensable in the harbour

(b) Danzig has for some time past been prepared to hand over the fortress hospital, but only with the existing leases, which give the party entitled to them, *i.e.*, Poland, the right to give 14 days notice<sup>1</sup>

(c) As regards the 60 tenements, Danzig is of opinion that their tenants cannot be compulsorily evicted, as, according to a decision of the Commission of Repartition and the Conference of Ambassadors, "les droits de tiers" are upheld. According to the laws in force in Danzig touching the control of housing, the tenants have the right to remain in their tenements. Should it, however, be decided that Danzig is under an obligation to carry out the evacuation of the tenements in question, Danzig is prepared to arrange, as far as possible, for the accommodation of the 60 families elsewhere.

#### B. Emigration.

A limited liability company has been formed by the Polish Government to undertake the business of emigration and immigration to and from Poland *via* Danzig. The capital of this company will be enlarged to allow of Danzig capital being admitted to a participation in the company in a proportion agreed upon between the two Governments.

The Danzig Government withdraws its request for the decision of the High Commissioner in this case.

### C. *Notgeld.*

Owing to the present depreciation of the German mark, the Polish Government does not feel prepared to accept Danzig Notgeld in Danzig at present, but is prepared to reopen conversations on this point.

### D. *Polish Commercial Academy at Danzig.*

The Free City declares that it is disposed to permit the opening of this academy, taking into consideration the regulations in force in Danzig, as soon as the Free City is furnished with satisfactory proof of the adequacy of the financial resources of the foundation and of the technical qualifications of the teaching personnel.

Further negotiations will settle the details of the establishment of the academy

### E. *Passport Control of Foreigners other than Polish Subjects in Danzig.*

The question of the difficulties arising out of the admission into the territory of the Free City of Danzig of foreigners not of Polish nationality whose papers are not in order has been settled by an appropriate declaration made to the Senate by the diplomatic representative of the Polish Government stationed at Danzig.

### F. *Visa Fees for Danzig Nationals.*

It is agreed that the Council be requested to leave in abeyance the hearing of the appeal against the decision of the High Commissioner dated May 1st, 1923, until such time as one or other party requests the decision of the Council thereon.

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## Annex 556.

C. 558. 1923. IX.

### REDUCTION OF ARMAMENTS WORK OF THE TEMPORARY MIXED COMMISSION FOR THE REDUCTION OF ARMAMENTS.

*Report by M. Salandra submitted to the Council on September 4th, 1923.*

The report of the Temporary Mixed Commission is submitted to us in its usual form (A. 35. 1923, Parts 1 and 2). I propose that we follow last year's precedent and forward this document to the Assembly without committing ourselves to any definite opinion on the questions to which it refers and the solutions which it proposes, and that we reserve our decision for a subsequent meeting.

In submitting this proposal, however, I wish to point out that the Council must retain the special duties in connection with disarmament which are entrusted to it under the Covenant. According to paragraph 2 of Article 8, the Council, as you are aware, is instructed to formulate plans for the reduction of armaments for the consideration and action of the several Governments. Therefore, whatever may be the procedure adopted, there can be no doubt that it is for the Council to take the final decision in connection with the definite drafting of any scheme or draft treaty for the reduction of armaments.

Perhaps you will allow me to add, not in my capacity as Rapporteur but as the representative of the Italian Government, a reservation which is necessitated by the fact that the Italian members of the Commission hold definite views in regard to the question of a Treaty of Guarantee.

These reservations made, three other questions still remain to be examined, to which the Commission has drawn our particular attention, and these I shall ask you to discuss forthwith.

The first question is raised by a recommendation in the report of the Temporary Mixed Commission which is as follows

"The Commission suggests that the Council might usefully invite the members of the drafting committee which was engaged on its report to put themselves at the disposal of the Assembly and to give the latter any explanations it may desire concerning the Treaty of Mutual Guarantee."

It seems that we could not do better than adopt this suggestion. It is very probable that a certain number of the members of this drafting committee will be present at the Assembly, in any case, as delegates or experts attached to various national delegations. In that case, a special invitation from the Council would be superfluous. I would therefore propose that you should adopt the following resolution

"The Council, on the recommendation of the Temporary Mixed Commission, decides to authorise the Secretary-General to invite those members of the Committee responsible for drafting the report of the Temporary Mixed Commission who may not be present at the Assembly as national delegates or experts to place themselves at the disposal of the Assembly in order to furnish the latter, if required, with any explanations it may consider relevant concerning the Commission's draft Treaty of Mutual Guarantee."