

30. In economic respects the re-establishment of Danzig as Poland's port proved the great value of that relationship to both parties. The growth of Poland's maritime trade proved that, if Poland's economic life had been able to develop naturally, Danzig and Gdynia together would not have been too large to meet her needs. (See Part II of this Paper, paras. 37 and 41.)

31. Internationally the experiment proved that it is difficult, if not impossible, for a community so small as Danzig to remain independent either in peace or in war, unless in particularly favourable conditions. These did not exist in the case of Danzig, owing to the tension which existed between her two neighbours. In such conditions it could not be expected that the Danzigers should not show sympathy with one neighbour rather than the other. The situation was, indeed, dependent to a great extent on wider questions affecting the whole region of the Baltic, with which this paper is not primarily concerned.

## PART II.—ECONOMIC.

### *Introduction.*

32. Whether tributary to the Teutonic Knights (1308-1454) or subject to the King of Poland (1454-1793), the port of Danzig was indisputably dependent for its economic prosperity on its Polish hinterland. Its decline in the seventeenth century corresponded with the political and economic decay of Poland: its severance from the greater part of its hinterland, when it came under Prussian rule in 1814, combined with the general decline in the relative importance of Baltic trade, prevented it from regaining its former international importance. When the Allied Powers set up Danzig in 1920 as a Free City, intimately connected with Poland, though not, as in the days of its greatest wealth, under Polish suzerainty, it was hoped that conditions were being created which would enable Danzig to make itself once again a leading Baltic port. This position was, in fact, attained. During the first decade of its connexion with Poland, Danzig enjoyed considerable prosperity, largely owing to the Polish policy of encouraging sea-borne trade at the expense of the overland export traffic. Its position compared very favourably with that of the German Baltic ports, whose trade was affected by the competition of Hamburg and the loss of most of their former Polish trade. For various reasons, chief among which was the competition from the port of Gdynia, the high level reached by Danzig in 1927-31 was not maintained; but, even when trade was at its worst, the volume of traffic appears to have been no less than in 1913. Though the ultimate failure of the settlement initiated at Versailles was due to political rather than to economic causes, the latter undoubtedly increased Danzig's feeling of grievance and political opposition to Poland.

### *Economic History.*

33. *Danzig under Prussia: 1814-19.*—Under Prussia, Danzig's status and prosperity declined. It lost the autonomous powers that it had enjoyed for many centuries and its position as an international commercial centre. During the first half of the nineteenth century its trade dropped steeply, mainly owing to the change in the trade routes during and after the Napoleonic Wars and to the political division of its former hinterland between Russia and Prussia. Great Britain transferred her timber purchases to Canada and Scandinavia; Western Europe increasingly bought American wheat and encouraged its own corn production by protective customs. The coming of the railways led to the diversion of the trade of Congress Poland eastwards to the Russian Black Sea and Baltic ports, and of the trade of Prussian Poland westwards to the German ports of Stettin, Bremen, and Hamburg. As Prussia's needs were adequately served by Pillau and Königsberg in the east and by Stettin in the west, Danzig's interests became restricted to its immediate hinterland of West Prussia. In 1846 Stettin was linked by rail with Silesia; in 1857 the Berlin-Königsberg line was constructed, leaving Danzig 22 miles to the north. Berlin had already been connected with Hamburg in 1846. Only in 1867 did Danzig obtain a branch railway from Tczew (Dirschau).

34. Prussian tariff policy, both before and during Bismarck's time, tended to prejudice Danzig's interests, since the high customs wall between Prussia and Russia virtually closed the market of Russian Poland to Danzig merchants. The tariff treaty with Russia in 1894 put an end, however, to this handicap; and as a result of Danzig's renewed access to the districts east of the Vistula,