

League of Red Cross Societies but for the National Red Cross of Bulgaria to take a hand in the work of assisting the refugees. He felt sure that the action of this national society would effectively prolong the international action now being undertaken.

Speaking personally he desired to express a hope which he trusted would meet with the agreement of the Council. The Council would recall that when it had been urged that the League should come to the aid of Bulgarian refugees, various motives had been put forward. These were, first, humanitarian motives. It had been necessary to assist hundreds of thousands of people in distress, but it had also been pointed out that the presence of a very large number of refugees in Bulgaria might, if these were not succoured, be a cause not only of external difficulty but also of troubles, even grave troubles, within the country. Everyone, however, was aware that for two or three years internal struggles had been going on in Bulgaria, which had been very sanguinary and marked with terrible outrages followed by heavy punishment. M. Vandervelde thought, perhaps, that at this juncture, when a more peaceful period was beginning, when the position of the refugees was less serious, and when new troubles were less likely to arise the moment had come for the Bulgarian Government to take into serious consideration the requests for an amnesty which had been sent, he thought, to every Member of the Council.

M. Vandervelde was convinced that the Council of the League would note with joy that, at the moment when the miseries of the refugees, which had deeply moved the Council, were being wiped out, at that same moment, events which, from the point of view of the internal situation of Bulgaria, had had serious consequences and which it was to everyone's advantage to forget, should be buried in oblivion.

M. SARAFFOFF warmly thanked M. Vandervelde for the kindly feeling which he invariably expressed for Bulgaria and especially for the Bulgarian refugees.

Sir Austen CHAMBERLAIN, while not wishing to do anything to detract from the force of the personal appeal made by the Rapporteur, which had been dictated by humanitarian considerations, felt bound to say that the Council could not, and ought not, to be made the place for representations regarding the internal affairs of any country. The Council sat as an international body and its usefulness and power to serve the cause of peace depended, he thought, first and foremost, on its respect for the sovereign rights of individual countries in their own affairs.

M. VANDERVELDE fully agreed with what the representative of the British Government had said, and that the Council should not interfere in the internal policy of independent States Members of the League. It was for this reason that he had been careful to express a personal hope and had merely asked that certain requests should be borne in mind. He had not expressed any view on the substance of the question.

The resolution was adopted.

M. Yovanovitch, M. Dendramis, M. Molloff, M. Saraffoff and M. Charron withdrew.

1899. Free City of Danzig Financial Position of the Free City

Dr. Sahn, President of the Senate of the Free City of Danzig, and Dr. van Hamel, High Commissioner of the League of Nations, came to the Council table.

M. VANDERVELDE read the following report and resolution ¹

"The Council will remember that in December it approved in principle the issue of a loan by the Free City of Danzig under the auspices of the League of Nations, provided that the Financial Committee was satisfied that certain conditions had been fulfilled. Some of these conditions had not been fulfilled only a week ago. It is public knowledge that some differences of opinion existed between Poland and Danzig, particularly concerning a clause in the Customs Agreement of September 20th, 1926, and concerning the composition of the Consortium by which the tobacco monopoly is to be administered.

"The situation has been thoroughly examined this week by the Financial Committee. My colleagues will, like myself, no doubt have noted with great satisfaction that, as a result of the work of the Financial Committee, these differences of opinion may now be considered to have disappeared. We may hope that the formalities which still have to be carried out will be completed very shortly.

"The Financial Committee explains in its report (Annex 944) that it has been informed that the Harbour Board intends to issue a separate loan. The Financial Committee sees no objection to such an issue on condition that it takes place after that of the loan of the Free City.

"The Council will, I am sure, wish to express the hope that the two loans, which cannot fail to produce a good effect on the economic life of both Danzig and Poland, may be issued in the near future.

"I propose, therefore, that the Council should adopt the following resolution.

"The Council takes note of the report of the Financial Committee concerning the financial situation of the Free City of Danzig and approves its conclusions. It specially thanks the Financial Committee for its work on this question and expresses the hope that all the formalities still to be carried out will be completed very shortly in order that the loan of the Free City of Danzig and that of the Harbour Board may be issued in the near future."

¹ Document C.143.1927.II.

Dr. SAHM, President of the Senate of the Free City of Danzig, said that when in December of last year the Council had recommended, under conditions still to be defined, the issue of a loan for the Free City of Danzig, everyone hoped that a solution would very shortly be reached. Despite long negotiations, it had not been possible to obtain this solution. The report which had just been read showed, however, that the old proverb "Where there's a will there's a way" had once again proved true at Geneva. If it had been possible to achieve a favourable result, it was due in the first place to the efforts of the Financial Committee of the League of Nations. The Financial Committee, and particularly its Sub-Committee, had been able, after a prolonged effort, to smooth away all difficulties. For this reason, and on behalf of the Free City he cordially thanked the Financial Committee for the work which had been done.

The Danzig delegation had throughout shown itself conciliatory, according to the instructions which had been given to it by the Government of the Free City of Danzig, even at the cost of considerable sacrifices.

The loan which the Free City proposed to issue was the second loan on behalf of Danzig arranged under the auspices of the League of Nations.

The first loan issued by the municipality of the Free City which had been intended for certain productive capital investment, had been crowned with success. This loan at its issue had been over-subscribed and was now quoted above the price of issue and was nearly at par. He would emphasise that it had very greatly contributed to strengthen the credit of the Free City and to foster its material interests. The new loan, which would probably be issued at a still more favourable moment, was not, it was true, destined for productive capital investment. A large part of this loan, amounting to 45 per cent of the total sum including the interest, was intended to meet the obligations of the Free City arising under the Treaty of Versailles and the costs of occupation for the year 1920. The Free City of Danzig had hoped to be able to meet these obligations by paying a lower sum, but it had made this sacrifice in order to show its desire to fulfil these requirements.

In conclusion, he expressed the hope that the final settlement of this question, which depended now on the ratification of the Treaty would very shortly be reached.

In thanking the Rapporteur, he declared, on behalf of the Free City that he accepted the report of the Financial Committee and that of the Rapporteur.

Dr. VAN HAMEL, High Commissioner for the League of Nations at Danzig, said he had followed with great interest the work of the Financial Committee so far as it concerned the affairs of Danzig, and he hoped that this work would facilitate the final restoration of the financial position of the Free City and the issue of the loan. It now remained for all those who were interested in the question to return to Danzig and continue the work.

Much valuable time had already passed since the Council had taken up this question. Personally from the results achieved, he drew the inference that, in future, a still greater effort should be made to reach at Danzig a solution of such problems, because it should not be impossible to achieve on the spot, without loss of time and by less complicated means, results similar to those which were now being recorded.

The practical work must now be undertaken, and he expressed his best wishes to the Government of Danzig.

In noting the work which still had to be done, it would be seen how much it still depended on continuous co-operation between the two Governments — co-operation in making detailed arrangements concerning the tobacco monopoly co-operation in the question which had already been regulated in principle, namely the final conclusion of the loan; co-operation in carrying out the Customs agreement. It was of the greatest importance that this agreement should be ratified as soon as possible by the two parties concerned.

When the Customs agreement had come into force, co-operation between the various administrative bodies of Danzig and Poland would be necessary in order to ensure its successful working. It was only by this means that the interests of trade would be safeguarded as well as the interests of the trading firms and of the Customs service. It was to be hoped that the practical application of the Treaty would not give rise to any dispute regarding which the organs of the League would be called upon to give their opinion and to take decisions. Such decisions could not, of course, be prejudiced in any way by the opinions which had now been formulated in regard to the provisions of the Treaty.

Finally co-operation between the parties was necessary in a matter which was closely, although indirectly bound up with the ratification of the Customs agreement, namely the issue of the loan of the Harbour Board with a view to the carrying-out of work for the improvement of the port. He would like to state that this object was of the greatest interest to him and had his complete sympathy.

In emphasising these few points, he respectfully congratulated the Rapporteur on his proposal.

M. STRASBURGER said that it was with the greatest interest that he had noted the remarkable results obtained by the Financial Committee. So far as he was concerned, he would like to thank that Committee, the Rapporteur and all the organs of the League of Nations for their valuable help.

Poland had on her side contributed to her utmost to the work of restoring the Free City. In September last that country had signed an agreement guaranteeing to the Free City a minimum of Customs receipts. This agreement had been carried out, and the Polish Government was prepared to submit it to the Diet so as to obtain, as quickly as possible, the final approval of the Legislature. The financial restoration of the Free City was, in fact, one of the most important factors in the economic development of Poland.

He would specially emphasise one part of the report submitted by the Financial Committee. It was observed in a passage of this report that the traffic in the harbour of Danzig had greatly increased during recent years. This trade had almost trebled in comparison with the best pre-war years, and this fact made it necessary to enlarge the port and to construct new docks.

He hoped that the two loans would contribute to the restoration of the Free City and, at the same time, to a development of the harbour and the economic life of Poland.

M. POSPISIL said he would add only a few words to the report of the Committee in order to express its satisfaction that after considerable delays all difficulties had been overcome. The realisation of the loan was of the highest importance for the Free City of Danzig and for Poland.

Nevertheless, the task of the Committee was not finished. He hoped that the final and constitutional approval of the Customs agreement by the two parties, as well as a final settlement of the obligations of the Free City of Danzig under the Treaty would in the near future be an accomplished fact.

He cordially thanked the Rapporteur and the other speakers for the kind words which they had addressed to the Financial Committee, these expressions of appreciation would certainly encourage that Committee to increase its efforts.

The PRESIDENT spoke as follows:

I hope you will allow me to make some general observations on the work of the League of Nations at this moment. I think the proceedings at to-day's meeting will greatly increase the appreciation of the outside world for the work of the League. This work can be carried out in two ways: First, by alleviating, by common effort, the individual cultural and social difficulties of those who have suffered personally from the war and from the post-war period. Those nations which fought against each other during the war have now come together and have combined in an effort to lighten the difficulties of the sufferers and to create new homes for those who have lost their own as a consequence of the war. If we look at this social and cultural work which is being carried on, I think we may be proud of the progress that has been made since the war, but we cannot be idealistic. We cannot help in cultural matters if we do not, at the same time, take into consideration the economic and financial aspects. We have to create economic and financial bases for the restoration of the equilibrium which was disturbed by the war and by post-war conditions. The Economic Conference which has been convened under the auspices of the League of Nations will, in a general way endeavour to restore the disturbed financial and economic equilibrium, but the Committees which have presented reports to-day and all the individuals who have assisted those Committees, do this same kind of work in specific cases where it is specially needed.

I would remind you of the work done by the League of Nations for the financial reconstruction of Austria. To-day we have heard reports regarding the banking and currency reform in Estonia. We have learnt that the Free City of Danzig, a new State organism created under difficult circumstances, has asked for a loan on its behalf. We hear from all concerned — from the President of the Senate of the Free City of Danzig, from the representative of Poland, from the High Commissioner and from the Chairman of the Financial Committee — that all the difficulties concerning this loan have been overcome, thanks to the good will of all parties.

I should like to say that, besides the high ideals which the League of Nations pursues, we attach also a certain importance to the practical side of the work which can be achieved, and, in my capacity as President of the Council, I should like to thank all those who have helped in this cultural, social and economic work of reconstruction.

The Rapporteur has referred to an instance in which international forces combined with the forces of the country itself — with the national forces — have obtained good results. I think the Council will be unanimous with me in expressing our best thanks to all those who have helped in the cultural, financial and economic work which has been done.

The resolution proposed by the Rapporteur was adopted.

1900. International Economic Conference.

The PRESIDENT read his report (Annex 947) and the following draft resolution.

The Council.

“ Noting that the appointments of members of the International Economic Conference so far made by the various Governments already ensure the attendance of a large number of men of the highest competence in economic matters; and, availing itself of the right which it reserved in its resolution of December 9th, 1926

“ (a) Decides to make the following additional appointments to the Conference.

“ Five members to be nominated by the International Chamber of Commerce
 “ The President of the Governing Body of the International Labour Office,