

Baron ALOISI willingly agreed to the draft resolution submitted by the Rapporteur. The Permanent Mandates Commission had done everything in its power to give an enlightening opinion concerning the line suggested by the Commission of Enquiry. It had, at the same time, felt obliged to inform the Council that, although it had had before it all the documentation of the Commission of Enquiry it could not be expected to express a definite opinion in the circumstances and thus assume a responsibility that could only fall upon the Commission of Enquiry which had had the benefit of access to direct sources of information.

Baron Aloisi considered this declaration entirely legitimate, and he took the opportunity to draw the Council's attention to the necessity in similar cases, of placing the Permanent Mandates Commission in a position to be able to express a definite opinion, since only so could it fulfil the objects for which it had been set up by the Covenant.

The draft resolution was adopted.

Nuri Pasha al Said and the Marquis Theodoli withdrew

3169. **Appeal of the Chinese Government. Report of the Commission of Enquiry set up in virtue of the Resolution adopted by the Council on December 10th, 1931 (continuation).**

(See *Official Journal*, December 1932 (Part I).)

3170. **Free City of Danzig Introduction of the Zloty as a Means of Payment on the Railways in the Territory of the Free City. Question of "Direct Action" (continuation).**

M. Ziehm, President of the Senate of the Free City of Danzig and M. Rosting, Acting High Commissioner of the League of Nations at Danzig, came to the Council table.

Sir John SIMON reminded the Council that the situation with regard to this question was urgent, because the Polish Decree to which Danzig took objection was intended to come into force on December 1st—that was to say on Thursday. Consequently the Committee which had been constituted,¹ consisting of Sir John Simon and the Spanish and Norwegian representatives, to whom he expressed his sincere thanks for their valuable assistance, had sat during the greater part of the previous day and had begun by hearing in turn the parties to the dispute.

The representative of Danzig had developed the opinion that the proposed decree of the Polish Government providing for the exclusive use of Polish currency on the railways in Danzig was contrary to the treaty obligations of Poland and constituted a case of "direct action." Since these arguments appeared in the document circulated to the Council (Annex 1411), there was no need to repeat them at present.

The Polish representative, on the other hand, had preferred not to enter into the legal justifications of the decree. He had explained the practical reasons for which the Polish Government had desired the introduction of the use of Polish currency on the Danzig railways which were administered by the Polish authorities, but the point to which he had appeared to attach particular importance was the question of principle involved in the application of the "direct action" procedure. The Polish representative had argued that if this special procedure were allowed to be applied to a case such as the present one, it would, in his view be capable of almost indefinite extension.

Sir John Simon and his colleagues had laboured to see if it were possible to put forward any project of arrangements or compromise which might be satisfactory to both parties. Such a project had been drawn up and was being circulated to the members of the Council, who would have it before them for consideration. This project read as follows:

" 1. The experiences of the Council during the past year having shown that the procedure regarding direct action set up by the Council resolution of March 13th, 1925,² is not in all respects satisfactory the Council decides to request a Committee of three of its Members to be appointed by the President to make a detailed study of the question of direct action and, after hearing the views of the parties, to present to the Council at its next session proposals for the setting-up of a more satisfactory procedure.

" 2. The Senate of the Free City withdraws its appeal of November 3rd, 1932, regarding direct action in the question of the introduction of the zloty as the sole method of payment on the railways of the territory of the Free City. Proceedings will be at once opened before the High Commissioner under the terms of Article 39 of the Treaty of Paris with a view to ascertain whether the Polish Decree of October 25th published in the *Dziennik Ustaw* No. 95, of October 31st, 1932, P.O.S.822, is in conformity with the treaties in force.

¹ See page 1947.

² See *Official Journal*, April 1925, pages 468 and 562.

“ 3. The Polish Government declares its readiness, pending a definite settlement of the question referred to in paragraph 2, to suspend the putting into force of the above-mentioned decree and of all measures resulting from it.”

He regretted to say that, in spite of the efforts of the Committee, and, he was sure, of the sincere desire of both sides, this project was not as yet agreed.

It was therefore impossible to let time go on from day to day when the proposed decree would come into operation so soon as December 1st. Inasmuch as the actual question involved was a question of “direct action” as to which the City of Danzig contended that direct action had arisen, whereas the Polish representative contended that that was not the true legal position, the Council must obviously and without delay be provided with an authoritative legal opinion. He would therefore suggest that the Council should at once decide to authorise the President to nominate a committee of five jurists to consider and report on the situation as soon as possible, from the legal point of view

While in that way provision would have been made against the risk of time passing and nothing being done, he would nevertheless strongly express the hope that the project which had been circulated, or something like it, might be found in the course of further reflection to be acceptable to both sides. The real object of the Council was to get agreement by goodwill and good sense and not necessarily to pursue a legal argument to its extreme limit, whatever the end to which legal argument might lead.

He would therefore suggest that for the moment the Council should content itself with appointing the committee of jurists and should not at once proceed to a discussion which, after all, could only lead to the presenting of conflicting points of view and that, after appointing the committee, the Council should confine itself to expressing the hope that further reflection would lead to a reconciliation between the two parties.

The proposals of Sir John Simon were adopted.

M. Ziehm and M. Rosting withdrew

(The Council went into private session.)

3171. Modifications in the Composition of the Committee on the Allocation of League Expenses.

M. MATOS presented the following report and draft resolution: ¹

“ The Council, at the fourth meeting of its sixty-ninth session, held on October 15th, 1932, adopted the following resolution.

“ The Council,

“ Renews the term of office of the Committee on the Allocation of League Expenses until 1934, with a view to the preparation of a revised scale of allocation,

“ Invites M. Réveillaud, Dr. H. F. Berger, Dr. Alfonso Lopez, Dr. Bogdan Markovitch, Mr. Phillips, M. Setsuzo Sawada, M. Soler, Sir Henry Strakosch and M. Zahle to continue to serve on that Committee as regular members; and Dr. P. Jacobsson and Dr. R. P. Paranjpye as substitute member, and,

“ Invites M. Salvador Martinez de Alva to serve on the Committee as a regular member.

“ I regret to have to inform the Council, however, that M. Salvador Martinez de Alva has notified the Secretary-General that he will be unable to serve on the Committee, as, since the last meeting of the Council, he has been appointed to a position in Mexico.

“ Further, Sir Henry Strakosch and Dr. Alfonso Lopez have written to state that, to their regret, they are unable to continue to serve on this Committee. You will recall that Sir Henry Strakosch has served on this Committee since 1920.

“ In these circumstances, we should proceed to make three new appointments. I would, however, be glad if the Council would allow me a little further time before suggesting a successor to Sir Henry Strakosch. In place of M. Salvador Martinez de Alva and Dr. Alfonso Lopez, I suggest to the Council the following names: M. Servando Barrera Guerra, Consul of Mexico at Zurich, and Dr. A. J. Restrepo, permanent delegate of Colombia accredited to the League of Nations.

“ I have, accordingly to propose the following resolution.

“ The Council,

“ Accepts with regret the resignation of Sir Henry Strakosch and of Dr. Alfonso Lopez, and expresses its thanks to Sir Henry Strakosch for the valuable services rendered to the Committee since the inception of its work, and to Dr. Alfonso Lopez, who joined the Committee more recently

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See page 1942.