

operation between Poland and Danzig intended by the Treaties. It is needless to emphasize the importance, in order to achieve this object—which is desired equally by the Council of the League of Nations and by the Governments of Poland and of the Free City of Danzig,—of doing nothing which might prejudice the solution of the disputes by the means indicated above. I am quite convinced that when the problem has been formulated in its general aspect, the two Governments concerned will endeavour to help us to clear the ground and to prevent further occasions of conflict which might envenom the atmosphere and render more difficult the task of conciliation on the Danzig question, which the League of Nations so ardently desires to conduct to a satisfactory conclusion.

It seems to me to be useful, at the present time, to deal with certain questions raised by the High Commissioner and by the Polish Government, which are of a general character and are independent of specific disputes.

In the first place the question must be determined as to what is the exact relation between Article 104 of the Peace Treaty of Versailles and the Treaty concluded at Paris on November 9th, 1920. I am of opinion that the Treaty of November 9th, 1920, constitutes an entirely valid legal basis for the relations between Danzig and Poland, but that in the event of doubt as to the interpretation of any clause in the Treaty of November 9th recourse may be had, in order to dispel such doubt, to Article 104 of the Treaty of Versailles in virtue of which the Treaty of November 9th, 1920, was concluded. If I rightly understand the position, the Polish representative appears to accept this standpoint, as a result of the exchange of views which took place at the meeting of the Council on the 4th inst.

As regards the question of the competence of the High Commissioner, I feel, that that is an extremely delicate matter in regard to which I should not like to express a definite opinion at the present time. It seems to me that the High Commissioner himself should in principle decide in each case whether he is competent to pronounce a decision in a dispute between Danzig and Poland. The terms of the stipulations contained in paragraph 2 of Article 103 of the Treaty of Versailles and in Article 39 of the Treaty of November 9th, 1920, are very wide, and I think that in practice it would perhaps be possible to establish certain more definite rules in order to avoid any appearance of interference by the High Commissioner in affairs, for example, which should be reserved for decision by the courts of the two countries. If in any particular case the one Government or the other feels bound to dispute the competence of the High Commissioner, it will be able to appeal to the Council. In this situation I do not think it is absolutely necessary for the moment, to attempt to lay down any general rules.

I view in somewhat the same light the question raised by the High Commissioner regarding the procedure to be followed, when discussions take place before him between the two parties, with a view to the settlement of a dispute. The High Commissioner drew the attention of the Council to the fact that no stipulation is contained in the Treaties as to the method to be employed by him in these discussions and that the choice of method was left to him. He said that he would continue to consult the representatives of the two Governments before fixing the date and hour of the meetings which he might judge necessary either in order to try to negotiate an agreement between the two parties or to obtain information himself on all the details of the disputes which had arisen between the two Governments. It would appear from the documents before us that the Polish representative at Danzig declares that he is always ready to furnish personally or through a representative, any oral or written explanation that the High Commissioner may consider necessary, and that he is ready to take part in the conference convened by the High Commissioner after arriving at a preliminary agreement with the latter, as to the advisability of holding these meetings and as to their agenda. I do not think that the slight divergence between the view expressed by the High Commissioner and this declaration by the Polish representative at Danzig is very important. It is the momentarily strained relations between Danzig and Poland which appear to have caused the Polish representative to adopt an attitude of some reserve as regards meeting a Danzig representative in the presence of the High Commissioner. I therefore hope that no fresh difficulty will arise with regard to procedure and I am sure that the High Commissioner will not experience any difficulty in bringing the two parties together, if necessary in order to obtain co-operation.

I have the honour to propose to the Council the following resolution

“The Council adopts the present report and gives instructions that copies of it be forwarded by the Secretary-General to the Governments of Poland and Danzig and to the High Commissioner of the League of Nations at Danzig.”

Annex 532.

C. 436 (1) 1923. I.

FREE CITY OF DANZIG. FINANCIAL SITUATION OF THE FREE CITY.

Report by M. Quiñones de León, and resolutions adopted by the Council, on July 4th, 1923.

Since the last session of the Council, the financial situation of the Free City of Danzig has been again considered by the Financial Committee, and you have now before you the portions of its general report to the Council which deal with this question. The negotiations which

the Council undertook with the Reparation Commission resulted in the decision of May 18th, 1923, which has already been communicated to you. The Reparation Commission's letter reveals, as you will have noticed, a sympathetic attitude towards the Free City of Danzig, and will, it is to be hoped, further the raising of the loan of 500,000 gold marks, which was recommended by the Financial Committee during the twenty-third session of the Council (February 3rd, 1923)¹ You will, no doubt, desire to express your thanks to the Reparation Commission.

With regard to this loan of 500,000 gold marks, I will ask the Council to approve the second paragraph of the Financial Committee's report, and in reply to the recent communication from the Conference of Ambassadors, to request the Conference to forward its final decision as soon as possible.

The Council fully recognises the general difficulty of the financial position of Danzig, and realises that these embarrassments have been substantially increased by the depreciation of the German mark. Dr. Volkmann, Financial Senator of the Free City of Danzig, made a verbal statement to the Financial Committee, and explained his fears as to the possible financial consequences of the general situation of the Free City of Danzig he outlined a preliminary scheme of currency reform, which, he stated, however, merely represented his personal views.

The Council will realise that the negotiations for the loan may be hampered by the fact that the legal status of the borrower has only existed for a few years, and also by the fact that the borrower's relations with a neighbouring State involve frequent negotiations.

I now request the Council to approve the following resolutions

" (1) The Council takes note of the report presented by the Financial Committee regarding the financial situation of the Free City of Danzig.

" (2) As regards the action which, in paragraph 2 of its report, the Committee recommends

" The Council has just been made acquainted with the letter of June 27th from the Conference of Ambassadors stating that a questionnaire would shortly be drawn up and forwarded to the Secretariat of the League of Nations, with a view to obtaining exact information regarding the financial situation of Danzig.

" The Council requests the Secretariat to send at once to the Conference of Ambassadors any information which might throw light on the question.

" It hopes that, in view of the urgency of the question, the Conference will consider whether it cannot take a decision on the receipt of this information it trusts that the Conference of Ambassadors will be willing, so far as it is concerned, not to put any obstacle in the way of the issue of the loan which the Free City of Danzig proposes to raise, so that the assets necessary for securing the loan may be entirely released.

" (3) The Council thanks the Reparation Commission for the sympathetic attitude revealed in its letter of May 18th, 1923.

" (4) Finally, the Council requests the Financial Committee to keep it informed of any schemes for currency reform which may be submitted to it."

Annex 533.

C. 460. 1923. VII.

EXPROPRIATION BY THE ROUMANIAN GOVERNMENT OF THE IMMOVABLE PROPERTY OF HUNGARIAN OPTANTS.

Statement by M. Adalci. submitted to the Council on July 5th, 1923.

On April 23rd last² the Council instructed me to provide material for a further discussion on the question of Hungarian optants, and at the same time requested the two Governments concerned to use their best endeavours to arrive at an agreement. In pursuance of this Council resolution, I summoned the Hungarian and Roumanian representatives to meet at Brussels on May 26th, the results of this meeting are embodied in a report, which has been circulated to Members of the Council (Annex 533 a). I ventured to include a draft recommendation to the two Governments the report also contains as an annex the minutes of the principal conversations, which took place between the representatives of the two Parties on May 27th.

The wording of all these documents was carefully examined by the Hungarian and Roumanian representatives, who were quite free to make corrections and additions it was fully accepted by them in the name of their respective Governments.

Since the receipt of this report by my colleagues, to my great surprise, new facts have come to light, and mention should be made of these before the opening of any further discussion on the question of Hungarian optants in Transylvania. These facts have been brought to the notice of the Members of the Council by official documents submitted by the Hungarian Government. In the first place, that Government, in a letter from the Hungarian Minister for Foreign Affairs accompanied by a memorandum dated June 12th, has informed me that it considered that the

See *Official Journal*, March 1923, page 243.

See *Official Journal*, June 1923, page 611.