

“(2) The Secretary-General is requested to communicate to the Financial Committee of the League all the recent correspondence on this question, with a request to that Committee to continue to follow the developments in the financial situation of the Free City and to make such further reports to the Council of the League as it may deem desirable.

“(3) The Secretary-General is asked to request the Danzig Government to continue to keep the League of Nations informed with regard to its financial situation and with regard to any further steps taken to carry out the recommendations approved by the Financial Committee of the League on September 6th, 1922.

“(4) The Secretary-General is requested to communicate to the Reparation Commission and to the Conference of Ambassadors those parts of the correspondence which concern their work, and to represent to the latter the desire of the Council to receive an early reply regarding the matters referred to it.”

Annex 446a.

C. 20. M. 9. 1923. 1.

FINANCIAL SITUATION OF THE FREE CITY OF DANZIG.

Letter from the Reparation Commission to the Secretary-General of the League.

Paris, January 6th, 1923.

Sir,

The Reparation Commission has the honour to refer to your letter of September 14th, 1922, forwarding a recommendation put forward by the Financial Committee of the League of Nations on September 6th, 1922, to the effect that the Free City of Danzig should be temporarily relieved from the financial liabilities incumbent on it under the Treaty of Versailles.

In reply the Commission desires to state that it has decided that a moratorium of twelve months running from the date of this letter shall be granted as regards Danzig's liabilities in respect of

(a) the properties formerly belonging to the German Empire or to the Prussian State acquired by the Free City under Articles 107 and 256 of the Treaty of Versailles, and

(b) the share of the German and Prussian Public Debts attributable to the Free City in accordance with Articles 108 and 254 of the Treaty

The Commission must, however, reserve the right to charge interest at 5% on the amount of the liabilities of Danzig up to the date on which they are paid.

As regards the Free City's liabilities in respect of

(1) The Inter-Allied occupation and administration in 1920, and

(2) The Mixed Boundary Commission set up under Article 101 of the Treaty the Commission points out that this question does not fall within its jurisdiction, and presumes that the Conference of Ambassadors, to which the question of Danzig's liabilities has also been submitted, will be competent to deal with this matter.

(Signed) B. W. KEMBALL COOK.

(») M. D. AMELIO.