

## Annex 518a.

A. 12. 1923. II.

## WORK OF THE FINANCIAL COMMITTEE.

*Report on the work of the Tenth Session, held at Geneva from June 21st to June 24th, 1923, submitted to the Council on July 2nd, 1923.*

The Financial Committee held its tenth session at Geneva from June 21st to 24th, 1923. The following members were present

M. JANSSEN (Chairman)	Belgium
Comm. BIANCHINI	Italy
M. PARMENTIER	France
M. TER MEULEN	Netherlands
Sir Henry STRAKOSCH	South Africa

Mr. Dolbeare was, at the request of the United States, invited to attend during those portions of the meetings when the question of the loan for Greek refugees was discussed.

## I. ELECTION OF THE CHAIRMAN.

In accordance with the principle of rotation which had been followed since the formation of the Financial Committee, the Committee elected M. Albert JANSSEN as Chairman for 1923.

The Committee passed a vote of thanks to M. Marcus Wallenberg, who had acted as Chairman during 1922.

## II. LOAN FOR GREEK REFUGEES.

The Committee, with the assistance of Mr. Dolbeare, the American Delegate, devoted the greater part of its time to the study of this question.

A special report setting forth the results of its discussions is being submitted to the special Sub-Committee of the Council, consisting, in accordance with the Council's resolution of April 23rd, 1923, of the representatives of France, Great Britain and Italy.

## III. FINANCIAL POSITION OF THE FREE CITY OF DANZIG.

1. The Financial Committee noted that, as a result of representations made by the Committee and by the Council of the League of Nations, the Reparation Commission made the following declaration on May 18th in reply to a request for priority for a loan of 500,000 gold marks

“ In order, as far as lies in its power, to help towards the conclusion of any financial arrangements which the League of Nations may deem necessary, the Reparation Commission does not claim any special security for the debt due to it.”

The Committee is of opinion that this reply, as it stands, may serve as a basis for the immediate opening of negotiations between the Free City of Danzig and possible lenders.

When the negotiations have resulted in a definite scheme, should any special difficulties arise in connection with the debt due to the Reparation Commission, the Committee might then, at the request of the Free City, offer its good offices in attempting to meet such difficulties.

2. The Financial Committee recommends the Council of the League of Nations to make further representations to the Conference of Ambassadors, requesting it to place no obstacles in the way of the issue of the loan of 500,000 gold marks contemplated by the Free City of Danzig in order that the necessary securities to guarantee the loan may be completely freed.

3. Dr. Volkmann has put before the Financial Committee a declaration in which he emphasises that any negotiation for a loan is prejudiced by the uncertain position of Danzig as regards foreign policy.

As the Committee is neither empowered nor sufficiently informed to form a judgment of this political situation, it ventures to draw the attention of the Council to the fact that Danzig will not be able to conduct negotiations for obtaining credit unless the stability of the Free City as established by the Treaty of Versailles, is recognised.

4. The Financial Committee considers that the scheme of currency reform set forth verbally by Dr. Volkmann is compatible in its main outline with the object in view, namely, the stabilisation of the currency situation of the Free City of Danzig. This object was indicated as desirable by the Financial Committee at its session held in August and September 1922.

The Committee asks Dr. Volkmann to forward to the Secretariat as soon as possible a detailed plan of the proposed currency reform.

## IV DOUBLE TAXATION AND FISCAL EVASION.

During the interval between its two sessions, the Financial Committee noted the progress made in the examination of this question by the two Committees for whose collaboration it had asked.